ENDING BUSINESS AS USUAL IN WASHINGTON
A Strong Record of Reform

"The fact is, organized interests have too much power in the halls of government. These influence groups too often promote their own interest at the expense of the public interest..... We have an historic opportunity to renew our democracy and strengthen our country. If we truly believe in a government that puts ordinary Americans ahead of the powerful and privileged, then we must act and act now." -- President Bill Clinton, February 17, 1996

A Record of Accomplishment:

Since entering office President Clinton has pursued a far-reaching agenda of political reform. The President is committed to reforming the way Washington works and ending business as usual. Among his accomplishments, he has:

- Made voting easier for more than 11 million Americans by creating more accessible voter registration locations by enacting the **National Voter Registration Act** ("Motor-Voter"). The Motor-Voter law has already created the greatest expansion in the voter registration rolls since the 19th century.

- Fought for and signed into law the **Lobbying Disclosure Act**. The Act is the first overhaul of lobbying rules in 50 years and requires lobbyists to disclose who they work for and eliminates loopholes that allow lobbying organizations to avoid

- **Gift ban**. In the 1995 State-of-the-Union Address, President Clinton challenged the Congress to ban gifts, meals, travel and entertainment from lobbyists. It passed that year.

- Enacted the **Congressional Accountability Act** to ensure that the same laws apply to Congress as to the rest of America.

- **Closing the "lobbyist loophole."** In 1993, President Clinton proposed, and Congress passed, legislation ending the tax-deductibility of lobbying expenses, which had allowed corporations and others to deduct the cost of their lobbying.

- Imposed the **strictest ethics guidelines** ever, including a 5 year ban on top officials lobbying their former agencies and a lifetime ban on lobbying for foreign governments.

- Enacted **line-item veto** legislation which significantly enhances the presidential authority to eliminate wasteful spending by allowing the President to cancel wasteful special interest projects and targeted tax breaks that benefit special interests.

- Enacted the **Unfunded Mandates Reform Act** to restrict Congress from passing on new mandates to state and local governments without paying for them.

- **Special Interests**. President Clinton has stood up to special interests, such as the National Riffle Association and the tobacco industry, loosening their tight hold on our legislative process. The President broke six years of congressional gridlock and defeated the gun lobby by enacting a **ban on assault weapons** and the **Brady Law**.

- Enacted the **Presidential Executive Office Accountability Act (PEOAA)** which ensures that the Executive Office of the President lives under the same laws as the rest of the country -- this is the White House analog to the Congressional Accountability Act.

A History Of Fighting For Real Campaign Finance Reform

1992 **Campaign Finance Reform Proposal**. In the 1992 campaign, Governor Clinton proposed spending limits, free TV time, PAC limits and a ban on soft money. The current McCain-Feingold and Shays-Meehan legislation mirrors this proposal.

1993-1994 **Campaign Finance Reform Plan**. The President and the congressional Democratic leadership proposed a plan, strongly supported by reformers, that also included partial public funding for congressional candidates. Unfortunately, the legislation was filibustered, despite passage in both chambers.

1995 **Bipartisan CFR Commission.** In June of 1995, the President agreed with Speaker Gingrich to create a bipartisan political reform commission. The President named John Gardner and Doris Kearns Goodwin to launch the commission, but they were rebuffed by the Speaker.

1996 - 1997 **McCain-Feingold/Shays-Meehan**. In the 1996 State-of-the-Union, the President announced his support of the bipartisan bill. He repeated his support throughout 1996.

1997 **Free broadcast time.** The President has asked the Federal Communication Commission to require digital broadcasters to give candidates free time as part of their public interest obligations. Dr. Norman Ornstein and CBS Television President Les Moonves chair an advisory panel that will help craft the plan.

1997 **Soft money ban.** The President has petitioned the Federal Election Commission (FEC) to act within its current legal authority to ban soft money. The FEC is currently considering the request.

1997 **Mondale-Kassebaum initiative.** The President asked Vice President Walter Mondale and former Sen. Nancy Kassebaum-Baker to launch a bipartisan campaign finance reform public education project, announced at the White House.

1997 **Spending limits.** The Justice Dept. has indicated that it would go to court, in appropriate cases, to argue that spending limits are constitutional. If necessary, it would ask that *Buckley v. Valeo* be revisited.

FACT SHEET

PRESIDENT CLINTON'S PROPOSAL
TO PROVIDE FREE TELEVISION TIME TO CANDIDATES
Free TV for Straight Talk Coalition
National Press Club
March 11, 1997

Today, President Clinton will speak to the *Free TV for Straight Talk Coalition*, the group founded by journalist Paul Taylor to urge free TV time for candidates. The President will:

- Renew his call for comprehensive campaign finance reform. He will again urge passage of the bipartisan reform legislation that provides free TV time for candidates.
- Propose that digital television broadcasters be required to provide free time to candidates.
- Sign an executive order establishing a panel to propose the elements of new public interest obligations for digital television broadcasters.
- Challenge broadcasters to provide free time without delay.

PRESIDENT CLINTON AND FREE BROADCAST TIME

President Clinton has strongly supported providing free broadcast time to candidates as a part of comprehensive campaign finance reform. In *Putting People First*, he wrote, "We will push for and sign strong campaign finance legislation to ... lower the cost of airtime so that television becomes an instrument of education, not a weapon of political assassination." In 1993, the President proposed a campaign finance plan that gave candidates who agreed to limit their spending broadcast vouchers, as well as reduced broadcast rates.

As a Member of Congress, Vice President Gore proposed legislation that would require broadcasters to provide broadcasting time to candidates (S. 2923, 1988).

1. COMPREHENSIVE CAMPAIGN FINANCE REFORM LEGISLATION (McCAIN-FEINGOLD/SHAYS-MEEHAN)

In the State-of-the-Union Address, President Clinton called on Congress to pass comprehensive bipartisan campaign finance reform legislation by July 4. The legislation was introduced by Sens. John McCain (R-AZ) and Russ Feingold (D-WI), and Reps. Chris Shays (R-CT) and Marty Meehan (D-MA). Its provisions include:

Spending limits. Candidates would voluntarily limit their spending (to $600,000 per cycle, adjusted for inflation, in House races; at a rate based on state voting age population, in Senate races).

Free and discounted broadcast time. Candidates who agree to the spending limits would be eligible to receive free broadcast time.

- Senate candidate would receive 30 minutes of free time.
- Senate and House candidates would be eligible for a deep discount on broadcast advertising rates -- 50% of the "lowest unit rate" (the lowest rate customarily charged to advertisers) for time purchased within 60 days of the general election and 30 days of the primary election.

PACs. The legislation would restrict PAC contributions (House version) or ban them altogether (Senate version), and impose aggregate PAC limits.

Bans soft money.

2. PRESIDENT CLINTON PROPOSES NEW PUBLIC INTEREST OBLIGATION FOR DIGITAL TELEVISION BROADCASTERS

Background: For decades, broadcasters have been required to meet public interest obligations as a condition of their licenses. Today, for example, broadcasters are required to air children's programming under this public interest obligation. In coming years, broadcasters will make the transition from analog signals to digital signals, giving them the ability to transmit more channels, sharper pictures, or other commercial services once they are licensed. The Federal Communications Commission (FCC) is now debating what the public interest obligation of digital television broadcasters ought to be.

Proposal: Today, the President called on the FCC to make free airtime for candidates a public interest obligation required of digital television broadcasters who receive digital licenses.

The President set forth broad conceptual guidelines for such time: He urged that it be made available to all qualified federal candidates; it should give candidates a chance to talk directly to voters, without gimmicks and without intermediaries; and it should be made available especially to those candidates who limit their own spending. He did not take a position on the amount of time that should be made available, or on any of the specific plans that should be considered. Such plans include a "broadcast bank" proposed by FCC Chair Reed Hundt, and free TV plans proposed by *Straight Talk* director Paul Taylor and political scientists Norman Ornstein and Thomas Mann.

3. EXECUTIVE ORDER ESTABLISHES NEW ADVISORY COMMITTEE

Background: To advance the debate on digital TV broadcasters' public interest obligations, on February 5, the Vice President announced that the President would form a special group to study what the obligations ought to be and report back within one year. The announcement emphasized that, in the meantime, the President wished the FCC to move expeditiously on the other steps needed to make the transition to digital television broadcasting.

The Executive Order: The President is signing an executive order that establishes an independent "Advisory Committee on Public Interest Obligations of Digital Television Broadcasters." It will have fifteen members appointed by the President from the private sector, representing the commercial and noncommercial broadcasters, computer industries, producers, academic institutions, public interest organizations and the advertising community.

Its charge is to report to the Vice President by June 1, 1998 on the public interest obligations that digital TV broadcasters should assume.

4. CHALLENGES BROADCASTERS TO PROVIDE FREE TV TIME TO FEDERAL CANDIDATES

Background: Last year, the Straight Talk Coalition fostered a breakthrough when it persuaded broadcasters to provide free time for candidates to talk directly to the voters. Leaders in the broadcast industry are trying to capitalize on that successful experiment. Barry Diller recently challenged broadcasters to provide free air time for candidates in the next election.

The President's Challenge: The President today challenged broadcasters to commit to provide candidates, free of charge, the time they need to reach voters directly and talk to them about the issues.

ENDING BUSINESS AS USUAL IN WASHINGTON

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President Bill Clinton
February 17, 1996

A Record of Accomplishment:

Over the past four years, working with both parties in Congress, President Clinton achieved a significant number of reforms to make our government respond to ordinary citizens.

- The President made voting easier for more than 11 million Americans by creating more accessible voter registration locations by enacting the **National Voter Registration Act** ("Motor-Voter"). The Motor-Voter law has already created the greatest expansion in the voter registration rolls since the 19th century.

- The President fought for and signed into law the **Lobbying Disclosure Act**. The Act is the first overhaul of lobbying rules in 50 years and requires lobbyists to disclose whom they work for and eliminates loopholes that allow lobbying organizations to avoid.

- In the 1995 State of the Union Address, President Clinton challenged the Congress to ban gifts, meals, travel and entertainment from lobbyists. The Congress subsequently passed the **gift ban** on November 16th, 1995.

- The President supported and signed the **Congressional Accountability Act** to ensure that the same laws apply to Congress as to the rest of America.

- In 1993, President Clinton proposed, and Congress passed, legislation ending the tax-deductibility of lobbying expenses, the **"lobbyist loophole"** which had allowed corporations and others to deduct the cost of their lobbying.

- The President imposed the **strictest Administration ethics guidelines** ever, including a five-year ban on top officials lobbying their former agencies and a lifetime ban against lobbying for foreign governments.

- The President pushed for and signed the **line-item veto** legislation, which significantly enhances the presidential authority to eliminate wasteful spending by allowing the President to cancel wasteful special interest projects that benefit narrow interests. The line-item veto can help the President close the door on business as usual in Washington by cutting pet projects that sneak into the budget year after year. With this line-item veto, the President will have a valuable new tool to ensure that our public resources are being put to the best possible uses.

- The President enacted the **Unfunded Mandates Reform Act** to restrict Congress from passing on new mandates to state and local governments without paying for them.

- President Clinton has stood up to special interests, such as the National Riffle Association and the tobacco industry, loosening their tight hold on our legislative process. The President broke six years of congressional gridlock on anti-crime legislation and defeated the gun lobby by enacting a **ban on assault weapons** and the **Brady Law**.

- The President signed the **Presidential Executive Office Accountability Act (PEOAA),** which ensures that the Executive Office of the President lives under the same laws as the rest of the country -- this is the White House analog to the Congressional Accountability Act.

A History Of Fighting For Real Campaign Finance Reform

There is one major reform that still must be enacted: campaign finance reform.

1992 **Campaign Finance Reform Proposal**. In the 1992 campaign, Governor Clinton proposed spending limits, free TV time, PAC limits and a ban on soft money. The current McCain-Feingold and Shays-Meehan legislation mirrors this proposal.

1993-1994 **Campaign Finance Reform Plan**. The President and the congressional Democratic leadership proposed a reform plan that also included partial public funding for congressional candidates.

1995 **Bipartisan CFR Commission.** In June of 1995, the President agreed with Speaker Gingrich to create a bipartisan political reform commission. The President named John Gardner and Doris Kearns Goodwin to launch the commission, but the proposed commission was rebuffed by the Speaker.

1996 - 1997 **McCain-Feingold/Shays-Meehan**. In his 1996 State of the Union Address, the President announced his support of the bipartisan campaign finance reform bill. He repeated his support throughout 1996. In the 1997 State of the Union Address the President challenged Congress to pass this legislation by July 4, 1997.

Special Interests. President Clinton has stood up to special interests, such as the National Riffle Association and the tobacco industry, loosening their tight hold on our legislative process.

Congressional Accountability Act. President Clinton signed into law the requirement that Congress live under the same laws it applies to the private sector.

McCain-Feingold/ Shays-Meehan. In the 1996 State-of-the-Union, the President announced his support of the bipartisan bill. He repeated his support throughout 1996. In the 1997 State-of-the-Union Address the President challenged Congress to pass this legislation by July 4th, 1997. On January 11, 1997 the President met with the bipartisan co-sponsors of the House legislation (Shays-Meehan), reiterating his belief that delay will mean the death of reform.

POLITICAL REFORM ACCOMPLISHMENTS
OF THE CLINTON ADMINISTRATION

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- that they would never loby for a greign government;
- that trade negotiators woudl never lobby for foreign corporations.

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Lobbying Disclosure. President fought for and on December 19, 1995 signed into law the Lobbying Disclosure Act. The Act is the first overhaul of lobbying rules in 50 years and requires lobyyists to disclose who they work for and how much they spend. It also eliminates loopholes that allow lobbying organizations to avoid disclosure.

Gift ban. In the 1995 State-of-the-Union Address, President Clinton challenged the Congress to ban gifts, meals, travel and entertainement from lobbyists. The Congress subsequently passed the ban on November 16th, 1995.

Line Item Veto. President Clinton signed into law the line-item veto, which will give him and future chief executives the power to strip special interest provisions from spending bills.

PRESIDENT CLINTON'S RECORD OF SUPPORT FOR CAMPAIGN FINANCE REFORM

1992 -- In *Putting People First,* Governor Clinton proposed campaign finance reform. The proposal included spending limits, free TV time for candidates, an end to big soft money contributions, and limiting PAC gifts to $1000.

1993 -- In his Inaugural Address and address to Congress, President Clinton called for political reform including campaign finance reform.

May 7, 1993 -- President Clinton, joined by the leadership of the House and Senate, introduced a campaign finance reform proposal that would have imposed voluntary spending limits, public funding for candidates who accept those limits, PAC limits, and a ban on soft money. The legislation was supported by Common Cause, Public Citizen, League of Women Voters.

1994 -- January 24, 1994 -- In the State-of-the-Union Address, President Clinton said:

"I know that facing up to these [special] interests will require courage. It will raise critical questions about the way we finance our campaigns and how lobbyists wield their influence. The work of change will never get any easier until we limit the influence of well-financed interests who profit from this current system."

1995 -- January 1, 1995 -- On the first day of the new Congress, the President wrote the leadership asking that they make political reform, the Congressional Accountability Act, the Line-Item Veto -- campaign finance reform, lobby reform, and a gift ban -- the first order of business.

1995 -- Congress passes the Congressional Accountability Act and gift ban.

1995 -- In the State of the Union Address, President Clinton called for Congress to pass reform. He challenged Congress to ban gifts, meals and entertainment from lobbyists.

Spring, 1995 -- Senators Dole and McConnell seek to effectively end presidential spending limits by removing the source for presidential public financing. President Clinton lobbies against the move, and the measure is defeated.

June 11, 1995 -- At a town meeting in New Hampshire, a citizen, Frank MacConnell, asked President Clinton and Speaker Gingrich if they would agree to a bipartisan commission, modeled after the base-closing commission, to propose reforms. The President and Speaker shook hands. On June 17, the President proposed a commission whose recommendations would be voted on by Congress, up-or-down vote.

July 22, 1995 -- In an attempt to move forward with bipartisan commission proposal, President Clinton announces that he was appointing two distinguished citizens -- Common Cause founder John Gardner, a cabinet secretary in a Republican administration, and Doris Kearns

Goodwin, the Pulitzer Prize winning historian -- to help try and start the commission. Gardner sought to contact Speaker Gingrich, and was rebuffed.

August 4, 1995 -- In an Oval Office press conference with Gardner and Goodwin, President Clinton calls for lobby reform, and announces that he will issue an executive order implementing lobbying disclosure if Congress does not act.

December 19, 1995 -- President Clinton signs lobby reform into law; calls on Congress to "quickly enact campaign finance reform."

January 23, 1996 -- President Clinton, in his State-of-the-Union Address, tells Congress:

"America's challenge to those of us in this hallowed hall tonight [is] to reinvent our government and make our democracy work for [all of us]. . . I challenge Congress to go further -- to curb special interest influence in politics by passing the first truly bipartisan campaign finance reform bill in a generation. You, Republicans and Democrats alike, can show the American people that we can limit spending and open up the airwaves to all candidates."

February 17, 1996 -- In a speech and radio address, in Keene, New Hampshire, President Clinton calls on Congress to pass the bipartisan McCain-Feingold legislation. He is joined by Frank MacConnell, the man who asked for a commission the year before.

"We have an historic opportunity to renew our democracy and strengthen our country. If we truly believe in a government that puts ordinary Americans ahead of the powerful and privileged, then we must act and act now. I call on Members of Congress from both parties to follow through on what Frank MacConnell asked of the Speaker and me: Let's put politics aside and get this done."

August 29, 1996 -- In his Acceptance Speech to the Democratic National Convention in Chicago, President Clinton again calls for campaign finance reform.

"We have ... passed political reform -- the line item veto, the motor voter bill, tougher registration laws for lobbyists, making Congress live under the laws they impose on the private sector, stopping unfunded mandates to state and local government. We've come a long way; we've got one more thing to do. Will you help me get campaign finance reform in the next four years?"

October 16, 1996 -- President Clinton again calls for reform, in the town meeting with Sen. Dole in San Diego.

SUMMARY OF THE McCAIN-FEINGOLD LEGISLATION

The first truly bipartisan campaign finance reform legislation in a generation was introduced in the Senate by Sens. John McCain (R-AZ), Russell Feingold (D-WI), Fred Thompson (R-TN), and Paul Wellstone (D-MN), and in the House by Reps. Marty Meehan (D-MA), Chris Shays (R-CT) and Linda Smith (R-WA.). Then Senate-majority leader Dole blocked it from coming to the floor of the Senate. It reached the floor in late June; while it won a majority of votes, it failed to achieve cloture (54-46). It was defeated by the House of Representatives as well.

The legislation's provisions are based on the same principles articulated by then-Governor Clinton during his 1992 Presidential campaign.

- *Voluntary spending limits.* The legislation sets voluntary limits on spending in congressional races. The limit would be $600,000 for House candidates, and a rate varying by population size for Senate races. (These limits must be voluntary because of the U.S. Supreme Court's *Buckley v. Valeo* decision, which invalidated mandatory spending limits. Candidates who agree to the limits will receive discount broadcast time, free broadcast time, and discount postage.)

- *Free TV time.* Senate candidates who agree to those limits will be eligible to receive free broadcast time. The time would be provided by broadcasters, as a public service, as a condition of receiving their license from the Federal Communications Commission. House candidates who agree to the limits would receive deeply discounted broadcast time.

- *Restrictions on political action committees.* The legislation bans political action committee contributions to federal candidates. If that PAC ban is found unconstitutional, then the legislation cuts the amounts PACs can give from $5000 per election to $1000 -- the same proposal made by President Clinton in 1992.

- *A ban on soft money.* The legislation would eliminate the use of "soft money" for federal election campaigns. "Soft money" is money that is given to parties that would be impermissible under current federal rules. The legislation would bar corporations and labor unions from contributing to parties for federal elections. In addition, individual contributors would be sharply limited in the amount they could give.

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OF THE CLINTON ADMINISTRATION

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A Strong Record Of Reform

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President Bill Clinton
February 17, 1996

A RECORD OF ACCOMPLISHMENT:

Time and again, President Clinton has exhibited his commitment to curbing the influence of special interests and money in our political system. Since entering office President Clinton has pursued a far-reaching agenda of political reform. The President is committed to reforming the way Washington works and ending business as usual. Among his accomplishments, he has:

- Enacted **line-item veto** legislation which significantly enhances the presidential authority to eliminate wasteful spending by allowing the President to cancel wasteful special interest projects and targeted tax breaks that benefit special interests. The line-item veto can help the President close the door on business as usual in Washington by ending breaks for special interests and cutting pet spending projects that sneak into the budget year after year. With this line-item veto, the President will have a valuable new tool to ensure that our public resources are being put to the best possible uses.

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- Enacted the **Congressional Accountability Act** to ensure that the same laws apply to Congress as to the rest of America.

- Eliminated the **tax deductibility of the cost of lobbying expenses** for corporations.

- Imposed the **strictest Administration ethics guidelines** ever, including a five-year ban on top officials lobbying their former agencies and a lifetime ban against lobbying for foreign governments.

- Enacted the **Unfunded Mandates Reform Act** to restrict Congress from passing on new mandates to state and local governments without paying for them.

- Broke six years of congressional gridlock and defeated the gun lobby by passing a **ban on assault weapons** and the **Brady Law**.

THE WHITE HOUSE

WASHINGTON

November 22, 1996

MEMORANDUM FOR ERSKINE BOWLES

FROM: MICHAEL WALDMAN MW

SUBJECT: CAMPAIGN FINANCE REFORM -- POLICY BACKGROUND

At Vicki Radd's request, here is a memorandum outlining campaign reform issues. Please let me know if further information would be useful.

I. THE PRESIDENT'S RECORD

1992 -- During that year's campaign, he proposed:

- spending limits;
- free TV time;
- PAC limits (PAC contributions reduced to $1000);
- and a ban on soft money.

1993-1994 -- The President and the congressional Democratic leadership proposed a reform plan that also included partial public funding for congressional candidates. This legislation passed both chambers, but the conference committee did not meet for a year. In the last week of the congressional session, a compromise was reached, but it was filibustered to death. We were sharply criticized for failing to push harder for reform at the time.

1995-1996 -- In June, 1995, the President agreed with Speaker Gingrich to create a bipartisan political reform commission, modeled on the base-closing commission (i.e., Congress votes up-or-down on recommendations). Gingrich quickly shrank from the agreement. The President named John Gardner and Doris Kearns Goodwin to help get the commission started, but they were rebuffed, and the commission idea faded. Today, reform groups oppose any move toward a commission as a substitute for legislation.

In the 1996 State-of-the-Union, the President supported the bipartisan McCain-Feingold bill, but the bill failed to overcome a GOP filibuster (54-46). In his speech in Santa Barbara shortly before the election, he repeated his support for this bipartisan approach.

II. THE McCAIN-FEINGOLD BILL

Basic provisions -- This legislation mirrors the President's 1992 proposal.

- *Voluntary spending limits* - These would be set at $600,000 per candidate for the House, and at a level varying by state population for the Senate.

- *Free TV time* – Candidates would be given substantial amounts of free TV time, offered by broadcasters as a condition of receiving a license.

- *PAC limits* – The legislation bans PAC contributions. However, it includes a fallback limiting PAC gifts to $1000 per election ($2000 per cycle) should the ban be found unconstitutional – which the Department of Justice believes it almost certainly would.

- *Soft money ban.* This bill would ban large soft money contributions to federal parties. As a result, corporations and unions would no longer be able to directly contribute to political parties for use in federal elections; in addition, individuals would be limited to $20,000 per year to the parties. This would have prevented the large contributions from individuals and foreign-owned corporations that have become the source of controversy.

- *Independent expenditures.* If a candidate is the target of independent expenditures, he or she can raise funds beyond the spending limit.

Provisions especially controversial among Democrats

- *"Bundling."* The legislation ends "bundling" -- the practice of individuals or PACs collecting large numbers of contributions and then turning them over in a "bundle" to a candidate. In 1993, our proposal did not address this in detail -- though the President publicly stated that he did not believe Emily's List should receive special treatment. We have not taken a position on this provision recently.

- *In-state or in-district limitations.* The legislation also requires candidates to raise a certain portion of their funds from within their state or district (for example, Senate candidates would be required to receive 50% of their contributions from in-state). This Democrats argue that this will make it hard for small-state lawmakers to raise funds.

III. ADDITIONAL ISSUES

Foreign contributions -- In Santa Barbara, the President called for a ban on contributions to parties or candidates from individuals who are non-citizens. The original McCain-Feingold bill did not do this. However, the sponsors have indicated that when they introduce the bill again, it will ban these gifts. In addition, the soft money ban would bar contributions from foreign-owned firms.

Lobbyist contributions -- In 1993, we proposed barring registered lobbyists from contributing to the lawmakers they have contacted within a year of the contact. The President recently reiterated his support.

IV. CONSTITUTIONAL CONCERNS

Supreme Court decisions -- In 1975, in *Buckley v. Valeo*, the U.S. Supreme Court struck down mandatory spending limits and limits on independent expenditures. The Court held that campaign spending and giving is free speech, and can only be limited to prevent corruption.

Earlier this year, in the *Colorado* case, the Court struck down existing limits on the amount that a party can spend in support of federal candidates. As a result, the parties -- especially the GOP -- were able to spend unlimited amounts of soft money in Senate and House races as "independent expenditures." Many fear that this decision will overwhelm any candidate spending limits in any legislation.

Proposed constitutional amendment -- Sen. Daschle and Rep. Gephardt both have suggested a constitutional amendment that would give Congress the power to regulate campaign spending. This would allow legislation to limit candidate spending, party spending, and independent expenditures. Such an amendment has been defeated several times on the Senate floor.

Attachments

POLITICAL REFORM

"The fact is, organized interests have too much power in the halls of government. These influence groups too often promote their own interest at the expense of the public interest. Too often they operate in secret. Too often they have special privileges ordinary Americans don't even know exist....We have an historic opportunity to renew our democracy and strengthen our country. If we truly believe in a government that puts ordinary Americans ahead of the powerful and privileged, then we must act and act now."

President Bill Clinton
February 17, 1996

President Clinton is committed to curbing the influence of money in our political system. The President supports the Senate Campaign Finance Reform Act, introduced by Senators McCain and Feingold -- the first real bipartisan campaign finance reform legislation in a generation. The McCain-Feingold bill would help fight public cynicism, restore faith in the federal government, reaffirm that elections are won and lost in a competition of ideas and reduce the cost of campaigning. The bill includes many of the campaign finance reform proposals that President Clinton championed in 1992, including:

- Adopting campaign spending limits
- Banning political action committee (PAC) contributions to candidates
- Limiting the use of personal funds
- Ending the current soft money system by requiring disclosure of all soft money contributions
- Requiring broadcasters to provide free broadcast time and discounts to candidates who abide by voluntary spending limits.
- Prohibiting Congressional franked mailings in an election year

A RECORD OF ACCOMPLISHMENT:

Since entering office, President Clinton has pursued a far-reaching agenda of political reform. The President is committed to reforming the way Washington works and ending business as usual. Among his accomplishments, he has:

- Enacted line-item veto legislation which significantly enhances the presidential authority to eliminate wasteful spending by allowing the President to cancel wasteful special interest projects and targeted tax breaks that benefit special interests.
  - The line-item veto can help the President close the door on business as usual in Washington by ending breaks for special interests and cutting pet spending projects that sneak into the budget year after year.
  - With this line-item veto, the President will have a valuable new tool to ensure that our public resources are being put to the best possible uses.

- Made voting easier for more than 11 million Americans by creating more accessible voter registration locations by enacting the National Voter Registration Act ("Motor-Voter"). The Motor-Voter law has already created the greatest expansion in the voter registration rolls since the 19th century.

- Fought for and signed into law the Lobbying Disclosure Act. The Act is the first overhaul of lobbying rules in 50 years and requires lobbyists to disclose who they work for and eliminates loopholes that allow lobbying organizations to avoid disclosure.

- Enacted the Congressional Accountability Act to ensure that the same laws apply to Congress as to the rest of America.

- Eliminated the tax deductibility of the cost of lobbying expenses for corporations.

- Imposed the strictest Administration ethics guidelines ever, including a five-year ban on top officials lobbying their former agencies and a lifetime ban against lobbying for foreign governments.

- Enacted the Unfunded Mandates Reform Act to restrict Congress from passing on new mandates to state and local governments without paying for them.

<u>THE CHALLENGES AHEAD</u>:

Despite a strong record of political reform, President Clinton understands that to end business as usual and to empower voters, we must pass real campaign finance reform.

The President believes we have an historic opportunity to renew our democracy and help restore trust in our government. In the coming months, the President will aggressively push Congress to pass bipartisan campaign finance reform legislation.

May 1996

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release December 19, 1995

REMARKS BY THE PRESIDENT
AT SIGNING CEREMONY FOR THE
LOBBYING DISCLOSURE ACT OF 1995

The Roosevelt Room

10:09 A.M. EST

THE PRESIDENT: Good morning, ladies and gentlemen. Today, after two decades of gridlock, I am very proud to be able to sign this legislation to bring lobbying in Washington into the sunlight of public scrutiny.

Last year when lobbying reform legislation was filibustered to death, there were lobbyists crowded outside the Senate Chamber who literally cheered. Today, I sign that bill into law. And that's something for the American people to cheer about.

I want to begin by thanking those whose efforts made this possible. And their efforts were constant, longstanding and carried on, I might add, from time to time under great duress.

First, let me say I believe this new law to bring lobbying into the open would never have happened without the leadership of Senator Carl Levin. The first conversation that he and I had after I was elected President was about this legislation, and therefore in a very real sense this lobby reform law is a monument to the years and years of effort that Carl Levin has made. And I thank you, Senator, for that.

There were many, many other members of Congress in both parties who played a pivotal role in enacting this needed reform. Many of them are here today, and I want to thank them. I want to thank Senator Cohen and Senator Wellstone. And I want to thank Congressman Bryant, Congressman Canady, Congressman Frank, Congressman Fazio, Congressman McHale, Congressman Chris Shays, Congressman Goss, Congressman Doggett, and Congressman Barrett who was not able to be here today.

On this matter, Democrats and Republicans acted together to put the public interest before partisanship. And they faced withering pressure to do otherwise. This law is also a testament to the thousands of citizens who were members of groups lobbying for this -- members of Common Cause, Public Citizen, and many other groups -- who have sought to make real the promise of our democracy. It is also, frankly, a testament to the efforts of thousands of citizens who belong to no particular group, but who showed up at town meetings that these members and others had all across our country. They were Republicans and Democrats and independents, people who wanted this kind of change, real change, for a very, very long time.

Lobbying has its rightful place in our system. I believe every member here and every member who voted for this bill understands that and understands what a valuable role lobbying can play in the American system. At one time or another, just about every American citizen has wanted to be a lobbyist before the Congress on one issue or another.

But ordinary Americans also understand that organized interests too often can hold too much sway in the halls of power. They know that in Washington an influence industry too often operates in secret and gets special privileges not available to most Americans. Lobbyists in the back room secretly rewriting laws and looking for loopholes do not have a place in our democracy. All the people should know what is done by people who affect public decisions.

I ran for President in large measure to renew our democracy, to give ordinary Americans a greater stake in our government. I strongly called for reform measures, including this bill, from the very beginning. Shortly after I took office, I implemented the toughest ethics code on executive officials in our history, barring senior appointees from lobbying their own agencies for five years after leaving office and from ever lobbying for foreign governments. We repealed the tax loophole that lobbyists deduct the cost of their activities and enacted the motor voter bill which will add millions of new voters to the rolls.

Until today, the rules governing lobbyists, virtually unchanged since 1946, have been more of a loophole than a law. For the first time this new law requires professional lobbyists to disclose publicly who they are, for whom they work, what they're spending, and what bills they're trying to pass, kill or amend. The bill is tough. It will pull back the curtains from the world of Washington lobbying. It will help to restore the trust of the American people in their government. It is a good bill for America.

At the outset of this year, I asked the Congress to take four major steps toward political reform. First, I asked them to apply to themselves the laws that they pass governing the rest of America. Congress took this step, thanks to the hard work of many lawmakers here today.

Second, I asked the Congress to give up gifts, meals and trips from lobbyists. Earlier this year, Congress agreed to that, and I applaud them for that.

Thirdly, I asked Congress to enact strong lobbying disclosure. Shortly, I will sign that bill into law. And I think it is fair to say, thanks to the efforts of these gentlemen and others, that bill is much stronger than most people ever dreamed would pass the United States Congress.

Fourth, I asked the Congress to reduce the influence of money on elections. And though Congress still has not acted, there is sign of hope here as well. Truly, bipartisan legislation is now moving forward in both the Senate and the House to limit spending, curb PACs and lobbyists, provide free TV time for candidates and end the soft money system -- proposals virtually identical to the ones I advocated in 1992. They are real reform. And I look forward to working with lawmakers from both parties in the months ahead to quickly enact campaign finance reform as well.

For now, let us recognize and appreciate the significant step being taken today. This law says the days of secret lobbying are over. Throughout our history, the people of our country have fought to make the government heed their voice. This new law is in the best tradition of America -- one articulated by President Andrew Jackson a long time ago, "Equal opportunity for all; special privileges for none."

Thank you very much, all of you. (Applause.)

(The bill is signed.)

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Q -- get a CR today? Do you think you're going to get a CR before Christmas?

THE PRESIDENT: I certainly hope so. We're going to have a meeting this afternoon, and I'm looking forward to it. The Speaker and Senator Dole are coming over, and then we'll have some more meetings. And I hope we can work it out.

If you look at this legislation, this is an example of what we can do if we can focus on one goal and determine to achieve that goal and bridge our other differences. And I believe that about 80 percent of both Houses in Congress, maybe even more, would like to pass a seven-year balanced budget that has real credibility with the financial markets that would keep interest rates coming down, keep home mortgages being refinanced, keep investment flowing into the country to keep this economy going.

Q -- won't agree to your conditions.

THE PRESIDENT: Well, you don't know that. We'll see. We're going to keep talking. We've worked hard. I've worked hard. I worked all last weekend on this budget to do everything I can to pass a budget that is consistent. I even got -- I gave this to all our folks today to make sure that they would read and reread this --the actual language of the last continuing resolution. And so we're working on it very hard.

Q -- you said that in this bill the Democrats and Republicans put partisan considerations aside and worked for the public interest. Do you feel that the White House and the Republicans can do that now on the budget?

THE PRESIDENT: Yes. It's more difficult because there are 80 or 90 issues -- policy issues that we have some differences on. But if we say what our goal is, our goal is to pass a credible balanced budget plan, recognizing that no one can foresee what will happen in every year of the next seven years but that a plan that is passed, that is credible, that is ultimately certified by the Congressional Budget Office, that is ultimately certified by the Congressional Budget Office, that the financial markets and the business community, the ultimate judge of this say, this is a good plan, this is going to work. That would be a very good thing for America. I think we can do it.

Q You sound concerned, Mr. President, about the financial markets -- you brought it up twice this morning. Are you worried about the hit it took yesterday?

THE PRESIDENT: Not especially. I don't like to comment on short-term changes in the market. You know, when I ran for President, I said I thought if we could pass a credible deficit reduction plan in 1993, we could create over 8 million jobs and we'd get a stock market of 4,000. I never dreamed it would go to 5,000. (Laughter.) So the American economy is very strong, very vibrant. And in an economy with a free market system with this much activity, there's going to be changes in the market -- you know there are, always have been, always will be. I don't think we should comment on that or read too much into it one way or the other.

Q Are you going to sign the securities litigation reform, Mr. President?

THE PRESIDENT: Let me say that since last week, I have spent several hours on that. I believe that some legislative activity there is warranted, and I'm going to have a final review today. Yesterday I had a long meeting and I asked one particular question and asked it to be researched at some length. I'll have a meeting later this afternoon, I'll have an announcement sometime today about it.

Thank you.

POLITICAL REFORM ACCOMPLISHMENTS
OF THE CLINTON ADMINISTRATION

Toughest ethics rules ever. Upon taking office, President Clinton required all top appointees to sign a pledge:

- that they would not lobby their own agency for five years after leaving office;
- that they would never lobby for a foreign government;
- that trade negotiators would never lobby for foreign corporations.

This closed the revolving door that had seen previous top appointees quickly turn to lobby their successors.

Lobby reform. On December x, 1995, the President signed into law the most sweeping overhaul of lobbying laws in half a century. The new law, which he had strongly supported, for the very first time all professional lobbyists would have to register and disclose:

- who they are working for
- what they spending
- and which bills they have tried to pass or kill.

Gift ban. In the 1995 State-of-the-Union Address, President Clinton challenged the Congress to ban gifts, meals, travel and entertainment from lobbyists. The Congress subsequently passed a ban.

Closing the "lobbyists loophole." In 1993, President Clinton proposed, and Congress passed, legislation ending the tax-deductibility of lobbying expenses, which had allowed corporations and others to deduct the cost of their lobbying.

Motor voter. President Clinton signed into law the National Voter Registration Act ("Motor Voter"), which made voting easier for over 11 million Americans. This created the largest expansion in the voter registration rolls since the 19th Century.

Line-item veto. President Clinton signed into law the line-item veto, which will give him and future chief executives the power to strip special interest provisions from spending bills.

Congressional Accountability Act. President Clinton signed into law the requirement that Congress live under the same laws it applies to the private sector.