Testimony of Sen. Spencer Abraham
on Campaign Finance Reform
Senate Committee on Rules and Administration
May 17, 2000

Thank you, Mr. Chairman, for giving me this opportunity to testify regarding the important issue of campaign finance reform.

Mr. Chairman, our campaign finance system is broken – and it must be fixed. The current system only fuels the all too common notion among the American people that candidates running for public office are improperly influenced by special interests.

Moreover, the emergence of third party advertising campaigns threatens to shift the political decision-making power from candidates, parties and voters in a particular state to out-of-state special interests pressure groups.

I have always believed that candidates should practice what they preach– and arrange their campaign finances in ways that avoid the appearance as well as the reality of corruption. Unfortunately, too few candidates choose to live by the very restrictions that they themselves advocate.

Mr. Chairman, I know that you and I share the same Constitutional concerns about the McCain-Feingold campaign finance reform bill. The original McCain-Feingold bill called for a complete ban on all soft money contributions.

These limits on how much people can spend to voice their own political opinions are plainly contrary to the command of the First Amendment of the Constitution, which states "Congress shall make no law ... abridging the freedom of speech."

As the Supreme Court explained in Buckley v. Valeo, a restriction on the amount of money a person or group can spend on political communication during a campaign is in practice a limitation on how much that person or group can effectively say.

As the Court explained, "virtually every means of communicating ideas in today's mass society requires the expenditure of money. The distribution of the humblest handbill or leaflet entails printing, paper, and circulation costs.

Speeches and rallies generally necessitate hiring a hall and publicizing the event. The electorate's increasing dependence on television, radio, and other mass media for news and information has made these expensive modes of communication indispensable instruments of effective political speech."

Hence, as the Court said, "A restriction on the amount of money a person or group can

spend on political communication during a campaign necessarily reduces the quantity of [permissible] expression." Thus a law that imposes such a restriction is necessarily "a law abridging the freedom of speech," and thus precisely the kind of law that the First Amendment prohibits Congress from making.

That being said, I believe we can reform the campaign finance system in ways that reduce the influence of special interest groups while preserving the Constitutional right of free political speech.

In addition, I believe campaign finance reform must address the increasing influence of third party organizations – and the decreasing ability of candidates to acquire the resources they need to communicate with the voters.

The "Open and Accountable Campaign Financing Act of 2000," which I am proud to have cosponsored, represents the best hope for bipartisan campaign finance reform in this Congress. Specifically, S. 1816, if enacted, would begin to shift the power of political choice and freedom of speech from the out-of-state special interest groups back to the candidate and the voters in his or her state.

I'd like to review some of the bill's major provisions.

First, the bill would raise the individual contribution limit to $3,000 per person. The current $1,000 individual contribution limit was imposed in 1974, and has not been raised since. This ignores the impact on inflation on the value of the dollar. This un-indexed contribution limit has the effect of giving individuals less political speech rights than they had in the 1970s.

If we do not index this individual limit to adjust for inflation, and we simultaneously permit groups to spend unlimited amounts on independent expenditures which flood the airwaves on radio and televison, then we are both seriously curtailing an individual's ability to effectively participate in the election of a candidate for federal office and increasing the power of the outside special interests relative to the impact of the candidates and parties.

We need to give more decision making power back to the individual voters, and we can do this by increasing this contribution limit to $3,000. This increase will give the year 2000 donor a similar political opportunity to that of a 1975 donor. And that makes sense.

Second, the bill would set limits on so-called soft money contributions to political parties. Rather than impose what I believe would be an unconstitutional ban on political speech, our bill would institute a $60,000 soft money cap on donations per year to the national party committees that would remain in place until a lawsuit challenging the constitutionality of the cap is filed. Once the lawsuit is filed, the cap is set aside pending the expedited review and decision by the Supreme Court.

In my judgement, S. 1816 imposes a reasonable limitation on soft money contributions which will have the effect of shifting power away from the special interests and back to the

candidates and parties without violating the Constitution.

Third, the bill also addresses another very important issue -- disclosure. Prior to the 1971 Federal Election Commission Act, individuals were permitted to contribute unlimited amounts of money to federal candidates without revealing their identity. This behavior encouraged corruption and instilled suspicion in the minds of the voter.

Disclosure, along with contribution limits, were introduced as amendments to the Act in 1974 as concepts designed to re-instill confidence in the voters by allowing them full and detailed information on who was contributing to a federal candidate's campaign, or a party committee, and how much they were contributing.

S. 1816 expands the concept of disclosure by requiring additional monthly and quarterly reports for federal candidates and national party committees. The increased frequency of disclosure by the candidates and committees allows the voters to be quickly and constantly informed about contributions to federal campaigns.

S. 1816 also provides for the national party committees to disclose their non-federal accounts in the same manner that their federal accounts are disclosed. Another disclosure provision in the bill puts the onus on the Federal Election Commission to make available to the public all information regarding federal campaigns within 24 hours after the receipt by the FEC.

Finally, and perhaps most importantly, both television and radio stations would be required to publically disclose all media buys for political advertising and include the amount of the buy and the names of the officers of the purchasing organization.

All of these disclosure provisions will increase voter confidence and hopefully voter participation in our electoral process. These provisions will not only inform voters of the contributions to candidates and party committees, but it will also inform them of the role of special interests in their state and will better disclose the identity and the real motivations of these special interest groups.

In my judgement, these disclosure provisions will also help to shift the balance of power away from the special interests and back to the candidates and voters by giving them the full information they need to make informed decisions about the elections.

Mr. Chairman, while I believe S. 1816 is a good start toward campaign reform, I also support other reforms not contained in this bill, one of which I would like to comment on here today.

In a previous Congress, I introduced legislation which sought to limit the influence of non-constituent contributors. In my view, no Federal candidate should be able to receive more than 50% of their overall contributions from out of state/district donors, including individuals

and Political Action Committees which are not based in their home state or district.

In my opinion members of congress should not receive more than half their own campaign financial support from people they do not represent. While soft money contribution to the national party create the perception that big money interests have a disproportionate influence on political choice, the fact remains that those donations go to the parties.

The campaign contributions WE receive go to the actual policy makers - - the men an women with the votes in Congress, and in my view no one of us should receive more support from non-constituents than from those we represent.

Mr. Chairman, I thank you for giving me this opportunity to testify about the issue of campaign finance reform. It is my hope that S. 1816 ultimately succeeds on the floor of the Senate - as well as the House and is signed into law. I believe it is an important step in returning the power of electoral politics to the people and the candidates - and away from the influence of the special interests.