

Originally Processed With FOIA(s):

FOIA Number:

S

# FOIA MARKER

**This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.**

---

**Record Group/Collection:** George H.W. Bush Presidential Records  
**Collection/Office of Origin:** Speechwriting, White House Office of  
**Series:** Speech File Draft Files  
**Subseries:** Chron File, 1989-1993

---

**OA/ID Number:** 13493  
**Folder ID Number:** 13493-006

---

**Folder Title:**  
Library of Congress 6/29/89 [3]

---

Stack:	Row:	Section:	Shelf:	Position:
<b>G</b>	<b>25</b>	<b>6</b>	<b>3</b>	<b>6</b>

---

Davis/Martin  
June 28, 1989  
Draft: Five  
Title: Campaign

PRESIDENTIAL ADDRESS: LIBRARY OF CONGRESS  
JUNE 29, 1989/2 p.m.

Thank you. ((Acknowledgements))

((I have to admit, I feel a little awkward giving a speech at this particular place . . . all those years of being told not to speak out-loud in a library.))

The Library of Congress has been called the diary of the American people. In truth, it is a diary of the human race. And in the million stories of achievement it has to tell, one truth is revealed above all others: That for all its blemishes, government of the people is the greatest achievement of all.

As I look around me, I see the best and the brightest of a new generation. For you, this summer of independence is just a sweet taste of adulthood. Trust me, freedom is not as far-off as it seems. Whatever you do in Washington -- page or intern -- you are apprentices in a noble profession -- public service.

We exalt public service because we do not exalt our government. We keep government close, close to the people it is meant to serve. And there is another fundamental concept in our

THE WHITE HOUSE  
WASHINGTON

June 28, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH:           CHRISS WINSTON *W*  
FROM:               MARK DAVIS *M*  
SUBJECT:            LIBRARY OF CONGRESS SPEECH

I.    SUMMARY

On Thursday, June 29, 1989, you will address an audience of 400 congressional, executive and Administration interns at the Library of Congress. The purpose of this speech is to announce the new campaign finance reform package. You will speak for approximately 15 to 20 minutes from a teleprompted text.

II.   DISCUSSION

These remarks cover the topics of contributions limits by PACs, political parties and individuals; the incumbency advantage (including the use of excess campaign funds, and perpetuation of incumbency through redistricting); soft money and the need for full disclosure, and banning honoraria.

way of governing -- reform. Ours is not a perfect government. It is a government constantly perfected.

A steadily improving government is the result of our open political system. And in this system, elections are more than the deadlines of democracy; they are the marketplace of ideas. They are not just contests between individuals -- they are contests between philosophies. When this sharp edge of competition is dulled, democracy loses.

#### **STRENGTHENING THE ROLE OF THE PARTIES**

In April, I proposed comprehensive ethics legislation for all branches of government. Today, I call on Congress to pass that package. But I also want to address other problems -- how to free our electoral system from the grip of special interests, how to spur the free competition of ideas.

You have often heard me speak of the necessity of bipartisanship. And I do strongly believe we must work together when dealing with the most difficult challenges facing our country -- **not as partisans -- but as Americans.**

But we will not -- and should not -- cease to be Republicans and Democrats. True, the Founding Fathers envisioned no role for parties. Yet 200 years of political experience has shown their value. Political parties clarify and sharpen debate. They shape

coalitions of like-minded people, giving millions of working Americans an effective way to support their beliefs and advance their candidates. **Parties are the indispensable organizers of democracy.**

Yet times have changed. Today's special-interest Political Action Committees and their \$160 million war chest overshadow the great parties of Thomas Jefferson and Abraham Lincoln. As the strength of our parties erodes, so does the strength of our political system. Distinctions between candidates become muddled, and Congressional debate lacks coherence and discipline. By necessity, Members of Congress engage in time-consuming and often degrading appeals for money outside the party structure. As vigorous competition between candidates, and between ideas, wanes, the clear winner in the race for PAC dollars is incumbency.

Some believe public financing is the best answer. I do not. If we exclude individuals from the process, we exclude the public. Ironically, this is the end result of public financing. It also would force taxpayers to support extremist candidates they abhor. It would be a siphon from the U.S. Treasury, already in deficit, to campaign coffers. Public financing would do nothing to strengthen the parties; if anything, it would strengthen the status quo. We don't need more money in the system. We need to offer the voters more choice.

Spending limits are not the answer either. If candidates have equal resources, incumbents will hold a tremendous advantage. Spending limits amount to an incumbent protection plan.

The answer is reform. We need reforms that curtail the role of special interests, enhance the role of the individual and strengthen the parties. So today, I propose just that -- a sweeping reform of our system. More than 90 percent of all PAC contributions come from PACs sponsored by corporations, unions and trade associations. So the cornerstone of our reform is the **elimination of all special-interest Political Action Committees.**

\*\*\* I propose the elimination of Congressional leadership PACs, through which Members of Congress bid for the loyalty of their colleagues.

\*\*\* I propose to end a practice known as "bundling," where business and unions encourage or coerce contributions from employees or members, and then give these contributions as a single donation.

As these reforms curtail special-interest money, we must encourage the role of the parties. I propose to more than double the amount of money parties may donate to congressional

campaigns. Increasing party donations to federal candidates will allow legislators to spend more time legislating and less time raising money. It will give challengers the means to compete with incumbents. And it will allow all candidates to avoid having to raise money from special interests.

Still, some PACs should remain because they are protected by the First Amendment. These independent PACs account for about ten percent of all contributions. But even these I would limit, by halving their allowable contributions to federal candidates from \$5,000 to \$2,500. And new laws must keep such PACs unaffiliated and independent, so a business or labor group could not use them as a backdoor means of influencing the process.

#### **CLEANING UP THE SYSTEM**

We must do more to truly clean up the system. The basic strength of today's system is disclosure. Yet most money spent in American elections is not disclosed. This little known area of campaign finance law called "soft money" concerns dollars spent on voter turnout efforts. I call on Congress to join me in mandating full disclosure of all soft money contributions by the political parties, as well as corporations, unions and trade associations.

Other laws govern independent expenditure groups, which can spend any amount of money to elect or defeat a candidate so long

as their activities are not coordinated with those of a particular candidate. While some of these groups perform a public service, too often they mask the motives of hidden contributors, acting as mercenary character assassins. Often, they deceive the public into thinking that they are a candidate's campaign. Yet all independent expenditure groups -- the good and the bad alike -- are protected by the Constitution. In order to provide more information to the public, I propose that such groups should be required to more clearly identify the person or organization behind them.

I also propose to strengthen the Supreme Court's Beck decision, so that no member of a union can be forced to contribute dues to political activities he or she doesn't support. To coerce political donations from working men and women is unfair and un-American. This practice must stop.

#### **REDRESSING THE INCUMBENCY ADVANTAGE**

The third, and final area of reform directly concerns the powers of incumbency. Jefferson envisioned a Congress of citizen-politicians, who suspended their careers in law, medicine and agriculture to serve the nation. How far we've come from that simple vision. Today, incumbents stay in office for decades, amassing huge warchests to scare off strong challenges in election after election.

This is not democracy in the spirit of Madison and Jefferson. This is not the spirit of democracy at all. I renew my proposal to end the "rollover" of campaign war chests, requiring all excess campaign funds to be donated to the parties, to a fund to retire the national debt or be given back to the contributors.

Under our current law, 190 House Members in office in 1980 can also use their leftover campaign money as a personal retirement fund -- pocketing hundreds of thousands -- even millions -- of dollars when they leave office. Senators are allowed to convert these funds for official use. Congress should pack up this golden parachute.

Another advantage of incumbency arises from the way in which Members of Congress use the public frank to pay for slick direct-mail advertising. The cost to the taxpayers was more than \$113 million in 1988. The cost to our democracy is incalculable. I propose limiting the use of the frank by capping mass mailings for Members to once a year -- on newsletters to be mailed only in December, January or February.

Yet another area in need of reform is redistricting -- the way in which parties in power ignore community boundaries and draw district lines favorable to their candidates. This

gerrymandering is why many Congressional Districts look like creatures my youngest grandchildren would draw.

The permanent majority that results from non-competitive elections is rock solid. Despite the stark differences between the two national parties, of the 435 seats in the House, 387 -- or 90 percent -- have not switched parties since 1982. Perhaps California provides the best example, where only one seat in 135 elections changed parties in the 1980s. No single factor is more basic to restoring competitive elections than ensuring fair redistricting in 1990. I propose a new criteria for redistricting, without favor to party, to respect community and traditional lines. We must draw district lines that respect the needs of the people, not tailor them to the political needs of the parties.

Finally, in the next few days I will also send up legislation to ban honoraria and to address certain aspects of compensation for federal officials. This package will include a 25 percent pay increase for judges, which I have previously recommended, a 25 percent increase for the Senior Executive Service and senior level Presidential appointees, and a substantial increase for a limited number of specialized professionals -- such as nuclear scientists and surgeons -- where the Executive Branch is not competitive. I will also work with Congress on the development of details for increasing the pay of

those in the Congress, as well as the remainder of the Executive Branch.

### CONCLUSION

This year, as Congress observes its 200th anniversary. Eleven thousand Americans have served in the House and Senate in the history of our Republic. A few names on this roster are infamous, associated with scandal or remembered as demagogues. But the Bilbos and the McCarthys are few. Most have served in the greater tradition of Russell and Rayburn, Dirksen and Mansfield, Dole and Mitchell. Some day, you may follow this path, the path to greatness and achievement through public service. And if you do, I hope the laws that govern our campaigns and our Congress are as just and honest as the majority of those who serve the public.

This vast and honest majority in Congress live the words of George Washington, who said the noblest title in the world isn't President, or Senator, or Congressman -- but "Honest Man."

Whatever you do in life, you can have no higher title than that. Thank you, God bless you and God bless America.

#

#

#

CLOSE HOLD

Document No. 048419 SS

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/27/89 ACTION/CONCURRENCE/COMMENT DUE BY: 6/28/89 NOON

SUBJECT: PRESIDENTIAL REMARKS: LIBRARY OF CONGRESS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than NOON, Wednesday, June 28, 1989, with an info copy to my office. Thank you.

RESPONSE:

CLOSE HOLD

James W. Cicconi  
Assistant to the President  
and Deputy to the Chief of Staff  
Ext. 2702

1989 JUN 27 PM 5:41

Davis/Martin  
June 26, 1989  
Draft: Two  
Title: Campaign

PRESIDENTIAL ADDRESS: LIBRARY OF CONGRESS  
JUNE 29, 1989/2 p.m.

Thank you. ((Acknowledgements/Joke))

((I have to admit, I feel a little awkward giving a speech at this particular place . . . all those years of being told not to speak out-loud in a library.))

The Library of Congress has been called the diary of the American people. In truth, it is a diary of the human race. And in the million stories of achievement it has to tell, one truth is revealed above all others: That for all its blemishes, government of the people is the greatest achievement of all.

As I look around me, I see the best and the brightest of a new generation. Some of you are interns. And for you, this summer of independence is just a sweet taste of adulthood. Trust me, freedom is not as far-off as it seems. Others, I see, have already embarked on the great adventure of a career. But whatever you do in Washington -- page, intern or a Congressional aide -- you are apprentices in a noble profession -- public service.

We exalt public service precisely because we do not exalt our government. We keep it close, close to the people it is meant to serve. And there is another fundamental concept in our way of governing -- reform. Ours is not a perfect government. It is a government which is being constantly perfected.

Every abuse in our political system has been followed by reform; and every cycle of reform has left the American political process more honest, more democratic.

The reforms of the early seventies were a vast improvement over the old system, bringing openness and accountability to federal campaign finance and public ethics. But these reforms have clearly not gone far enough. As a former Member of Congress, I care deeply about protecting the reputation and integrity of this institution. Recent events give us all cause for concern.

Recent scandals are but symptoms of a pervasive disease -- the growing lack of competition within our political system. At one time, as much as (twenty?) percent of Congressional incumbents lost to challengers. Today, the re-election rate of incumbents in the House of Representatives is better than 98 percent. A political body, like a river, must be in constant flow to remain fresh and clean. But a permanent House with a permanent majority is as unhealthy as a stagnant pond.

**STRENGTHENING THE ROLE OF THE PARTIES**

There is yet another fundamental problem -- the erosion of the political party as a force in American political life. You have often heard me speak of the necessity of bipartisanship. And I do strongly believe we must work together when dealing with the most difficult challenges facing our country -- not as partisans -- but as Americans.

But we will not -- and should not -- cease to be Republicans and Democrats. True, the Founding Fathers envisioned no role for parties. Yet 200 years of political experience has taught us that parties are the indispensable organizers of democracy. Our political parties clarify and sharpen debate. They shape coalitions of like-minded people, giving millions of working Americans an effective way to support their beliefs and advance their candidates. A political party is a meeting house for the nation.

Yet the great parties of Andrew Jackson and Abraham Lincoln have been overshadowed by the emergence of special interest PACs, armed with a \$160 billion war chest. As parties are weakened, distinctions between candidates become muddled, and Congressional policy lacks coherence. Members of Congress are forced to engage in time-consuming and often degrading appeals for money. And

vigorous competition between candidates, and between ideas, becomes muted.

Some believe public financing is the best answer. I do not. Public financing would do nothing to strengthen the parties, while directly involving government in the political process. It would force taxpayers to support extremist candidates they abhor. And it would be a siphon from the U.S. Treasury, already in deficit, to campaign coffers. Such a public-finance regime could be too easily subverted, ~~-- dangerous to democracy.~~

What, then, is the answer? Today, I propose a sweeping reform of our system. And the cornerstone of this reform is nothing less than the elimination of all business, union and trade association Political Action Committees.

Some PACs will still exist because they are protected by the First Amendment. These free-standing or ideological PACs, like the Sierra Club or ((the National Taxpayers Union)), account for about ten percent of all contributions. But even these I would limit, by halving their contributions to federal candidates from \$5,000 to \$2,500. And new laws must keep such PACs unaffiliated and independent, so a business or labor group could not use them as a backdoor means of influencing the process.

I also propose the elimination of Congressional leadership PACs, through which Members of Congress bid for the loyalty of their colleagues. In addition, all transfers between PACs must be eliminated, and each candidate or incumbent must have only one PAC.

We must especially eliminate a dishonest practice known as "bundling," where business and unions encourage or coerce contributions from employees or members, and then give these contributions as a single donation.

As these reforms stem <sup>contributions from</sup> ~~special-interest public finance~~ <sup>groups</sup>, we must allow the parties to make the difference. Because their financial contributions come from many sources, parties donate funds free of the taint of special interest. I propose to more than double the amount of money parties may donate to congressional campaigns, and liberalize the restrictions on party contributions. Political parties must not be treated as if they were mere special-interest PACs. They should resume their fundamental role in American democracy.

#### **CLEANING UP THE SYSTEM**

But the elimination of special interest PACs still does not go far enough in cleaning up our system of financing federal campaigns. The basic strength of today's system is disclosure. Why not open the books for all to see?

In a post-PAC era, corporations, unions and trade associations will need an open way to participate in our democracy. Our proposal would allow organizations to participate in get-out-the-vote activities -- provided they make a full disclosure of their contributions and activities.

This brings me to a little known and shadowy area of finance law called "soft money," concerning dollars spent on voter turnout efforts. Full disclosure is the premise behind our federal campaign finance law. Yet most money spent in American elections is not disclosed. I call on Congress to join me in mandating full disclosure of all soft money contributions, including voter registration and get-out-the vote activities.

Other laws govern independent expenditure groups, which can spend any amount of money to elect or defeat a candidate so long as their activities are not coordinated with those of a particular candidate. While some of these groups perform a public service, too often they mask the motives of hidden contributors, acting as mercenary character assassins. Yet all independent expenditure groups -- the good and the bad alike -- are protected by a Supreme Court ruling.

If there are to be such independent expenditure groups, at least they should have to disclose all their expenditures. Such

groups should also be required to more clearly identify the person or organization behind them. And those candidates who believe they are victims of an illegal collusion between an independent expenditure group and another campaign should be guaranteed a hearing before the Federal Election Commission within three days. At the very least, we can allow victims of such attacks a public forum to respond.

I also propose to strengthen the Supreme Court's Beck decision, so that no member of a union can be forced to contribute dues to political activities he or she doesn't support. *on company?*  
**To coerce political donations from working men and women is unfair and un-American. This practice must stop.**

The package I have outlined is comprehensive. If it is to become law, all the major provisions must be passed -- otherwise, our reforms, like so many of the past, will spawn further unintended abuses.

#### **REDRESSING THE INCUMBENCY ADVANTAGE**

The third~~x~~ and final area of reform directly concerns Congressional conduct. Jefferson envisioned a Congress of citizen-politicians, who suspended their careers in law, medicine and agriculture to serve the nation. How far we've come from that simple vision. Today, incumbents stay in office for

decades, amassing huge warchests to scare off strong challenges in election after election.

This is not democracy in the spirit of Madison and Jefferson. This is not the spirit of democracy at all. I renew my proposal to end these "rollovers," requiring all excess campaign funds to be donated to the parties, to a fund to retire the national debt or be given back to the contributors.

Under our current law, 190 House Members who were elected before 1980 can also use their leftover campaign money as a personal retirement fund -- pocketing hundreds of thousands -- even millions -- of dollars when they leave office. Senators elected before 1980 are allowed to convert these funds for official use. Congress should bag this golden parachute.

I also propose to solve the most egregious wrong in American public life. As it stands, members of Congress can supplement their incomes by as much as 40 percent by making speeches before special-interest groups. I said on April 12 I would support a pay raise for Members of Congress. I have consulted with Congress on such a raise. And now that I recommend a pay raise for the executive, judicial and legislative branches, I also call for phase out of honoraria.

Finally, allow me to turn your attention toward redistricting -- the way in which parties in power ignore community boundaries and draw district lines favorable to their candidates. This gerrymandering (GARY-mandering) is why many Congressional Districts look like something my youngest grandchildren would draw.

Elections are nothing less than the marketplace of ideas from which the people choose. They are not just contests between individuals -- they are contests between philosophies. When this sharp edge of competition is dulled, democracy loses. No single factor is more basic to this competition than ensuring fair redistricting in 1990. I propose a new criteria for redistricting, without favor to party, to respect community and traditional lines. We must draw district lines that are tailored to the needs of the people, not to the political needs of parties.

#### CONCLUSION

This year, as Congress observes its 200th anniversary. ((Number)) thousand Americans have served in the House and Senate in the history of our Republic. A few names on this roster are infamous, associated with scandal or remembered as demagogues. But the Bilbos and the McCarthys are few. Most have served in the greater tradition of Clay and Webster, Dirksen and Mansfield, Dole and Mitchell. Some day, you may follow this path, the path

to greatness and glory through public service. And when you do, I hope the laws that govern our campaigns and our Congress are as just and honest as the majority of those who serve the public.

This vast and honest majority in Congress live the words of George Washington, who said the noblest title in the world isn't President, or Senator, or Congressman -- but "Honest Man."

Whatever you do in life, you can have no higher title than that. Thank you, God bless you and God bless America.

#

#

#

CLOSE HOLD

Document No. 048419 55

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/27/89 ACTION/CONCURRENCE/COMMENT DUE BY: 6/28/89 NOON

SUBJECT: PRESIDENTIAL REMARKS: LIBRARY OF CONGRESS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN <i>w/c phone</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input type="checkbox"/>
BATES <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS <i>w/c phone</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Div 82 NOV 69

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than NOON, Wednesday, June 28, 1989, with an info copy to my office. Thank you.

RESPONSE:

*P. 8 Decision on honoraria pay raise issue needs to be made. Jm*

CLOSE HOLD

James W. Cicconi  
Assistant to the President  
and Deputy to the Chief of Staff  
Ext. 2702

CLOSE HOLD

Document No. 048419 SS

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/27/89 ACTION/CONCURRENCE/COMMENT DUE BY: 6/28/89 NOON

SUBJECT: PRESIDENTIAL REMARKS: LIBRARY OF CONGRESS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN →	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than NOON, Wednesday, June 28, 1989, with an info copy to my office. Thank you.

89 JUN 28 PM 12:25

RESPONSE:

CLOSE HOLD

James W. Cicconi  
Assistant to the President  
and Deputy to the Chief of Staff  
Ext. 2702

1989 JUN 27 11 54

Davis/Martin  
June 26, 1989  
Draft: Two  
Title: Campaign

PRESIDENTIAL ADDRESS: LIBRARY OF CONGRESS  
JUNE 29, 1989/2 p.m.

Thank you. ((Acknowledgements/Joke))

((I have to admit, I feel a little awkward giving a speech at this particular place . . . all those years of being told not to speak out-loud in a library.))

The Library of Congress has been called the diary of the American people. In truth, it is a diary of the human race. And in the million stories of achievement it has to tell, one truth is revealed above all others: That for all its blemishes, government of the people is the greatest achievement of all.

As I look around me, I see the best and the brightest of a new generation. Some of you are interns. And for you, this summer of independence is just a sweet taste of adulthood. Trust me, freedom is not as far-off as it seems. Others, I see, have already embarked on the great adventure of a career. But whatever you do in Washington -- page, intern or a Congressional aide -- you are apprentices in a noble profession -- public service.

We exalt public service precisely because we do not exalt our government. We keep it close, close to the people it is meant to serve. And there is another fundamental concept in our way of governing -- reform. Ours is not a perfect government. It is a government which is being constantly perfected.

Every abuse in our political system has been followed by reform; and every cycle of reform has left the American political process more honest, more democratic.

The reforms of the early seventies were a vast improvement over the old system, bringing openness and accountability to federal campaign finance and public ethics. But these reforms have clearly not gone far enough. As a former Member of Congress, I care deeply about protecting the reputation and integrity of this institution. Recent events give us all cause for concern.

Recent scandals are but symptoms of a pervasive disease -- the growing lack of competition within our political system. At one time, as much as (twenty?) percent of Congressional incumbents lost to challengers. Today, the re-election rate of incumbents in the House of Representatives is better than 98 percent. A political body, like a river, must be in constant flow to remain fresh and clean. But a permanent House with a permanent majority is as unhealthy as a stagnant pond.

**STRENGTHENING THE ROLE OF THE PARTIES**

There is yet another fundamental problem -- the erosion of the political party as a force in American political life. You have often heard me speak of the necessity of bipartisanship. And I do strongly believe we must work together when dealing with the most difficult challenges facing our country -- not as partisans -- but as Americans.

But we will not -- and should not -- cease to be Republicans and Democrats. True, the Founding Fathers envisioned no role for parties. Yet 200 years of political experience has taught us that parties are the indispensable organizers of democracy. Our political parties clarify and sharpen debate. They shape coalitions of like-minded people, giving millions of working Americans an effective way to support their beliefs and advance their candidates. A political party is a meeting house for the nation.

Yet the great parties of Andrew Jackson and Abraham Lincoln have been overshadowed by the emergence of special interest PACs, armed with a \$160 billion war chest. As parties are weakened, distinctions between candidates become muddled, and Congressional policy lacks coherence. Members of Congress are forced to engage in time-consuming and often degrading appeals for money. And

vigorous competition between candidates, and between ideas, becomes muted.

Some believe public financing is the best answer. I do not. Public financing would do nothing to strengthen the parties, while directly involving government in the political process. It would force taxpayers to support extremist candidates they abhor. And it would be a siphon from the U.S. Treasury, already in deficit, to campaign coffers. Such a public-finance regime could be too easily subverted. ~~--- dangerous to democracy.~~

*Grad*  
4844  
NO

What, then, is the answer? Today, I propose a sweeping reform of our system. And the cornerstone of this reform is nothing less than the elimination of all business, union and trade association Political Action Committees.

Some PACs will still exist because they are protected by the First Amendment. These free-standing or ideological PACs, like the Sierra Club or ((the National Taxpayers Union)), account for about ten percent of all contributions. But even these I would limit, by halving their contributions to federal candidates from \$5,000 to \$2,500. And new laws must keep such PACs unaffiliated and independent, so a business or labor group could not use them as a backdoor means of influencing the process.

I also propose the elimination of Congressional leadership PACs, through which Members of Congress bid for the loyalty of their colleagues. In addition, all transfers between PACs must be eliminated, and each candidate or incumbent must have only one PAC.

We must especially eliminate a dishonest practice known as "bundling," where business and unions encourage or coerce contributions from employees or members, and then give these contributions as a single donation.

As these reforms stem <sup>(contributions from)</sup> ~~special-interest public finance~~, we must allow the parties to make the difference. Because their financial contributions come from many sources, parties donate funds free of the taint of special interest. I propose to more than double the amount of money parties may donate to congressional campaigns, and liberalize the restrictions on party contributions. Political parties must not be treated as if they were mere special-interest PACs. They should resume their fundamental role in American democracy.

*Grady*  
4844

#### CLEANING UP THE SYSTEM

But the elimination of special interest PACs still does not go far enough in cleaning up our system of financing federal campaigns. The basic strength of today's system is disclosure. Why not open the books for all to see?

In a post-PAC era, corporations, unions and trade associations will need an open way to participate in our democracy. Our proposal would allow organizations to participate in get-out-the-vote activities -- provided they make a full disclosure of their contributions and activities.

This brings me to a little known and shadowy area of finance law called "soft money," concerning dollars spent on voter turnout efforts. Full disclosure is the premise behind our federal campaign finance law. Yet most money spent in American elections is not disclosed. I call on Congress to join me in mandating full disclosure of all soft money contributions, including voter registration and get-out-the vote activities.

Other laws govern independent expenditure groups, which can spend any amount of money to elect or defeat a candidate so long as their activities are not coordinated with those of a particular candidate. While some of these groups perform a public service, too often they mask the motives of hidden contributors, acting as mercenary character assassins. Yet all independent expenditure groups -- the good and the bad alike -- are protected by a Supreme Court ruling.

If there are to be such independent expenditure groups, at least they should have to disclose all their expenditures. Such

groups should also be required to more clearly identify the person or organization behind them. And those candidates who believe they are victims of an illegal collusion between an independent expenditure group and another campaign should be guaranteed a hearing before the Federal Election Commission within three days. At the very least, we can allow victims of such attacks a public forum to respond.

I also propose to strengthen the Supreme Court's Beck decision, so that no member of a union <sup>(or a company?)</sup> can be forced to contribute dues to political activities he or she doesn't support. To coerce political donations from working men and women is unfair and un-American. This practice must stop.

Grady  
4844

The package I have outlined is comprehensive. If it is to become law, all the major provisions must be passed -- otherwise, our reforms, like so many of the past, will spawn further unintended abuses.

#### REDRESSING THE INCUMBENCY ADVANTAGE

The third, and final area of reform directly concerns Congressional conduct. Jefferson envisioned a Congress of citizen-politicians, who suspended their careers in law, medicine and agriculture to serve the nation. How far we've come from that simple vision. Today, incumbents stay in office for

decades, amassing huge warchests to scare off strong challenges in election after election.

This is not democracy in the spirit of Madison and Jefferson. This is not the spirit of democracy at all. I renew my proposal to end these "rollovers," requiring all excess campaign funds to be donated to the parties, to a fund to retire the national debt or be given back to the contributors.

Under our current law, 190 House Members who were elected before 1980 can also use their leftover campaign money as a personal retirement fund -- pocketing hundreds of thousands -- even millions -- of dollars when they leave office. Senators elected before 1980 are allowed to convert these funds for official use. Congress should bag this golden parachute.

*Grady  
4846*

*(This  
will  
really  
piss  
them  
off)*

I also propose to solve the most egregious wrong in American public life. As it stands, members of Congress can supplement their incomes by as much as 40 percent by making speeches before special-interest groups. I said on April 12 I would support a pay raise for Members of Congress. I have consulted with Congress on such a raise. And now that I recommend a pay raise for the executive, judicial and legislative branches, I also call for phase out of honoraria.

Finally, allow me to turn your attention toward redistricting -- the way in which parties in power ignore community boundaries and draw district lines favorable to their candidates. This gerrymandering (GARY-mandering) is why many Congressional Districts look like something my youngest grandchildren would draw.

Elections are nothing less than the marketplace of ideas from which the people choose. They are not just contests between individuals -- they are contests between philosophies. When this sharp edge of competition is dulled, democracy loses. No single factor is more basic to this competition than ensuring fair redistricting in 1990. I propose a new criteria for redistricting, without favor to party, to respect community and traditional lines. We must draw district lines that are tailored to the needs of the people, not to the political needs of parties.

#### CONCLUSION

This year, as Congress observes its 200th anniversary. ((Number)) thousand Americans have served in the House and Senate in the history of our Republic. A few names on this roster are infamous, associated with scandal or remembered as demagogues. But the Bilbos and the McCarthys are few. Most have served in the greater tradition of Clay and Webster, Dirksen and Mansfield, Dole and Mitchell. Some day, you may follow this path, the path

to greatness and glory through public service. And when you do, I hope the laws that govern our campaigns and our Congress are as just and honest as the majority of those who serve the public.

This vast and honest majority in Congress live the words of George Washington, who said the noblest title in the world isn't President, or Senator, or Congressman -- but "Honest Man."

Whatever you do in life, you can have no higher title than that. Thank you, God bless you and God bless America.

#

#

#



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

**NOTICE:**

Enclosed are comments from staff members of the Office of Management and Budget (OMB). Such comments do not necessarily represent the official position of the Director of OMB or of the Office of Management and Budget. If you wish to have the Director's personal comments, please let me know -- and contact me if you have any questions.

A handwritten signature in black ink, appearing to read "David J. Haun".

David J. Haun  
Executive Assistant  
to the Director

89 JUN 28 P12:17


CLOSE HOLD

Document No. 048419 SS

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/27/89 ACTION/CONCURRENCE/COMMENT DUE BY: 6/28/89 NOON

SUBJECT: PRESIDENTIAL REMARKS: LIBRARY OF CONGRESS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than NOON, Wednesday, June 28, 1989, with an info copy to my office. Thank you.

RESPONSE:

*See Comments*

CLOSE HOLD

James W. Cicconi  
Assistant to the President  
and Deputy to the Chief of Staff  
Ext. 2702

1989 JUN 27 PM 5:40

Davis/Martin  
June 26, 1989  
Draft: Two  
Title: Campaign

PRESIDENTIAL ADDRESS: LIBRARY OF CONGRESS  
JUNE 29, 1989/2 p.m.

Thank you. ((Acknowledgements/Joke))

((I have to admit, I feel a little awkward giving a speech at this particular place . . . all those years of being told not to speak out-loud in a library.))

The Library of Congress has been called the diary of the American people. In truth, it is a diary of the human race. And in the million stories of achievement it has to tell, one truth is revealed above all others: That for all its blemishes, government of the people is the greatest achievement of all.

As I look around me, I see the best and the brightest of a new generation. Some of you are interns. And for you, this summer of independence is just a sweet taste of adulthood. Trust me, freedom is not as far-off as it seems. Others, I see, have already embarked on the great adventure of a career. But whatever you do in Washington -- page, intern or a Congressional aide -- you are apprentices in a noble profession -- public service.

We exalt public service precisely because we do not exalt our government. We keep it close, close to the people it is meant to serve. And there is another fundamental concept in our way of governing -- reform. Ours is not a perfect government. It is a government which is being constantly perfected.

Every abuse in our political system has been followed by reform; and every cycle of reform has left the American political process more honest, more democratic.

The reforms of the early seventies ~~were~~ <sup>brought about</sup> a vast improvement over the old system; ~~bringing~~ <sup>they brought</sup> openness and accountability to federal campaign finance and public ethics. But these reforms have clearly not gone far enough. As a former Member of Congress, I care deeply about protecting the reputation and integrity of this institution. Recent events give us all cause for concern.

<sup>Mollis  
x3060</sup> AND <sup>these</sup> Recent scandals are but symptoms of a pervasive disease -- the growing lack of competition within our political system. At one time, as ~~much~~ <sup>many</sup> as (twenty?) percent of Congressional incumbents lost to challengers. Today, the re-election rate of incumbents in the House of Representatives is better than 98 percent. A political body, like a river, must be in constant flow to remain fresh and clean. But a permanent House with a permanent majority is as unhealthy as a stagnant pond.

<sup>Mollis  
x3060</sup>

### STRENGTHENING THE ROLE OF THE PARTIES

There is yet another fundamental problem -- the erosion of the political party as a force in American political life. You have often heard me speak of the necessity of bipartisanship. And I do strongly believe we must work together when dealing with the most difficult challenges facing our country -- not as partisans -- but as Americans.

But we will not -- and should not -- cease to be Republicans and Democrats. True, the Founding Fathers envisioned no role for parties. <sup>But</sup> ~~Yet~~ 200 years of political experience has taught us that parties are the indispensable organizers of democracy. Our political parties clarify and sharpen debate. They shape coalitions of like-minded people, giving millions of working Americans an effective way to support their beliefs and advance their candidates. A political party is a meeting house for the nation.

Yet the great parties of Andrew Jackson and Abraham Lincoln have been overshadowed by the emergence of special interest PACs, armed with a \$160 billion war chest. As parties are weakened, distinctions between candidates become muddled, and Congressional policy lacks coherence. Members of Congress are forced to engage in time-consuming and often degrading appeals for money. And

Melli  
x3060

vigorous competition between candidates, and between ideas, becomes muted.

Some believe public financing is the best answer. I do not. Public financing would do nothing to strengthen the parties, while directly involving government in the political process. It would force taxpayers to support extremist candidates they abhor. And it would be a siphon from the U.S. Treasury, already in deficit, to campaign coffers. Such a public-finance regime could be too easily subverted -- dangerous to democracy.

What, then, is the answer? Today, I propose a sweeping reform of our system. And the cornerstone of this reform is nothing less than the elimination of all business, union, and trade association Political Action Committees. ✓

Some PACs will still exist because they are protected by the First Amendment. These free-standing or ideological PACs, like the Sierra Club or ((the National Taxpayers Union)), account for about ten percent of all contributions. But even these I would limit, by halving their contributions to federal candidates from \$5,000 to \$2,500. And new laws must keep such PACs unaffiliated and independent, so a business or labor group could not use them as a backdoor means of influencing the process.

I also propose the elimination of Congressional leadership PACs, through which Members of Congress bid for the loyalty of their colleagues. In addition, all transfers between PACs must be eliminated, and each candidate or incumbent must have only one PAC.

We must especially eliminate a dishonest practice known as "bundling," where business and unions encourage or coerce contributions from employees or members, and then give these contributions as a single donation.

As these reforms stem special-interest public finance, we must allow the parties to make the difference. Because their financial contributions come from many sources, parties donate funds free of the taint of special interest. I propose to more than double the amount of money parties may donate to congressional campaigns, and liberalize the restrictions on party contributions. Political parties must not be treated as if they were mere special-interest PACs. They should resume their fundamental role in American democracy.

#### **CLEANING UP THE SYSTEM**

But the elimination of special interest PACs still does not go far enough in cleaning up our system of financing federal campaigns. The basic strength of today's system is disclosure. Why not open the books for all to see?

In a post-PAC era, corporations, unions, and trade associations will need an open way to participate in our democracy. Our proposal would allow organizations to participate in get-out-the-vote activities -- provided they make a full disclosure of their contributions and activities. ✓

This brings me to a little known and shadowy area of finance law called "soft money," concerning dollars spent on voter turnout efforts. Full disclosure is the premise behind our federal campaign finance law. Yet most money spent in American elections is **not** disclosed. I call on Congress to join me in mandating full disclosure of all "soft money" contributions, including voter registration and get-out-the vote activities. ✓  
Moller  
x3060

Other laws govern independent expenditure groups, which can spend any amount of money to elect or defeat a candidate so long as their activities are not coordinated with those of a particular candidate. While some of these groups perform a public service, too often they mask the motives of hidden contributors, acting as mercenary character assassins. Yet all independent expenditure groups -- the good and the bad alike -- are protected by a Supreme Court ruling.

If there are to be such independent expenditure groups, at least they should have to disclose **all** their expenditures. Such

groups should also be required to more clearly identify the person or organization behind them. And those candidates who believe they are victims of an illegal collusion between an independent expenditure group and another campaign should be guaranteed a hearing before the Federal Election Commission within three days. At the very least, we can allow victims of such attacks a public forum to respond.

I also propose to strengthen the Supreme Court's Beck decision, so that no member of a union can be forced to contribute dues to political activities he or she doesn't support. **To coerce political donations from working men and women is unfair and un-American. This practice must stop.**

*underline  
melli  
X3060*

The package I have outlined is comprehensive. If it is to become law, all the major provisions must be passed -- otherwise, our reforms, like so many of the past, will spawn further unintended abuses.

#### REDRESSING THE INCUMBENCY ADVANTAGE

The third and final area of reform directly concerns Congressional conduct. Jefferson envisioned a Congress of citizen-politicians, who suspended their careers in law, medicine, and agriculture to serve the nation. How far we've come from that simple vision. Today, incumbents stay in office for

decades, amassing huge war chests to scare off strong challenges in election after election.

This is not democracy in the spirit of Madison and Jefferson. This is not the spirit of democracy at all. I renew my proposal to end these "rollovers," requiring all excess campaign funds to be donated to the parties, to a fund to retire the national debt or be given back to the contributors.

Under our current law, 190 House Members who were elected before 1980 can also use their leftover campaign money as a personal retirement fund -- pocketing hundreds of thousands -- even millions -- of dollars when they leave office. Senators elected before 1980 are allowed to convert these funds for official use. **Congress should bag this golden parachute.**

I also propose to solve the most egregious wrong in American public life. As it stands, members of Congress can supplement their incomes by as much as 40 percent by making speeches before special-interest groups. I said on April 12<sup>th</sup> I would support a pay raise for Members of Congress. I have consulted with Congress on such a raise. And now that I recommend a pay raise for the executive, judicial and legislative branches, I also call for phase out of honoraria.

*a little  
strong?  
meh  
x 3060*

Finally, allow me to turn your attention toward redistricting -- the way in which parties in power ignore community boundaries and draw district lines favorable to their candidates. This gerrymandering (~~GARY~~<sup>JERRY</sup>-mandering) is why many Congressional Districts look like something my youngest grandchildren would draw.

*Mullin*  
*x 3060*

Elections are nothing less than the marketplace of ideas from which the people choose. They are not just contests between individuals -- they are contests between philosophies. When this sharp edge of competition is dulled, democracy loses. No single factor is more basic to this competition than ensuring fair redistricting in 1990. I propose a new criteria for redistricting, without favor to party, to respect community and traditional lines. **We must draw district lines that are tailored to the needs of the people, not to the political needs of parties.**

#### CONCLUSION

This year, as Congress observes its 200th anniversary. ((Number)) thousand Americans have served in the House and Senate in the history of our Republic. A few names on this roster are infamous, associated with scandal or remembered as demagogues. But the Bilbos and the McCarthys are few. Most have served in the greater tradition of Clay and Webster, Dirksen and Mansfield, Dole and Mitchell. Some day, you may follow this path, the path

to greatness and glory through public service. And when you do, I hope the laws that govern our campaigns and our Congress are as just and honest as the majority of those who serve the public.

This vast and honest majority in Congress live the words of George Washington, who said the noblest title in the world isn't President, or Senator, or Congressman -- but "Honest Man."

Whatever you do in life, you can have no higher title than that. Thank you, God bless you and God bless America.

#

#

#

CLOSE HOLD

Document No. 048419 SS

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/27/89 ACTION/CONCURRENCE/COMMENT DUE BY: 6/28/89 NOON

SUBJECT: PRESIDENTIAL REMARKS: LIBRARY OF CONGRESS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input type="checkbox"/>
BATES <i>NIC</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

89 JUN 28 AID: 43

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than NOON, Wednesday, June 28, 1989, with an info copy to my office. Thank you.

RESPONSE:

*P. 8 Decision on honoraria pay raise issue needs to be made. Jm*

CLOSE HOLD

James W. Cicconi  
Assistant to the President  
and Deputy to the Chief of Staff  
Ext. 2702

Davis/Martin  
June 26, 1989  
Draft: Two  
Title: Campaign

1989 JUN 27 11 54

PRESIDENTIAL ADDRESS: LIBRARY OF CONGRESS  
JUNE 29, 1989/2 p.m.

Thank you. ((Acknowledgements/Joke))

((I have to admit, I feel a little awkward giving a speech at this particular place . . . all those years of being told not to speak out-loud in a library.))

The Library of Congress has been called the diary of the American people. In truth, it is a diary of the human race. And in the million stories of achievement it has to tell, one truth is revealed above all others: That for all its blemishes, government of the people is the greatest achievement of all.

As I look around me, I see the best and the brightest of a new generation. Some of you are interns. And for you, this summer of independence is just a sweet taste of adulthood. Trust me, freedom is not as far-off as it seems. Others, I see, have already embarked on the great adventure of a career. But whatever you do in Washington -- page, intern or a Congressional aide -- you are apprentices in a noble profession -- public service.

We exalt public service precisely because we do not exalt our government. We keep it close, close to the people it is meant to serve. And there is another fundamental concept in our way of governing -- reform. Ours is not a perfect government. It is a government which is being constantly perfected.

Every abuse in our political system has been followed by reform; and every cycle of reform has left the American political process more honest, more democratic.

The reforms of the early seventies were a vast improvement over the old system, bringing openness and accountability to federal campaign finance and public ethics. But these reforms have clearly not gone far enough. As a former Member of Congress, I care deeply about protecting the reputation and integrity of this institution. Recent events give us all cause for concern.

Recent scandals are but symptoms of a pervasive disease -- the growing lack of competition within our political system. At one time, as much as (twenty?) percent of Congressional incumbents lost to challengers. Today, the re-election rate of incumbents in the House of Representatives is better than 98 percent. A political body, like a river, must be in constant flow to remain fresh and clean. But a permanent House with a permanent majority is as unhealthy as a stagnant pond.

**STRENGTHENING THE ROLE OF THE PARTIES**

There is yet another fundamental problem -- the erosion of the political party as a force in American political life. You have often heard me speak of the necessity of bipartisanship. And I do strongly believe we must work together when dealing with the most difficult challenges facing our country -- not as partisans -- but as Americans.

But we will not -- and should not -- cease to be Republicans and Democrats. True, the Founding Fathers envisioned no role for parties. Yet 200 years of political experience has taught us that parties are the indispensable organizers of democracy. Our political parties clarify and sharpen debate. They shape coalitions of like-minded people, giving millions of working Americans an effective way to support their beliefs and advance their candidates. A political party is a meeting house for the nation.

Yet the great parties of Andrew Jackson and Abraham Lincoln have been overshadowed by the emergence of special interest PACs, armed with a \$160 billion war chest. As parties are weakened, distinctions between candidates become muddled, and Congressional policy lacks coherence. Members of Congress are forced to engage in time-consuming and often degrading appeals for money. And

vigorous competition between candidates, and between ideas, becomes muted.

Some believe public financing is the best answer. I do not. Public financing would do nothing to strengthen the parties, while directly involving government in the political process. It would force taxpayers to support extremist candidates they abhor. And it would be a siphon from the U.S. Treasury, already in deficit, to campaign coffers. Such a public-finance regime could be too easily subverted -- dangerous to democracy.

What, then, is the answer? Today, I propose a sweeping reform of our system. And the cornerstone of this reform is nothing less than the elimination of all business, union and trade association Political Action Committees.

Some PACs will still exist because they are protected by the First Amendment. These free-standing or ideological PACs, like the Sierra Club or ((the National Taxpayers Union)), account for about ten percent of all contributions. But even these I would limit, by halving their contributions to federal candidates from \$5,000 to \$2,500. And new laws must keep such PACs unaffiliated and independent, so a business or labor group could not use them as a backdoor means of influencing the process.

I also propose the elimination of Congressional leadership PACs, through which Members of Congress bid for the loyalty of their colleagues. In addition, all transfers between PACs must be eliminated, and each candidate or incumbent must have only one PAC.

We must especially eliminate a dishonest practice known as "bundling," where business and unions encourage or coerce contributions from employees or members, and then give these contributions as a single donation.

As these reforms stem special-interest public finance, we must allow the parties to make the difference. Because their financial contributions come from many sources, parties donate funds free of the taint of special interest. I propose to more than double the amount of money parties may donate to congressional campaigns, and liberalize the restrictions on party contributions. Political parties must not be treated as if they were mere special-interest PACs. They should resume their fundamental role in American democracy.

#### **CLEANING UP THE SYSTEM**

But the elimination of special interest PACs still does not go far enough in cleaning up our system of financing federal campaigns. The basic strength of today's system is disclosure. Why not open the books for all to see?

In a post-PAC era, corporations, unions and trade associations will need an open way to participate in our democracy. Our proposal would allow organizations to participate in get-out-the-vote activities -- provided they make a full disclosure of their contributions and activities.

This brings me to a little known and shadowy area of finance law called "soft money," concerning dollars spent on voter turnout efforts. Full disclosure is the premise behind our federal campaign finance law. Yet most money spent in American elections is not disclosed. I call on Congress to join me in mandating full disclosure of all soft money contributions, including voter registration and get-out-the vote activities.

Other laws govern independent expenditure groups, which can spend any amount of money to elect or defeat a candidate so long as their activities are not coordinated with those of a particular candidate. While some of these groups perform a public service, too often they mask the motives of hidden contributors, acting as mercenary character assassins. Yet all independent expenditure groups -- the good and the bad alike -- are protected by a Supreme Court ruling.

If there are to be such independent expenditure groups, at least they should have to disclose all their expenditures. Such

groups should also be required to more clearly identify the person or organization behind them. And those candidates who believe they are victims of an illegal collusion between an independent expenditure group and another campaign should be guaranteed a hearing before the Federal Election Commission within three days. At the very least, we can allow victims of such attacks a public forum to respond.

I also propose to strengthen the Supreme Court's Beck decision, so that no member of a union can be forced to contribute dues to political activities he or she doesn't support. To coerce political donations from working men and women is unfair and un-American. This practice must stop.

The package I have outlined is comprehensive. If it is to become law, all the major provisions must be passed -- otherwise, our reforms, like so many of the past, will spawn further unintended abuses.

#### **REDRESSING THE INCUMBENCY ADVANTAGE**

The third, and final area of reform directly concerns Congressional conduct. Jefferson envisioned a Congress of citizen-politicians, who suspended their careers in law, medicine and agriculture to serve the nation. How far we've come from that simple vision. Today, incumbents stay in office for

decades, amassing huge warchests to scare off strong challenges in election after election.

This is not democracy in the spirit of Madison and Jefferson. This is not the spirit of democracy at all. I renew my proposal to end these "rollovers," requiring all excess campaign funds to be donated to the parties, to a fund to retire the national debt or be given back to the contributors.

Under our current law, 190 House Members who were elected before 1980 can also use their leftover campaign money as a personal retirement fund -- pocketing hundreds of thousands -- even millions -- of dollars when they leave office. Senators elected before 1980 are allowed to convert these funds for official use. Congress should bag this golden parachute.

I also propose to solve the most egregious wrong in American public life. As it stands, members of Congress can supplement their incomes by as much as 40 percent by making speeches before special-interest groups. I said on April 12 I would support a pay raise for Members of Congress. I have consulted with Congress on such a raise. And now that I recommend a pay raise for the executive, judicial and legislative branches, I also call for phase out of honoraria.

Finally, allow me to turn your attention toward redistricting -- the way in which parties in power ignore community boundaries and draw district lines favorable to their candidates. This gerrymandering (GARY-mandering) is why many Congressional Districts look like something my youngest grandchildren would draw.

Elections are nothing less than the marketplace of ideas from which the people choose. They are not just contests between individuals -- they are contests between philosophies. When this sharp edge of competition is dulled, democracy loses. No single factor is more basic to this competition than ensuring fair redistricting in 1990. I propose a new criteria for redistricting, without favor to party, to respect community and traditional lines. We must draw district lines that are tailored to the needs of the people, not to the political needs of parties.

#### CONCLUSION

This year, as Congress observes its 200th anniversary. ((Number)) thousand Americans have served in the House and Senate in the history of our Republic. A few names on this roster are infamous, associated with scandal or remembered as demagogues. But the Bilbos and the McCarthys are few. Most have served in the greater tradition of Clay and Webster, Dirksen and Mansfield, Dole and Mitchell. Some day, you may follow this path, the path

to greatness and glory through public service. And when you do, I hope the laws that govern our campaigns and our Congress are as just and honest as the majority of those who serve the public.

This vast and honest majority in Congress live the words of George Washington, who said the noblest title in the world isn't President, or Senator, or Congressman -- but "Honest Man."

Whatever you do in life, you can have no higher title than that. Thank you, God bless you and God bless America.

#

#

#