At the outset, in offering the amendment, we pay well-deserved tribute to Senator Russell Long, the distinguished chairman of this committee. He has been the grandfather of public financing in the American political system, but Senator Long is the main man of the hour, continuing his unceasing efforts over the past decade, especially the enactment of the dollar check-off seven years ago, public financing today would simply not be possible if it weren’t for Senator Long’s 1967, an idea ahead of its time, instead of the solid Federal law on which Congress can now build.

Democrat and Republican, we are here today because we share the strong feeling that the time has come to end the unconscionable practice of money in politics.

Among the lessons of Watergate and the resignation of the Vice President, perhaps the most obvious is the unanimous, bipartisan recognition that the string has run out on the role of private money in campaign financing.

In the 1972 campaign, money and public service have been a corrosive combination in political life. And the more things change, the more they remain the same. In "The Prince," Machiavelli’s problem clearly almost five hundred years ago:

"As a general rule, those who wish to win favor, must bend over the other of their most value and in which they see that he will take most pleasure; so it is often seen that rulers receive presents of horses, arms, pieces, and clothes of the similar ornaments worthy of their station."

The only real change today, when the few available from the modest Federal government would beg the mind of any medival prince, is that the most valued presents are not horses and arms, but contributions to political campaigns.

The Ervin Committee has barely begun the campaign financing phase of its hearings. Yet, even by year’s end, ample evidence already demonstrates beyond any doubt the insidious influence of private money in American politics. When some of the most distinguished corporations in the nation—names like American Airlines, Goodyear Tire, Gulf Oil, and Minnesota Mining and Manufacturing—confess to crimes involving blatant violations of the existing Federal election laws, we begin to understand the irresistible pressures that are infecting our national life. If private corporate campaign financing, it was unique only in the unscrupulous intensity and efficiency with which the contributions were so successfully solicited. I am convinced that most, and probably all, of the very serious problems facing this country today have their roots in the way we finance political campaigns for high Federal office. Watergate may lead the list, but Congress shares the guilt as well. On issue after issue of absolutely vital importance to the American people of this country, it is often easier to predict how the Administration and Congress will respond by studying the records of campaign contributions than by studying the merits of the question.

We would have a different America today if the political power of campaign contributors were measured by their votes and voices on the Federal bench, or the Federal board, on virtually every issue before us, we know the dimensions of the problem. And if 1973 means anything, it means we cannot let the problem continue.

To me, the solution is public financing. The best way to heal the system is to eliminate the corrosive power of private money in our political system. The Committee’s endorsement of the campaign financing program of public financing for all elections to Federal office, in line with that goal, and a short time after our previous public hearings, the nine Senators who are the principal sponsors of public financing legislation in this session of the Congress have agreed to propose a joint amendment to the Debt Ceiling Act.

Our amendment draws heavily on the provisions of H.R. 9295, the Mondale-Schweiker bill for Presidential primaries and general elections, the Hart bill for Congressional primaries and general elections, and the Cranston bill for Senatorial primaries and general elections. The amendment also includes the Kennedy-Scott bill for Senate and House general elections. Our joint amendment contains the following principal provisions:

First, the existing Presidential Election Campaign Fund Act is expanded to include Congressional elections. And it is a special election, and the amount of the dollar check-off is increased to $2 for each taxpayer, on a joint return.

Second, for Presidential primaries, matching grants of public funds will be available for each private contribution up to $100. A threshold of $100,000 in private contributions is required before matching payments begin, and there are ceilings of $7 million on matching payments and $15 million on overall spending.

Third, for Senator general elections, the provisions of the existing dollar check-off are retained, the amount of the dollar check-off is increased to $15 per voter will be available for major party candidates; proportional amounts will be available for minor party candidates. And, there are ceilings on spending in the preceding election or the current election.

Indeed, it is extraordinary testimony to the wisdom of Senator Long’s dollar check-off in existing law that its provisions can be so easily applied to Senate elections.

Fourth, for House general elections, the support level is $400 for major party candidates. This figure is the spending limit for House elections contained in S. 372, referred to the Committee on Finance. And there are ceilings of $100 on a joint return.

Fifth, the existing tax credit and the tax deduction for political contributions are doubled, raising the credit to one-half of the contributions up to $50 ($100 on a joint return), and raising the deduction to $100 ($200 on a joint return).

Sixth, the $3,000 and other private contribution limits already voted by the Senate are increased to allow unlimited contributions by private funds where campaigning still operates, such as Presidential primaries.

Seventh, the $3,000 and other private contribution limits already voted by the Senate are increased to allow unlimited contributions by private funds where campaigning still operates, such as Presidential primaries.

In conclusion, Chairman of the Committee on Finance, I urge the full Senate to take immediate action to enact the Committee’s reforms into law.

We are legislating today, not just for 1974 or 1976, but for the future of the country.
The existing law is Senator Russell Long's "Committee on Campaign Fund Act," known as the dollar check-off. The Act, as passed by Congress in 1971 and amended in 1973, establishes public financing for presidential elections. Except as provided in this summary, the provisions of the proposed amendment are essentially identical to the provisions of the dollar check-off applicable to Presidential general elections.

General provisions on public financing

3. The amendment establishes a Federal Election Campaign Fund on the books of the Comptroller General. Funds are to be derived from the existing Presidential Election Campaign Fund, to be funded through the dollar check-off and general appropriations acts of Congress. Payments from the Fund will be made to eligible major and minor party candidates, according to specified entitlements. Amendments to the check-off on the Debt Ceiling Act of July 1, 1973, have now eliminated the so-called "Special Accounts" in the existing Fund, and have left only a "General Account" to be allocated by formula among Presidential candidates. Under the proposed amendment, the General Account will be the basis for providing funds for Presidential primaries and for Senate and House general elections.

4. The amendment increases the amount of dollars check-off to $2 for a single $2,000 contribution, or a joint $4,000 contribution (as provided in the existing law).

5. It modifies the check-off to require taxpayers to indicate that they do not want their tax dollars paid into the Federal Election Campaign Fund.

6. Congress may appropriate funds to make up deficits left in the General Account after the operation of the dollar check-off.

7. The dollar check-off, the program will be administered by the Comptroller General. The Comptroller General certifies a candidate's eligibility for payments, and is responsible for conducting a detailed post-election audit and obtaining repayments when necessary.

8. There are heavy criminal penalties for exceeding the spending limits, and for unlawful use of payments, false statements to the Comptroller General, and kickbacks and kickbacks and kickbacks and kickbacks.

9. The provisions of the amendment will go into effect for the 1974 Congressional elections, and for the 1976 Presidential primaries and the Senate and House general elections.

10. The cost of the public financing provisions of the amendment is estimated at $500 million in a Presidential election year and $100 million in the off-year Congressional elections. Thus, the total cost of the program over the four-year election cycle is $300 million, yielding an average cost of about $75 million a year.

Presidential general elections

11. Apart from increasing the amounts available to be checked off on tax returns, the principal change made by the amendment in the case of public financing for Presidential general elections is that the bill bars the option of private financing for such elections (except that small contributions in millions may be made for the benefit of candidates through the major political parties—see paragraph 31, below). Under the existing dollar check-off public financing, private financing is used as an alternative to public financing for such elections, and candidates electing public financing
ing may not also use private financing, except in cases where the available public funds are insufficient to meet the candidate's full entitlement. Thus, the amendment would not prevent a situation in which one candidate for President runs on public funds in the general election, while the other runs on private funds. In addition, if public funding is 15 cents per voter, or approximately $21 million for each Presidential candidate of a major party.

12. Each candidate in the Presidential primaries is entitled to matching payments of public funds for the first $100 received from any individual contributor.

13. Payments begin 14 months prior to the date of the general election for President.

14. Any contribution made in connection with the candidate's designation for nomination in whatever year it occurs, is eligible for matching. However, all such contributions are aggregated, and no more than $100 from any contributor may be matched.

15. Candidates must accumulate $100,000 in matching contributions before matching payments of public funds begin. To meet this requirement, a candidate may accumulate 1,000 contributions of $100 each, or 2,000 contributions of $50 each. Once this threshold requirement is met, the first $100,000 in contributions will also be eligible for matching payments.

16. No candidate may receive total matching payments of more than $15 million for any election cycle. The 5-cent figure will be adjusted for future increases in the cost of living.

17. No candidate may spend more than $15 million in his campaign for the Presidential nomination.

18. Matching payments may be used only for legitimate campaign expenses during the pre-nomination period, and unspent payments are rolled over into the Treasury.

Senate and House general elections

19. The amendment provides public funds for general and special elections for the Senate and the House, but not for primaries or run-off elections.

20. As in the case of Presidential general elections, the amendment makes public financing mandatory for Senate and House elections. However, the option of private financing by major party candidates in such elections (except that limited private contributions may be made for the benefit of candidates through the major political parties—see paragraph 31, below).

21. The amendment follows the basic formula used in S. 372, locating public funds among candidates of major, minor, and new parties. An independent candidate is entitled to public funds on the same basis as a candidate of a party.

22. A "major party" is a party that received 25% or more of the total national vote in any national election. A "minor party" is the party with the next highest share of the vote in a case where only one party qualifies as a major party on the basis of the preceding election.

23. A "minor party" is a party that received more than 5% but less than 25% of the national vote in the preceding election. A "new party" is a party that is not a major party or a minor party.

24. In Senate elections and statewide Congressional elections, a candidate of a major party is entitled to receive public funds in the amount of 15¢ per eligible voter or $175,000, whichever is greater. The 15¢ figure, which is designed to meet the cost of living, coincides both with the entitlement of Presidential candidates in the existence of a ceiling and with the ending ceiling in the Senate-passed version of S. 372. The $175,000 figure coincides with the spending floor in S. 372 for candidates in Senate and Statewide Congressional elections.

25. In House elections in States with more than one Representative, the entitlement of a major party candidate is $90,000. This figure coincides with the spending floor in S. 372 for major party candidates.

26. A candidate of a minor party is entitled to receive public funds in proportion to his share of the popular vote in the current election. If he receives more than 5% of the vote in the election, he will be entitled to receive public funds in proportion to his performance in the current election.

27. A candidate of any party is entitled to receive public funds in proportion to his share of the popular vote in the primary election. If he receives more than 5% of the vote in the primary election, he will be entitled to receive public funds in proportion to his performance in the general election.

28. Public funds will be available for expenditures made by a candidate of a major party during the period beginning with the date on which the party nominates its candidate and ending 30 days after the election. Public funds will be available for candidates of other parties during the longest period in which they are available to a candidate of a major party.

OTHER PROVISIONS

29. As an incentive to small contributions, the amendment doubles the existing tax credit and tax deduction for such contributions. The tax credit would be increased to one-half of any contribution up to $50 ($25) and the tax deduction would be increased to $100 ($200 on a joint return). The cost of this provision, based on figures for the 1972 Presidential election year, is $18 million.

30. Individuals or committees not authorized by a candidate may not spend more than $1,000 ($500 for a minor party candidate) on behalf of the candidate, if he is eligible for public funds.

31. In order to assure the continuity of normal functions of political parties, to provide a role for the parties in the general election, and to preserve a limited opportunity for small private contributions, the national committees of major political parties are entitled to spend a total of 2¢ per voter of their own funds collected from private contributions. These funds may be spent by the National Republican, National Democratic, Senate, and House general election candidates, and the state committees of such parties are entitled to spend a total of 2¢ per voter of their private funds. The amendment provides public funds for all campaign expenses incurred within the campaigns of the National Republican, National Democratic, Senate, and House general election candidates within their states.

32. The spending provisions of the amendment prohibit direct private financing of Presidential, Senate, and House general elections, although indirect and limited private financing is permitted through the major parties. To limit the undue influence of large contributions in primaries, and to limit the size of private contributions channeled through the parties in the general election, the amendment incorporates the $3,000 and other contribution limits already approved by the Senate in S. 372. See 18 U.S.C. 615 in Section 20 of S. 372 as passed by the Senate.

Mr. MONDALE. Mr. President, I wish to add at this point that the leader in the Senate, in the country, long before others saw the seriousness of this matter, was the distinguished chairman of the Committee on Finance, the Senator from Louisiana (Mr. Long), who led the fight for the dollar checkoff years ago, long before Watergate. We hope that the Senator from Wyoming will catch up with his leadership and that we can proceed to cleanse American elections of the compromise and sometimes corruption of private financing.

Mr. MOORE. Mr. President, I yield to the distinguished Senator from Wyoming. Mr. McGEE. Mr. President, this bill

THE INTEREST ON THE NATIONAL DEBT

Mr. HARRY F. BYRD, JR. Mr. President, I invite the attention of the Senate to the testimony today by the Secretary of the Treasury, Mr. George Shultz. Secretary Shultz testified that the interest on the national debt for the current fiscal year will be $98 billion. This represents an increase of $3 billion over the estimate which was submitted to Congress this past January.

Mr. President, to put this $29 billion in perspective, it means that 18 cents of every Social Security and corporate income tax dollar paid into the Federal Treasury by the American wage earner goes for one purpose; namely, to pay the interest on the debt.

ADMINISTRATION OF FEDERAL EMPLOYEES LEAVE SYSTEM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 1284.

The PRESIDING OFFICER. The bill will be stated by title. The second assistant legislative clerk reads the title:

A bill (H.R. 1284) to amend title 5, United States Code, to improve the administration of the leave system for Federal employees.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with amendments on page 2, in line 23, strike out "subsections (b) and (d)," and insert "subsections (b), (d), and (e);" on page 3, in line 2, after the word "new" strike out "subsection;" and insert "subsections;" in line 5, after the word "when," strike out "such" and insert "the;" in line 8, after the word "where," strike out "such and" and insert "the;" in line 10, after the word "when," strike out "such" and insert "the;" in line 23, after the word "this," strike out "title;" and insert "title;" and line 23 insert, "(e) Annual leave otherwise accrued after June 30, 1960, which is lost by operation of this section because of administrative error and which is not credited under subsection (d) or (e) of this section because the employee is separated before the error is discovered, is subject to credit and liquidation by lump-sum payment only if a claim therefor is filed within 180 days after the following the date of discovery of the error. Payment shall be made by the agency of employment when the lump-sum payment provisions of section 5551 of this title last became applicable to the employee at the salary rate in effect on the date of the lump-sum provisions became applicable."

On page 6, in line 12, after the word "Notwithstanding", strike out "and another provision of law," and insert "other statutes;" in line 16, after the word "was," strike out "forefeited" and insert "forfeited;" and in line 18, after the word "such", strike out "and" and insert "payment.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Wyoming. Mr. McGEE. Mr. President, this bill