

beneficiaries and it does not address the flaws of the current pay-as-you-go finance mechanism. Without fundamental reform, using the general revenue to pay for Social Security equals a stealth payroll tax increase on American workers. I believe using part of the budget surpluses to build real assets by changing the system from pay-go to pre-funded is the right way to go.

The President is maintaining that not one penny of the surplus would be used for spending increases or tax cuts. To that, I must say Mr. Clinton is not being at all truthful to the American people. In his FY 1997 budget, he proposes \$150 billion in new spending, which is well above the spending caps he agreed on last year. In the next five years, he will raid over \$400 billion from the Social Security trust funds to pay for his Government programs. If Mr. Clinton is serious about saving Social Security, he should stop looting the Social Security surplus to fund general government programs, return the borrowed surplus to the trust funds, and withdraw his new spending initiatives—only then will he be qualified to talk about saving Social Security.

Wrapping up, Republicans should not allow Mr. Clinton to hold any budget surplus hostage. We should continue pursuing our "taxpayers' agenda" and do what is right for working Americans. It is clear to me that returning part of the budget surplus to the taxpayers in the form of tax relief is the right thing to do. But how should we do it? In my view, the best way is to have an across-the-board marginal tax rate cut and eliminate the capital gains and estate taxes. This will help to improve American competitiveness in the global economy and increase national savings.

However, tax cuts will not solve the problems once and for all. The origin of this evil is the tax code itself. We must end the tax code as we know it and replace it with a simpler, fairer and more taxpayer-friendly tax system.

By creating a tax system that is more friendly to working Americans and more conducive to economic growth—one based on pro-family, pro-growth tax relief—Congress and the President can make our economy more dynamic, our businesses more competitive, and our families more prosperous as we approach the 21st century.

Again, to omit tax cuts from this year's budget resolution is totally unacceptable to Republicans seeking to deliver on our commitment to return money to the taxpayers. I will not walk away from our obligation to the American taxpayers to pursue a Federal Government that serves with accountability and leaves working families a little more of their own money at the end of the day. I intend to make good on my promise to the taxpayers, and I urge my fellow Republicans, especially our leadership, in the strongest terms possible, to honor your commitment as well by considering meaningful tax relief in the budget resolution.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:15.

Thereupon, at 12:52 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

Mr. BURNS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PAYCHECK PROTECTION ACT

The Senate continued with the consideration of the bill.

Mr. FEINGOLD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The time is occurring equally divided on the bill until 4 p.m.

Mr. FEINGOLD. Mr. President, I ask to yield 5 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator has that right. The Senator from Rhode Island.

Mr. REED. Thank you, Mr. President.

Mr. President, today I rise in strong support of the bipartisan compromise amendment offered by Senators MCCAIN and FEINGOLD. This would be reasonable but limited reform of our campaign finance system, reform that is long overdue.

This legislation would effectively change two very important issues with respect to campaign finance reform. First, it would ban soft money, those unlimited, unregulated gifts by corporations, wealthy individuals, and unions to political parties. The soft money issue has created a great crisis within the electoral system of the United States.

Second, the bill would require those who run broadcasts which expressly advocate the election or defeat of a candidate within a certain window, 30 days of a primary or 60 days of a general election, to play by the same rules applying to candidates and others who participate in political campaigns. Thus, organizations funding such broadcasts would have to disclose the individuals and political action committees which fund their advertisements.

This would curtail what has become an explosion throughout our American political system. Phony issue advertisements are unconstrained, cropping up suddenly, without attribution, to strike at candidates.

These are two very important reforms which must be implemented to

preserve the integrity of our political system by inspiring within the American people confidence that we, in fact, are conducting elections and not auctions for public offices. I believe these provisions are very, very important.

Again, I commend both Senators MCCAIN and FEINGOLD for their efforts. I also commend my colleagues from the States of Vermont and Maine. Senator JEFFORDS and Senator SNOWE are proposing another amendment which would help break the current gridlock we have on this legislation. The Snowe-Jeffords proposal also addresses the issue of phony advertising through better disclosure of those who are participating in campaigns. I think their efforts are commendable.

Frankly I prefer a much more robust form of campaign finance reform. I believe that at the heart of our problem is the Supreme Court decision of *Buckley v. Valeo*, which more than 20 years ago held that political campaign expenditures could not be limited. Frankly, I think the decision is wrong. Justice White, who dissented from that opinion and, by the way, was the only Member of that Court with any practical political experience, declared quite clearly that Congress has not only the ability but the obligation to protect the Republic from two great enemies—open violence and insidious corruption.

Indeed, the Court in *Buckley* did accept part of that reasoning by outlawing unlimited contributions to political campaigns, but they maintained that unlimited expenditures were constitutionally permissible.

I believe that we should go further than this bill proposes today. Indeed, we have practical examples within the United States of systems that do constrain contributions and expenditures in political campaigns.

I was interested to note that in Albuquerque, NM, since 1974, the mayor's campaign has been limited to an expenditure of \$80,000, equivalent to the salary of the mayor. I know as I go around my home State of Rhode Island, people often ask why a candidate would spend more money in a campaign than he or she would receive in salary to hold that office. In Albuquerque, they took the rather interesting step of capping expenditures to the pay of the mayor.

It turns out that for the last 23 years, the Albuquerque system worked well. Unfortunately, last year the Albuquerque law was challenged in court under the *Buckley v. Valeo* theory. Up until last year, the municipal law was a model of not only good campaign finance practice but of also good electoral politics. A former mayor, who held the position during the challenge said, "No one's speech was curtailed, no candidates were excluded, the system worked well."

I hope we can adopt on another day robust campaign finance reform that would begin to revise the *Buckley v. Valeo* decision. But today we are here