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February 25, 1998

Ms. Alva E. Smith
Office of the General Counsel
Federal Election Commission
999 E Street, NW - 6th Floor
Washington, DC 20463

**Re: MUR 4516, Minnick for Senate and
Gardner W. Skinner, Jr., Treasurer**

Dear Ms. Smith:

I am counsel of record to Respondents Minnick for Senate and Gardner W. Skinner, Jr., Treasurer, in connection with MUR 4516 (Statement of Designation of Counsel is enclosed). On December 6, 1996, a motion to dismiss MUR 4516 was filed on behalf of the Democratic Senatorial Campaign Committee and numerous state party committees and campaigns named in the Complaint. Respondents hereby adopt as its own the arguments set forth in that motion to dismiss, a copy of which is attached.

If you have any questions, please do not hesitate to contact me.

Very truly yours,


Marc E. Elias

MEE:dml

FEB 25 3 07 PM '98
FEDERAL ELECTION COMMISSION
OFFICE OF THE GENERAL COUNSEL

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4516

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The above-named individuals are hereby designated as my counsel and are authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

2/24/98
Date

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BEFORE THE FEDERAL ELECTION COMMISSION

IN RE:

DEMOCRATIC SENATORIAL
CAMPAIGN COMMITTEE, ET AL.

Respondents.

MUR 4516

RESPONDENTS' MOTION TO DISMISS

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BEFORE THE FEDERAL ELECTION COMMISSION

IN RE:

DEMOCRATIC SENATORIAL
CAMPAIGN COMMITTEE, ET AL.

Respondents.

MUR 4516

RESPONDENTS' MOTION TO DISMISS

Respondents Democratic Senatorial Campaign Committee; State Democratic Executive Committee of Alabama; Democratic Party of Arkansas Federal Account; Democratic State Central Committee of Colorado; Idaho State Democratic Party; Kansas Democratic State Committee; Kentucky State Democratic Central Executive Committee; Democratic State Central Committee of Louisiana General FECA Account; Maine Democratic State Committee; New Hampshire Democratic State Committee; New Jersey Democratic State Committee; Democratic Party of Oregon; (the "Parties") and Roger H. Bedford for U.S. Senate; Beshear for U.S. Senate; Tom Bruggere for U.S. Senate; Friends of Max Cleland for U.S. Senate; Close for Senate; Jill Docking for U.S. Senate; Houston Gordon for Senate; The Kerry Committee; Friends of Senator Carl Levin; Sally Thompson for Senate; Citizens for Swett/Swett for Senate Committee; Torricelli for U.S. Senate, Inc.; and Wellstone for Senate (the "Campaigns")¹ hereby move the Federal Election Commission ("FEC" or the "Commission") to dismiss MUR 4516.

¹ As well as their respective treasurers.

BACKGROUND

Before the Commission is one in a series of complaints filed by the National Republican Senatorial Committee ("NRSC") against the Democratic Party and its candidates regarding "issue advertisements" recently run by the various State and National Democratic Party Committees around the country. Specifically, in this complaint the NRSC alleges that advertisements financed and run by the Parties in the fall of 1996 violated the Federal Election Campaign Act of 1971, 2 U.S.C. §§ 431 et seq. ("FECA" or the "Act"). Because the NRSC's charges are completely without merit, MUR 4516 should be promptly dismissed.

The advertisements were produced and aired by the Parties to advance the national legislative and policy agenda of the Democratic Party by pressuring Republican candidates to adopt certain legislative and policy positions. The ads called upon viewers to contact the candidates to express their displeasure with the candidates' prior support of efforts to cut Medicare, education and student loans and to raise taxes on middle class Americans, as well as various other important issues in national debate.

By "calling citizens to action" on these issues the Parties hoped to advance three interrelated goals. First, the Parties sought to influence Members of the United States House of Representatives, the United States Senate, and various state legislatures on matters that might come before their legislative body. Second, the Parties hoped to pressure these candidates into taking public legislative and policy positions during the campaign that they would be compelled to follow in the 105th Congress and beyond. Finally, by bringing these important policy issues to the attention of the public, the Parties hoped to raise the general level of public support for its agenda and platform.

With respect to these goals, the Democratic Party has publicly promoted a specific party policy agenda entitled "The Democratic Families First Agenda" which includes, inter alia, the following:

Dependable retirement . . . protect your pension savings, Social Security, and Medicare . . . better access and protection of women's pensions.

Affordable education . . . scholarships to make the first two years of college free . . . tax deductions for job training and college.

Safer families . . . more cops on the beat . . . keep kids out of gangs and off the streets . . . drug enforcement and prevention.

Corporations with a conscience . . . environmental responsibility . . . no tax breaks for moving American jobs overseas.

Paycheck security . . . affordable child care . . . ban imports using child labor . . . fair pay for women.

Summary of the Democratic Families First Agenda (A copy of the Families First Agenda as well as descriptions and news summaries of it are attached at Tab A). The advertisements were wholly consistent with advancing this agenda. For example, several state advertisements, such as those aired in Arkansas, Colorado, Kentucky and New Jersey, addressed the issue of Medicare, which is a central plank of the Democratic agenda and became a hotly debated issue in the recent election. Another issue publicized by several states, including Colorado, Kansas and Idaho, was educational opportunity and student loans. Kansas and Idaho also ran advertisements encouraging environmental responsibility, a long-standing goal of the Democratic Party. Women's rights -- the subject of the issue ad in Colorado -- have long been a focal point for the Democratic Party. Efforts to decrease crime, another major plank in the Families First Agenda, were the subject of advertisements in Minnesota and Alabama. The economic concerns of higher taxes and raiding of corporate pension funds have become increasingly important to the Democratic Party and the public and were the subject of advertisements in Louisiana, Arkansas, Kansas and Colorado. Finally, the minimum wage, an issue of long-standing significance to the Democratic Party, was addressed in New Hampshire advertisements. By airing these advertisements, the Parties helped advance

the Democratic Party's overall policy positions by educating the public and pressuring Republican officeholders and candidates.

Contrary to the NRSC's assertions, this effort by the Parties to advance their legitimate legislative and policy interests was entirely legal and properly financed. Conspicuously absent from the NRSC's complaint is any evidence that the advertisements expressly advocated the election or defeat of any Republican candidates or their opponents, or contained an unambiguous "electioneering message" requiring application of the limits of 2 U.S.C. § 441a(d) of the Act. The clear text of the advertisements demonstrates that they advanced the Democratic Party's long-standing and legitimate policy and legislative agenda. As a result, it is well settled under prior Commission advisory opinions and case law that the advertisements were properly treated by the Parties as administrative and party building/promotional expenses.

The respondents named by the NRSC were party committees that had financed issue advertisements, calling viewer attention to various political issues important to the public. As part of its complaint, the NRSC included the "story boards" for these issue advertisements in its complaint, outlining the text and video images used in the advertisements. Inexplicably, the NRSC also included in this compilation some "story boards" for section 441a(d) coordinated expenditure advertisements. This in turn led the FEC added a number of respondents to MUR 4516 that were not named by the NRSC in the original complaint. These respondents -- Friends of Max Cleland for the U.S. Senate, Close for U.S. Senate, The Kerry Committee, Friends of Senator Carl Levin, and Houston Gordon for Senate -- should be dismissed because these advertisements were treated under the 441a(d) limits and were correctly reported as expenditures pursuant to FEC regulations.

Finally, the complaints against the Parties and Campaigns in Oregon and Maine should also be dismissed immediately. The NRSC has totally failed to support its allegations against these respondents with specific information regarding the advertisements run in such states.

There is no evidence as to what the content of such advertisements might have been, much less any actual "story boards."² As a result, it is impossible to know where these were issue ads, 441a(d) expenditures, or something else altogether and the Oregon and Maine respondents have no way of responding to the NRSC's allegations. In light of the NRSC's failure even to identify the Maine and Oregon ads, much less any specific violation associated with such ads, the complaint against the Oregon and Maine respondents should be summarily dismissed.

ARGUMENT

I. The Advertisements Met the FEC's Previously Announced Standard to be Treated as an Administrative/Party Building Expense

As the NRSC's complaint correctly notes, the Commission has in the past approved of political parties producing and financing issue advertisements in precisely the same manner as the Parties did in this case. In FEC Advisory Opinion 1995-25, the Commission concluded that "legislative advocacy media advertisements that focus on national legislative activity and promote the [] Party should be considered as made in connection with both Federal and non-federal elections, unless the ad would qualify as coordinate expenditures on behalf of any general election candidates of the Party under 2 U.S.C. § 441a(d)." The Commission further stated that because "[a]dvocacy of the party's legislative agenda is one aspect of building or promoting support for the party that will carry forward to its future election campaigns," the cost of the advertisements were not properly treated as coordinated expenditures; but rather, constituted party building and promotional expenses. Id.

The record in this matter demonstrates that the advertisements were produced and financed in accordance with the rules established by the Commission in Advisory Opinion 1995-25 which required that in order to be treated as a party building and promotional

² The FEC was also unable to locate the "story boards" for the Maine and Oregon advertisements when contacted.

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expense an advertisement not include an "electioneering message." In Advisory Opinion 1995-25 a number of factors were proffered to demonstrate an absence of "electioneering." First, while the ad mentioned a candidate who was also a Federal officeholder, it did not contain words of express advocacy or an electioneering message. Second, the ad contained a "call to action" -- urging the viewer to contact the officeholder with respect to important legislation or policies. Finally, the advertisement contained the proper disclaimer and was properly paid for and reported. Because the advertisements here meet these criteria, they too are lawful in all respects.

A. The Advertisements did not Contain an Electioneering Message

The NRSC does not and explicitly cannot argue that the advertisements contained words of express advocacy or an electioneering message. The NRSC's reluctance to make this argument is well-founded. As discussed, infra, the advertisements did not contain words of express advocacy. The advertisements did not instruct the viewers to "vote for," "vote against," "elect," or "defeat" anyone. In fact, the only "call to action" contained in the ads were clear and unambiguous -- they directed viewers to "call" candidates to voice their opinions. Nowhere in the ads did they suggest that viewers vote for or against those candidates. Because the call to action was clearly aimed at contacting candidates to express their views on issues, rather than at "exhorting" the viewer to vote for or against them, there cannot be any suggestion of express advocacy.

Nor can express advocacy be found from an electioneering message. The complete absence of an electioneering message is plain from a review of the Ninth Circuit's 1987 opinion in FEC v. Furgatch, 807 F.2d 857 (9th Cir. 1987), on which the Commission's current regulations are based. In that case the Ninth Circuit held that "speech need not include any words listed in Buckley to be express advocacy under the Act, but it must, when read as a whole, and with limited reference to external events, be susceptible of no other reasonable interpretation but as an exhortation to vote for or against a specific candidate." 807 F.2d at

864. The court then established a three-part standard to determine if particular political speech meets this test:

First, even if it is not presented in the clearest, most explicit language, speech is 'express' for present purposes if its message is unmistakable and unambiguous, suggestive of only one plausible meaning. Second, speech may only be termed 'advocacy' if it presents a clear plea for action, and thus speech that is merely informative is not covered by the Act. Finally it must be clear what action is advocated. Speech cannot be 'express advocacy of the election or defeat of a clearly identified candidate' when reasonable minds could differ as to whether it encourages a vote for or against a candidate or encourages the reader to take some other kind of action.

Id. (emphasis added).

This same test is embodied in the Commission's regulatory definition of "express advocacy." 11 C.F.R. § 100.22. Section 100.22 defines express advocacy to include communications that include explicit words of express advocacy such as "vote for," "vote against," "elect," and "defeat." 11 C.F.R. § 100.22(a). However, like Furgatch, it also includes communications that

[w]hen taken as a whole and with limited reference to external events, such as the proximity to the election, could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidate(s) because --

(1) The electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning; and

(2) Reasonable minds could not differ as to whether it encourages actions to elect or defeat one or more clearly identified candidate(s) or encourages some other kind of action.

11 C.F.R. § 100.22(b) (emphasis added).

The advertisements here did not fall within the boundaries of "electioneering" established in Furgatch and Commission regulations. Most importantly, the advertisements' sole call to action was for viewers to contact the candidates and urge them to adopt new

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policy and legislative positions. Thus, under the Commission's regulatory test, as well as under Furgatch, the ads did not contain an electioneering message because they encouraged the viewer to "some other kind of action" other than voting.

In this important respect the present advertisements were significantly different from the advertisement that was at issue in Furgatch. Unlike the advertisements that contained a clear call to action, in Furgatch the court found that the advertisement was "bold in calling for action, but fails to state expressly the precise action called for, leaving an obvious blank that the reader is compelled to fill in." Id. at 865. Noting that the advertisement simply told the public "[d]on't let him do it," the Ninth Circuit found itself "presented with an express call to action, but no express indication of what action is appropriate." Id. After reviewing and ruling out all possible non-electoral actions that the ad could have encouraged (impeachment, judicial or administrative action), the Ninth Circuit was left to conclude that "the only way to not let him do it was to give the election to someone else." Id.

In contrast to Furgatch, in the instant matter there is no ambiguity as to what action the advertisements encouraged. The advertisements' call to action unambiguously asked viewers to call to express their displeasure with Republican candidates' policy positions on several issues of central importance in the current political and policy debate.

Second, the central question in reviewing these advertisements is not whether they portrayed the candidates unfavorably. It is quite typical -- and not forbidden -- for issue advocacy advertisements to be harsh in words and tone. In fact, Furgatch instructs courts and the FEC to focus on what the advertisement urges the viewer to do rather than on the negative claims or tone of the ad. 807 F.2d at 864. ("[T]he pivotal question is not what the reader should prevent Jimmy Carter from doing, but what the reader should do to prevent it"). In this case, it is clear that the only "call to action" involved telephoning the candidates and urging them to change their positions on such issues as Medicare, crime and taxes. Similarly, both the Furgatch opinion and the Explanation and Justification for the Commission's

regulatory definition make clear that when evaluating an advertisement the most important consideration is its objective content, rather than the subjective intent of its sponsor. See Furgatch, 807 F.2d at 863; 60 F.R. 35292, 35295 (July 6, 1995). In this instance, the advertisements speak for themselves -- they are issue ads.

Finally, in considering this matter, the Commission should be mindful of the Ninth Circuit's admonition that "if any reasonable alternative reading of speech can be suggested, it cannot be express advocacy." Id. In this case the most reasonable reading of the advertisements is a reading of the plain text, a reading of what the ads in plain English actually communicate.

B. The Advertisements Included a Proper Call to Action

As noted above, the NRSC places its primary focus on these advertisements' "call to action." Specifically, the NRSC argues that the call to action was insufficient because it did not refer to a particular piece of legislation that was currently pending before Congress. The NRSC's objection is without merit.

Advisory Opinion 1995-25 does not require the Parties to employ a call to action that is limited to specific, pending legislation. One could imagine, for example, a call to action asking viewers to pressure a candidate through telephone calls to commit -- before an election -- to adhere to a particular legislative position if and when he or she is elected. For example, a proper issue ad could include the following call to action: "Call John Smith and ask him to promise that, if elected, he won't raise gasoline taxes." Such a call to action would be appropriate even if no such tax increase was currently before Congress and even if Candidate Smith was not currently a Member of Congress. Similarly permissible would be a call to action (like the one in FEC v. Christian Action Network, 894 F. Supp. 946 (W.D. Va. 1995), aff'd, 92 F.3d 1178, 1996 U.S. App. LEXIS 25602 (4th Cir. Va. 1996)) that simply implores viewers to contact the advertisement's sponsor for more information. In short, the propriety

of a given call to action that is intended to influence future public policy does not rest upon Congress' current legislative calendar.

This is especially the case with respect to ads by political parties. The fact is that parties have platforms containing numerous policy positions not directly tied to pending legislation and they certainly have the right to attempt to influence the legislative process by framing the issues that will likely be advanced in the future, even if those issues are not currently in concrete legislative form before Congress.

For example, as noted, the policy items mentioned in Parties' advertisements are consistent with the Democratic Party's Families First Agenda. Some of the items in the agenda -- such as "more cops on the beat" -- have been the subject of legislation in the past. Others -- such as "tax deductions for job training and college" -- may well be the subject of future legislation. Still others -- such as "environmental responsibility" -- simply reflect a policy commitment of the Party, unconnected to any particular piece of legislation. Parties have a legitimate interest in advancing all three of these types of policy objectives with equal vigor.

While many of the advertisements advance more than one of these objectives, in this case, the numerous ads concerning Medicare, crime and the minimum wage, which ran in Minnesota, Colorado, Arkansas, Kentucky, New Jersey and New Hampshire, exemplify issue ads targeting prior legislative achievements and commitments. Similarly, the ads focusing on taxes and education that ran in Louisiana, Arkansas, Colorado, Kansas and Idaho illustrate important Democratic legislative goals. Finally, long-term policy commitments of the Democratic Party, such as women's rights, the environment and elimination of crime, were the subject of ads in Kansas, Idaho, Alabama and Colorado.

The fact that some advertisements are connected to concrete pieces of proposed legislation while others reflect the policy commitment that may be applied to a number of possible bills is of no legal significance. What is important is the ability of the Parties to

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promote their ideas (as opposed to their candidates) and to pressure candidates during the election campaign to commit to those policy positions. The Court in Buckley v. Valeo, 424 U.S. 1 (1976), and elsewhere has guaranteed this right without government intrusion or interference. The Furgatch Court reaffirmed this right and made it clear that a more fluid "electioneering message test" should not be construed to burden protected issue communication. 807 F.2d at 864.

In sum, if, as the Furgatch court held, there are no "magic words" required for "express advocacy," then there is certainly no one formula for a call to action. The call to action in this case asked viewers to contact candidates for office to pressure them on several policy matters that were and are central in the national political debate -- protecting Medicare, education, the environment and opposing large tax breaks for the rich, among others. These issues, and the advertisements, fall squarely within the legislative and policy agenda the Parties seek to advance. The promotion of these ideas through ads such as these helps build the Democratic Party generically by generating popular support among the public for its ideas and initiatives. It also strengthens the national Party by forcing Republican candidates to commit to supporting these policies if and when they are elected. In short, actively addressing the Republicans' position on crime, education and other issues by having viewers call Republican candidates is important for the advancement of the Democratic Party's agenda in the 105th Congress and beyond as it was to the advancement of the agenda in the 104th. As such the advertisements at issue qualify as issue advocacy protected by the First Amendment.

C. The Advertisements Contained the Correct Disclaimer and were Properly Financed

In Advisory Opinion 1995-25 the Commission concluded that advertisements advocating a party's legislative agenda should be characterized "as administrative costs or generic voter drive costs." That is precisely what was done in this instance. The Parties treated these costs as administrative/Party building and, accordingly, they were paid for under

the appropriate state allocation formula. 11 C.F.R. § 106.5(d). In addition, the advertisements contained appropriate disclaimers which stated that they were paid for by the Parties.

D. The Placement of the Advertisements and any Coordination Between the Parties and Campaigns is not Relevant

In addition to addressing the "call to action" requirement of Advisory Opinion 1995-25, the NRSC's complaint includes a brief discussions of two "facts" of no particular import or consequence to the determination of this matter. Specifically, the NRSC argues that the "placement" of the advertisements (i.e. the media markets in which they aired) and alleged "coordination" between the Parties and the Campaigns both support its complaint. The NRSC is mistaken on both counts.

There is no legal basis to support the NRSC's assertion that issue ads mentioning a specific public official may only be aired in his or her electoral district. As noted above, the advertisements, like all issue advertisements, sought to promote the Democratic Party's policy agenda in several ways. It is true that one manner of advancing that agenda is to place direct pressure on public officials via their own constituents. However, there are other, more important, objectives that advertisements such as these serve.

Advertisements like these place pressure on candidates to take public stands on issues -- like cutting education and Medicare -- that are central to the Democratic Party's overall policy agenda. It is precisely at that time -- when candidates are facing the electorate -- that a political party is best able to achieve policy concessions from opposing candidates. Thus the fact that many of these advertisements ran statewide is not surprising given that the Parties were trying to gain concessions from Republican candidates on policies of great import to the Democratic Party.³

³ As well as, in a limited number of instances, attempting to bolster a Democratic candidate's resolve to maintain a position that is consistent with the Parties' goals.

Also, although often naming one particular candidate, advertisements such as these also educate the public on policies that are important to the Democratic Party. By forcing candidates and public officials to address issues of importance to the Democratic Party, it achieves an important end in party building. This is especially true where, as here, the advertisement encourages public action on these issues. By directing the public to call candidates about these issues, the Parties are both able to exact policy concessions from them as well as inform and excite the public about Democratic issues.⁴

The logical result of this education/excitement is higher rates of participation in Democratic Party affairs and greater generic support for all Democratic candidates, federal and non-federal alike. As the Commission knows, polling firms employed by the candidates, parties and the media regularly track "generic" party preferences because overall support for a party's candidates shifts with the party's association with particular issues. This "generic" party shift in 1996 aided Democratic successes in House (gained 8 seats) and State legislative contests (gained control of 8 state legislative chambers).

The NRSC's second objection -- that the advertisements were coordinated with the candidate campaigns -- is simply a red herring meant to distract the Commission from the legally relevant issue in this matter. The advertisements do not purport to be independent expenditures, and thus coordination between the Parties and their candidates is simply irrelevant. To the contrary, it should come as no surprise that the Parties and their candidates might share common consultants and might even coordinate the methods they will use to promote the Democratic Party's current policy agenda. It is the traditional role of parties to

⁴ In fact, it was widely reported that the Democratic Party was quite successful in achieving this goal of gaining legislative and policy concessions. For example, one recent news article noted that "anger over Republican proposals to curb Medicare spending pushed both parties away from any plans to cut either that program or the larger Social Security entitlement." U.S. Elections: Labor, Business Both Claim Victory In Vote, Inter Press Service (Nov. 6, 1996) (attached at Tab B). Similarly, issue advertisements regarding the minimum wage were largely credited with the Republican Congress' sudden willingness to raise it late in the session. (See articles attached at Tab C.)

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formulate and coordinate message and platform positions with and for their candidates. In fact, at the time the Commission issued Advisory Opinion 1995-25, Commission regulations presumed that parties always acted in coordination with their candidates and were incapable of independence. This fact alone -- that parties and candidates coordinate -- is irrelevant to the question of whether parties can engage in advocating issue positions.

In sum, candidates are, and should be, involved with the Parties in formulating their issues strategy. That does not alter or affect the advertisements' status as issue advertisements. In fact, as discussed above, in Furgatch the Court explicitly disavowed any Commission attempt to delve into the "intent" of the ad's sponsor. 807 F.2d at 863. What is important is the advertisement's message -- not how it was produced, or who was involved in the production. When viewed in this light, it is clear that these advertisements are properly financed issue advertisements.

II. A Broad Construction of "Express Advocacy" that Prohibits The Advertisements Would Violate the Parties' First Amendment Rights

In suggesting that the advertisements should have been treated by the Parties as expenditures under section 441a(d) rather than administrative or Party building expenses the NRSC clearly hopes to rely upon an unprecedented application of the "express advocacy" standard that would encompass a free floating and ambiguous notion of "electioneering." The courts, however, have constantly held that the First Amendment requires that limitations on political speech must be construed as narrowly as possible. Courts have routinely found that the narrowest limit on speech necessary to accomplish the Act's goals is the express advocacy standard construed and applied conservatively. Moreover, courts have found the application of an elastic electioneering message standard to political speech unconstitutionally vague -- and thus violative of the Fifth Amendment.

In addition, the result of the NRSC's arguments would be that the FEC would discriminate against political party committees by holding them to a higher standard of issue

advocacy than it holds other non-party committees financing similar issue advertisements. As a result of several court decisions, the Commission has applied the express advocacy test to other committees, and notions of equal protection require the Commission to act accordingly in this instance.

When viewed through the proper legal lens, it is clear that the advertisements were properly financed and accounted for by the Parties because they did not "expressly advocate" the election or defeat of any clearly identified candidate for federal office. Instead, the advertisements focused on, and attempted to influence legislative and policy positions of import to the Parties. Because such conduct is lawful, the NRSC's complaint should be dismissed.

A. Only the Express Advocacy Standard Is Sufficiently Narrowly Tailored to Survive the Strict Constitutional Scrutiny Applied to Restrictions on the First Amendment

The First Amendment of the United States Constitution embodies a "profound national commitment to the principle that debate on public issues should be uninhibited, robust, and wide-open." New York Times v. Sullivan, 376 U.S. 254, 270 (1964). Political expression, including discussion of public issues and debate on the qualifications of candidates, enjoys extensive First Amendment protection. FEC v. Christian Action Network, 894 F. Supp. 946, 952 (W. D. Va. 1995); Maine Right to Life Comm. v. FEC, 914 F. Supp. 8 (D. Me. 1996), aff'd, 98 F.3d 1, 1996 U.S. App. LEXIS 27224 (1st Cir. Me. 1996); FEC v. American Federation of State, County and Municipal Employees, 471 F. Supp. 315 (D.D.C. 1979). The Supreme Court has held that this First Amendment protection imposes significant restrictions on the powers of state and federal government to regulate contributions and expenditures for political purposes. Buckley v. Valeo, 424 U.S. 1 (1976); Brownsburg Area Patrons Affecting Change v. Baldwin, No. 96-1357-CH/G, 1996 U.S. Dist. LEXIS 15827 (S.D. Ind. Oct. 23, 1996). Specifically, the First Amendment requires courts to "apply the most exacting scrutiny to regulations that suppress, disadvantage, or impose differential burdens upon

speech because of its content." Turner Broadcasting Sys., Inc. v. FCC, 512 U.S. 622, 114 S. Ct. 2445, 2459 (1994). "Exacting scrutiny" requires that restrictions on political speech serve a "compelling government interest" in order to avoid unconstitutionality. Buckley v. Valeo, 424 U.S. at 22-25.

As noted above, courts have long recognized that communications on public issues must be afforded the broadest possible protection under the First Amendment. One result of this broad protection is that even when issue communications address widely debated campaign issues and draw in a discussion of candidates' positions on particular issues, courts have held that these communications are not subject to regulation under the FECA. See, e.g., Buckley, 424 U.S. at 42; Christian Action Network, 894 F. Supp. at 951.

Indeed, the Court in Buckley recognized that in light of the "intimate tie" between public issues and candidates it is frequently difficult to distinguish between issue and election advocacy at all:

[T]he distinction between discussion of issues and candidates and advocacy of election and defeat of candidates may often dissolve in practical application. Candidates, especially incumbents, are intimately tied to public issues involving legislative proposals and governmental actions. Not only do candidates campaign on the basis of their positions on various public issues, but campaigns themselves generate issues of public interest.

Buckley, 424 U.S. at 42.

In light of the inevitable difficulty in distinguishing between the discussion of issues and the advocacy of candidates, courts have consistently held that the First Amendment demands that issue advocacy be protected from regulation even if the speech could influence the election.

Public discussion of public issues which also are campaign issues readily and often unavoidably draws in candidates and their positions, their voting records and other official conduct. Discussions of those issues, and as well more positive efforts to influence public opinion on

them, tend naturally and inexorably to exert some influence on voting at elections.

Buckley, 424 U.S. at 42 n. 50 (quotations omitted). Notwithstanding this inevitable influence on elections, application of a conservative, closely drawn express advocacy standard "is consistent with the firmly established principle that the right to speak out at election time is one of the most zealously protected under the Constitution." FEC v. Central Long Island Tax Reform, 616 F.2d 45, 53 (1980). As one District Court confronting this precise issue recently stated:

FEC restriction of election activities was not to be permitted to intrude in any way upon the public discussion of issues. What the Supreme Court did was draw a bright line that may err on the side of permitting things that affect the election process, but at all costs avoids restricting, in any way, discussion of public issues. . . . The result is not very satisfying from a realistic communications point of view and does not give much recognition to the policy of the election statute to keep corporate money from influencing elections in this way, but it does recognize the First Amendment interest as the Court has defined it.

Maine Right to Life, 914 F. Supp. at 12 (emphasis added).

Thus, the courts have strictly limited the definition of express advocacy to those instances in which the communication both clearly identifies a candidate and includes explicit words advocating the election or defeat of that candidate. In Christian Action Network, for example, the court held that an advertisement criticizing the Democratic agenda on homosexual civil rights was protected issues advocacy. While the ads clearly identified a candidate and, when viewed in context, were clearly hostile towards President Clinton's position on the issue, the court concluded that because they did not "exhort[] the public to vote" a particular way they did not constitute express advocacy. Christian Action Network, 894 F. Supp. 946, 953. Recognizing the broad scope of protection afforded issue communications, the Fourth Circuit affirmed the lower court's decision, stating that "it would be inappropriate for us, as a court, to even inquire whether the identification of a candidate as

pro-homosexual constitutes advocacy for, or against, that candidate." 1996 U.S. App. LEXIS 19047 at *4. Thus, consistent with Buckley, the Fourth Circuit concluded that even the exercise of evaluating whether a given issue ad is "for" or "against" a particular candidate would impinge on the ad sponsor's First Amendment rights absent clear words of express advocacy.

Similarly, in AFSCME the court held that a poster of a clearly identified candidate that did not also contain an exhortation to vote for or against that candidate was a protected issue communication under the First Amendment. In so holding, the court noted that "although the poster includes a clearly identified candidate and may have tended to influence voting, it contains communication on a public issues widely debated during the campaign. As such, it is the type of political speech which is protected from regulation under 2 U.S.C. § 431."

AFSCME, 471 F. Supp. at 317.

In fact, courts have protected issue communications from regulation even where they raise highly controversial issues or express disfavor with a particular candidate's position:

[T]here is no requirement that issue advocacy be congenial or non-inflammatory. Quite the contrary, the ability to present controversial viewpoints on election issues has long been recognized as a fundamental First Amendment right.

Christian Action Network, 894 F. Supp. at 954-55 ("It is clear from the cases that expressions of hostility to the positions of an official, implying that [the] official should not be reelected -- even when that implication is quite clear -- do not constitute the express advocacy which runs afoul of [the FECA]").

B. An Elastic Electioneering Message Standard is Unconstitutionally Vague

There is a second, related reason why an elastic and subjectively applied "electioneering message" standard must be rejected here. The Supreme Court has long held that because the right to free political expression is at the core of the First Amendment "[a]

statute which upon its face . . . is so vague and indefinite as to permit the punishment of the fair use of this opportunity is repugnant to the guarantee of liberty contained in the [Fifth] Amendment." Baggett v. Bullitt, 377 U.S. 360, 372 n.10 (1964). Because of this, the Court has consistently held that "standards of permissible statutory vagueness are strict in the area of free expression." NAACP v. Button, 371 U.S. 415, 432 (1963); see also Baggett, 377 U.S. at 372. The test for constitutional vagueness is whether the statute or regulation forbids the "doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application." Connally v. General Constr. Co., 269 U.S. 385, 391 (1929).

This problem of vagueness is precisely the one that caused the Supreme Court in Buckley to hold that the Act's expenditure limitations "must be construed to apply only to expenditures for communications that in express terms advocate the election or defeat of a clearly identified candidate for public office." 424 U.S. at 44. In adopting this limiting construction, the Court expressed concern -- directly implicated in this matter -- that the Act's expenditure limitations might inhibit the free discussion and debate of issues and candidates:

[T]he distinction between discussion of issues and candidates and advocacy of election or defeat of candidates may often dissolve in practical application. Candidates, especially incumbents, are intimately tied to public issues involving legislative proposals and governmental actions. Not only do candidates campaign on the basis of their positions on various issues, but campaigns themselves generate issues of public interest.

Id. at 42 (note omitted). In sum, as the Supreme Court later concluded, "Buckley adopted the 'express advocacy' requirement to distinguish discussion of issues and candidates from more pointed exhortations to vote for particular persons." FEC v. Massachusetts Citizens for Life, Inc., 479 U.S. 238, 249 (1986).

It is just this distinction -- between the discussion of issues and candidates on the one hand and "exhortations to vote for particular persons" on the other -- that controls the

outcome of this matter. There is no question that in the advertisements the Parties staked out a clearly delineated, and strongly expressed, position with respect to the candidates' support for certain issues. However, "[i]n Buckley, the Court agreed that funds spent to propagate one's views on issues without expressly calling for the election or defeat of a clearly identified candidate are not covered by the FECA." FEC v. NOW, 713 F. Supp. 428, 434 (D.D.C. 1989).

The adoption of the bright-line express advocacy test in lieu of a vague, free-floating "electioneering" test that is vulnerable to subjective application reflects the fundamental rule that First Amendment rights cannot be burdened by the prospect that the government may later determine that certain political speech was in fact unlawful. A standard that empowers the government to make post hoc judgments about the lawfulness of political speech violates the Fifth Amendment's guarantee of due process. "Where a vague statute abut[s] upon sensitive areas of basic First Amendment freedoms, it operates to inhibit the exercise of [those] freedoms. Uncertain meanings inevitably lead citizens to steer far wider of the unlawful zone than if the boundaries of the forbidden areas were clearly marked." Grayned v. City of Rockford, 408 U.S. 104, 109 (1972) (notes, internal quotations and citations omitted).

The vague standard urged by the NRSC lacks sufficiently clear and well marked boundaries so as to provide ample fair warning regarding the contours of the law. For this reason, courts starting with the Supreme Court in Buckley have squarely rejected a more subjective standard in favor of the bright line express advocacy standard. As Judge Oberdorfer recently stated in another case involving the FEC:

[I]n this sensitive political area where core First Amendment values are at stake, our Court of Appeals has shown a strong preference for "bright-line" rules that are easily understood and followed by those subject to them -- contributors, recipients, and organizations. As the Court of Appeals has explained, "an objective test is required to coordinate the liabilities of donors and donees. The bright-line test is also necessary to enable donees and donors to easily conform to the

law and to enable the FEC to take the rapid, decisive enforcement action that is called for in the highly-charged political arena."

FEC v. GOPAC, Inc., 94-0828-LFO, 1996 U.S. Dist. LEXIS 2181 (D.D.C. Feb. 29, 1996)

(citations omitted).

Other courts have expressed a similar preference for bright line rules in this area. For example, in Christian Action Network, both the District Court and Fourth Circuit rejected the FEC's attempt to apply the electioneering message test to an anti-Clinton "issue advertisement" on gay rights. Citing Buckley, the District Court noted that "[w]hat one person sees as an exhortation to vote . . . another might view as a frank discussion of political issues." 895 F. Supp. at 957. Continuing, the court stated that "[b]y creating a bright-line rule, the Court [in Buckley] ensured, to the degree possible, that individuals would know at what point their political speech would become subject to governmental regulation." Id. at 958.

Similarly, in Maine Right to Life, the District Court rejected a similar attempt to interpose to vague electioneering message standard. Discussing the Supreme Court's ruling in Buckley, the District Court concluded:

The Court seems to have been quite serious in limiting FEC enforcement to express advocacy, with examples of words that directly fit that term. The advantage of this rigid approach, from a First Amendment point of view, is that it permits a speaker or writer to know from the outset exactly what is permitted and what is prohibited. In the stressful context of public discussions with deadlines, bright lights and cameras, the speaker need not pause to debate the shades of meaning in language.

914 F. Supp. at 12.

A vague electioneering message test defeats the central purpose of the express advocacy standard by creating ambiguity where the Court had clearly intended that there be certainty. By reintroducing post hoc agency judgment into the process, the electioneering

message standard recreates the unconstitutionally vague legal regime that the Buckley Court rejected twenty years ago.

In this case, the Parties had a right to rely upon a bright line test to determine with certainty -- before they financed the advertisements -- whether their conduct was lawful. Only a closely drawn, and well-delineated standard of express advocacy can provide the requisite certainty. The lesser standard advocated by the NRSC would once again leave political parties in the untenable and unconstitutional position of having to guess whether their speech was lawful prior to engaging in political speech.

C. Application of a Vague "Electioneering Message" Standard to Political Parties Would Violate the Constitution's Equal Protection Guarantee

The touchstone of equal protection is the concept that those similarly situated must receive equal treatment under the law and that the government must "apply its legislation and actions evenhandedly to all persons similarly situated in a designated class." Guarino v. Brookfield Township Trustees, 980 F.2d 399, 410 (6th Cir. 1992); see also Bolling v. Sharpe, 347 U.S. 497 (1954). Under equal protection analysis, the court's level of review depends on the right infringed upon by the law. Rolf v. City of San Antonio, 77 F.3d 823 (5th Cir. 1996). Where, as in this case, the right infringed upon is considered a fundamental constitutional right, the courts will apply strict scrutiny analysis. Id. In sum, strict scrutiny analysis requires the state to show that the law advances a compelling state interest and that the law is narrowly tailored to meet that interest. Fulani v. Krivanek, 973 F.2d 1539 (11th Cir. 1992).

Application of a vague and subjective "electioneering message" test to the advertisements in this situation would violate the equal protection component of the Fifth Amendment where courts, and the FEC, have applied the "express advocacy" standard in analogous situations in the past. See, e.g., Central Long Island Tax Reform, 616 F.2d 45; Maine Right to Life Comm. v. FEC, 914 F. Supp. 8; Christian Action Network, 894 F. Supp. 946; FEC v. NOW, 713 F. Supp. 428; FEC v. American Federation of State, County and

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Municipal Employees, 471 F. Supp. 315. There simply is no compelling interest served by the application of a vague "electioneering message" standard to party committees where the express advocacy standard has been routinely applied to non-party political entities. Id. Both the Parties and non-party organizations like the Christian Action Network and Maine Right to Life have as their mission, in large measure, to advance their political ideas and objectives. Yet the NRSC would have the Commission apply the express advocacy standard to its non-party political supporters while applying a more flexible, uncertain and subjective standard to the Parties. That result clearly violates the Fifth Amendment's equal protection guarantee.

Indeed, the Supreme Court has recently rejected precisely this kind of targeting of political party committees in Colorado Republican Fed. Campaign Comm. v. FEC, 116 S. Ct. 2309 (1996). In that case, the Court rejected the FEC's attempt to discriminate against political parties, stating, "[w]e do not see how a Constitution that grants to individuals, candidates, and ordinary political committees the right to make unlimited independent expenditures could deny the same right to political parties." Id. at 2317. Similarly in this instance, it is a denial of the equal protection of the law for the NRSC to argue that political parties enjoy a lesser right to produce and finance issue advertisements than does the Christian Action Network or other similarly situated organizations.

D. The Advertisements did not Expressly Advocate the Election or Defeat of a Clearly Identified Candidate

There can be no doubt that the present advertisements did not constitute "express advocacy" as defined in Buckley and later applied in cases such as Christian Action Network. As the court stated in Christian Action Network, "the advertisements were devoid of any language that directly exhorted the public to vote. Without a frank admonition to take electoral action, even admittedly negative advertisements such as these, do not constitute 'express advocacy' as that term is defined in Buckley and its progeny." 894 F. Supp. at 953. While the advertisements might have associated the Republican candidates with unpopular

legislative proposals in an effort to cause them to reverse direction, "nowhere in the commercial were viewers asked to vote against [them]." Id. Indeed, as in Christian Action Network, the only call to action was for viewers to make a telephone call to express their opinion. In this case, viewers were asked to call the candidates directly to voice their opposition to the proposed legislative actions mentioned in the advertisement.

Nor is it relevant that the advertisements clearly expressed a negative opinion about those politicians who supported cutting funding for Medicare, environmental enforcement and education. "There is no requirement that issue advocacy be congenial or non-inflammatory. Quite to the contrary, the ability to present controversial viewpoints on election issues has long been recognized as a fundamental First Amendment right." Id. at 955. In sum, as the Court stated in Christian Action Network, "even if one views the advertisement's [call to action] as dubious or juvenile baiting, it cannot reasonably be said that the import of the ads was to instruct the public on how they should vote." Id. at 954.

The plain fact is that the advertisements did not expressly advocate the election or defeat of a clearly identified candidate for federal office. Nowhere in the ads were voters told to "vote for," "vote against," "elect," or "defeat" any candidate in any election for federal office. Instead, viewers were expressly asked to "call" the candidates and express their opposition to legislative position they had previously taken on specific issues of enduring national importance to the Party and public. Issue advocacy such as this is clearly protected by the First Amendment and outside the scope of the FECA.

CONCLUSION

For the foregoing reasons, MUR 4516 should be dismissed.

Respectfully submitted,



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Attorneys for Respondents

We stopped by to talk to you about what counts to your family.

It's been a tough year for middle-class families. The Republicans have gone too far—sacrificing the things that make a difference to you.

We're fighting back with a moderate, common-sense, pro-family agenda: The Democratic Families First Agenda.

We created it to make a difference where it counts most—in your everyday life.

SECURITY for a healthy, safe family

A healthy start with available, affordable children's health care

Safer families...more cops on the beat...keep kids out of gangs and off the streets...drug enforcement and prevention

Paycheck security...affordable child care...ban imports using child labor...fair pay for women

Dependable retirement...protect your pension savings, Social Security, and Medicare...better access and protection of women's pensions

OPPORTUNITY for a better future

Create jobs at home...boost small businesses...invest in our communities

Affordable education...scholarships to make the first two years of college free...tax deductions for job training and college

RESPONSIBILITY from all of us

Balanced budget without harming Social Security and Medicare

Corporations with a conscience...environmental responsibility...no tax breaks for moving American jobs overseas

Personal responsibility...welfare reform that requires work...crack down on deadbeat parents...prevent teen pregnancy

Vote to make a real difference in your everyday life.

VOTE DEMOCRATIC.



Paid for by the Dem. Cong. Camp. Com. and the Dem. Sen. Camp. Com.

FAMILIES FIRST

The 21 points of the "Families First" campaign agenda Democrats' announced yesterday in their effort to win back control of the House and Senate:

GOVERNMENT RESPONSIBILITY

- Balancing the federal budget without making deep cuts in Medicare, education and environmental protection by closing tax loopholes, eliminating needless corporate subsidies; making cost-saving reforms in government programs, requiring allies to share more of the costs of defending democracy around the world and rooting out fraud and abuse in Medicare and Medicaid.

PERSONAL SECURITY

- Putting more police on the beat by extending for two years and adding 25,000 police officers to President Clinton's crime-fighting program aimed at placing 100,000 police officers in neighborhoods.
- Offering incentives to keep youngsters off the streets and out of gangs and giving judges more flexibility in dealing with young offenders.
- Keeping drugs out of schools by testing previous drug offenders.

INDIVIDUAL RESPONSIBILITY

- Reforming welfare to require work and temporarily providing the child care, health care and training needed to make the transition; getting tough on "deadbeat parents" by giving states new tools to enforce and collect child support, and requiring people who agree to sponsor legal immigrants to take responsibility.
- Creating a national effort to prevent teenage pregnancy.

EDUCATIONAL OPPORTUNITY

- Allowing a \$10,000 tax deduction for college and job training and permitting recent graduates paying off interest on student loans to take the deduction as well, a program proposed by Clinton.
- Providing a \$1,500 tax credit for the first two years of college for students who keep a B average and stay off drugs, also something Clinton has proposed.

ECONOMIC OPPORTUNITY

- Helping small businesses by offering tax relief for family-owned businesses handed from one generation to the next and by giving tax breaks for investments in new machinery and equipment.
- Encouraging special state investment funds to repair and maintain roads, bridges and water treatment systems. This expands a Clinton proposal.

CORPORATE RESPONSIBILITY

- Protecting workers' pensions by ending pension raiding by corporations and reporting any misuses of a pension fund.
- Holding corporations accountable for keeping air and drinking water clean.
- Ending tax breaks for companies that move U.S. jobs overseas.

PAYCHECK SECURITY

- Better enforcement of laws requiring equal pay for women and offering voluntary "fair pay" guidelines for businesses.
- Bigger tax breaks for child care costs.
- Banning imports made with child labor.

HEALTH CARE SECURITY

- Requiring insurance companies to offer children-only health plans so children cannot be denied coverage or dropped if they get sick and assisting working families to make the policies affordable.

RETIREMENT SECURITY

- Protecting pensions with stiffer penalties for corporate abuse of pension funds.
- Allowing workers to carry pension plans from job to job.
- Expanding pension coverage by making it easier for small businesses to offer pensions and expanding Individual Retirement Accounts to another 20 million families earning up to \$100,000 a year.
- Protecting widows from losing pension benefits by developing standard, easy-to-read consent forms that companies selling pensions must use.

Democrats' Agenda Aims for the Middle

In Bid to Regain Control, Hill Leaders Cultivate a Family-Friendly Image

By John E. Yang
Washington Post Staff Writer

House and Senate Democrats unveiled a 21-point congressional campaign agenda yesterday, as they seek to move the party to the political center and appeal to swing middle-class voters in an effort to regain control of Congress in this fall's elections.

The agenda is made up of items intended to make a real difference in

average people's lives—protecting workers' pensions, tax breaks for education costs and bigger tax breaks for child-care costs. Few are new and many have already been proposed by President Clinton or Democratic lawmakers.

"Democrats are asking for another chance to lead," House Minority Leader Richard A. Gephardt (D-Mo.) said during the 75-minute live television production announcing the agenda. "Our sole and simple mis-

sion would be to help families caught in the middle-class squeeze."

"What we're proposing is an agenda for families who are struggling to make it—not just the lucky few," said Senate Minority Leader Thomas A. Daschle (D-S.D.).

The agenda, reminiscent of the House Republicans' 1994 campaign "Contract With America," represents the party's effort to shed its

See AGENDA, A4, Col. 1

Democrats Unveil Agenda Aimed at Middle Class

AGENDA, From A1

public image as the party of big government and position itself in the voters' minds as the defender of average Americans.

Democrats reject comparisons to the GOP contract so strongly that some call their agenda the "Uncontract." Yesterday's announcement in the white clapboard Old Town Hall in Fairfax—just beyond the Beltway—was meant to contrast with the grand 1994 GOP ceremony in which Republican House members and candidates signed their contract at the Capitol's West Front.

While there will be no similar effort to get all Democratic lawmakers and congressional candidates to sign the agenda, House candidates have been briefed on it and have been advised how to incorporate it into their campaigns. This week, the Democratic Party is to roll out television

commercials centered around the plan.

Gephardt, the agenda's chief architect, acknowledged that Democrats lost control of Congress in 1994 because they "didn't do enough to address" middle-class concerns when they ran the House and Senate.

"It's the right direction," said Charles E. Cook, a veteran political analyst who closely tracks House and Senate campaigns. "Whether it's enough, whether they're going to grab people's attention with this, we'll have to see."

The effort begins as the Democrats' prospects of wresting control of at least one chamber of Congress appear to be brightening. Public opinion polls show growing unhappiness with the majority Republicans in Congress. Cook puts the Democrats' chances of winning the 20 seats they need to control the House at about even, up from one in four just three months ago.

After highlighting the Democrats' efforts to block GOP policies on Medicare, taxes, education and environmental protection, Gephardt said the party wanted to offer a positive message as well.

"Democrats have an obligation to tell the American people not just what we stand against, but what we stand for," he said. "You see, Democrats don't want to merely win back the gavel, we want to deserve it."

The agenda is a Gephardt-led attempt to redefine the Democratic Party's image after the conservative electoral tide swept them from control of the Congress two years ago. For months, House and Senate Democrats have tried to define the party's basic principles and build an agenda that reflect them. In the past six weeks, many House Democrats met with constituents to solicit their views of what should be included.

Republicans quickly dismissed the

Democrats' effort. "The American people are smart enough to see this election-year rhetoric for what it is—visionless hot air," said House Republican Conference Chairman John A. Boehner (Ohio).

Only the agenda's broad points were announced yesterday. Detailed legislation is to be released later this week, Gephardt said, but will not be formally introduced in Congress until next year.

To highlight the Democrats' effort to diminish the emphasis on Washington and government programs, Gephardt and Daschle hosted the program, seen live on C-SPAN, from Fairfax, which is represented by Rep. Thomas M. Davis III (R-Va.).

The two leaders, seated side-by-side in their shirt sleeves like television talk show co-hosts, were linked by satellite with Democratic lawmakers and House candidates and citizens at a Sacramento high school, a Houston children's hospital, a Des Moines college campus and a Dearborn, Mich., living room. As babies squealed and fussed in the background, selected citizens at these sites told of troubles paying for college tuition or health care for children and asked how the Democratic agenda would address these problems.

For all the grass-roots appeal, though, the carefully scripted event had the artificial feel of a television infomercial as Gephardt and Daschle read their responses to citizens' questions from TelePrompters. Taped video presentations narrated by the two leaders introduced each segment.

The event kicked off a week-long effort to promote the agenda. Today, Gephardt will hold events in Pennsylvania and North Carolina and on Wednesday he will give what is being billed as a major speech to promote the agenda. House Democrats are being encouraged to go door-to-door next weekend in their districts to talk about the plan.

"We're going to take this to the people, one-on-one," Gephardt said. "It's harder to win back the House than it is to hold on to it."

FOR MORE INFORMATION

To discuss the "Families First" agenda with Rep. Richard A. Gephardt on-line, see The Post's site on the World Wide Web at <http://www.washingtonpost.com>.

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THE FAMILIES FIRST AGENDA

ANTI-FAMILY AGENDA OF GINGRICH-DOLE 104TH CONGRESS

Paycheck Security

✓Includes an initiative to increase paycheck security by such proposals as: a) banning imports made with illegal child labor from abroad to ensure fairer competition for American workers; b) better ensuring that women workers are being paid what they deserve through stiffer enforcement of equal pay statutes; and c) providing a bigger tax break for parents paying for child care

Paycheck Security

✓Voted to decrease paycheck security, by such votes as: a) voting to increase taxes on working families by a total of \$32.4 BILLION over seven years through cutbacks in the Earned Income Tax Credit, thereby increasing the taxes of 7.7 million working families earning less than \$28,000 a year; and b) voting to cut child care funding for those moving from welfare to work by over \$2 BILLION

Health Care Security

✓Includes an initiative to expand current health care coverage for children, by requiring private insurance companies to offer special "kids-only" plans, ensuring that children can't be denied health coverage or dropped from coverage if they get sick, and offering assistance to working families to help make kids-only policies affordable

Health Care Security

✓Voted to cut back on current health care coverage for children, by eliminating the guarantee of coverage for 18 million vulnerable children

✓Also voted to cut funding for the health care program that covers vulnerable children by a total of \$163 BILLION over seven years

Retirement Security

✓Includes an initiative to reform pensions, including better preventing corporate raids on workers' pension plans by ensuring that prohibitive excise taxes imposed on company withdrawals of "surplus" funds are not reduced; enhancing pension protection by requiring plan administrators to report promptly the misuse of pension funds; expanding pension coverage by offering small businesses 401(k) plans; and providing for the portability of pensions

Retirement Security

✓Voted to once again allow for corporate raids on workers' pension plans, by drastically reducing the prohibitive excise taxes that had been imposed on company withdrawals of "surplus" funds from pension plans in 1990

✓Voted a second time to once again allow for corporate raids on workers' pension plans by reducing the excise taxes (although this time placed certain restrictions on use of the "surplus" funds)

Personal Security

✓Includes a commitment for full funding of the 100,000 Cops-on-the-Beat program and also provides for a two-year extension -- bringing the total number of additional police officers to 125,000

✓Includes full funding for the Safe and Drug-Free School Act -- to better ensure that schools are a safe environment in which children can learn

Personal Security

✓Voted to eliminate the 100,000 Cops-on-the-Beat program and replace it with an unrestricted block grant program that would not guarantee one additional police officer on the streets

✓Voted to cut funding for the Safe and Drug-Free School program by \$266 million -- which represents cutting the program by more than 50%

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THE FAMILIES FIRST AGENDA

ANTI-FAMILY AGENDA OF GINGRICH-DOLE 104TH CONGRESS

Educational Opportunity

✓Includes a \$10,000 tax deduction for tuition at a college, graduate school, or certified training or technical program; would be available even to those taxpayers who do not itemize their deductions

✓Also includes a \$1,500 refundable tax credit for full-time tuition for all students in their first year of college and another \$1,500 in their second year if they keep a B average; in first 2 years of college, student would choose between \$1,500 credit or \$10,000 deduction

Educational Opportunity

✓Voted to cut student loan program by \$10.1 BILLION over seven years

✓Voted to eliminate interest subsidy during six-month grace period following graduation for student loans, raising costs to students by \$3.5 BILLION

✓Voted to eliminate the popular direct student loan program, forcing over 1,300 schools and over 2.8 million students out of the program

Economic Opportunity

✓Provides for increased investment in such items as wastewater treatment, safe drinking water facilities, and highway construction

✓Provides small business tax relief for investment in equipment and passing family businesses to heirs

Economic Opportunity

✓Voted to cut back on investment in wastewater treatment and safe drinking water facilities by over \$600 million from previous year's level

✓Despite promises, has failed to deliver any tax relief to America's small businesses

21.04.403.1099

THE FAMILIES FIRST AGENDA

ANTI-FAMILY AGENDA OF GINGRICH-DOLE 104TH CONGRESS

Governmental Responsibility

✓Includes achieving a balanced federal budget through such proposals as making cost-saving reforms in government programs and eliminating needless subsidies for special interests -- while protecting Medicare, education and Clean Water and Clean Air Act protections

✓Includes in the balanced budget proposal the achieving of significant budget savings through strengthening anti-fraud and abuse protections in the Medicare program

Governmental Responsibility

✓Voted for a balanced budget plan that provided huge tax cuts for the wealthy and special interests paid for by excessively deep cuts in the critically important programs of Medicare, education and Clean Water and Clean Air Act protections

✓Voted to weaken anti-fraud and abuse protections in the Medicare program, including lowering standards of diligence required of physicians in submitting Medicare bills, at request of AMA

Individual Responsibility

✓Includes welfare reform that is tough on work and protects kids; imposing work requirements and providing the child care and training necessary to make the transition from welfare to work successful

Individual Responsibility

✓Voted for a welfare reform plan that was weak on work and tough on kids, including cutting child care and training available to those moving from welfare to work

Corporate Responsibility

✓Maintains corporate responsibility for meeting their environmental responsibilities -- by calling for full enforcement of Clean Water Act and Clean Air Act by the Environmental Protection Agency

✓Repeals certain tax breaks that encourage corporations to move American jobs overseas

Corporate Responsibility

✓Voted to lower corporate responsibility for meeting their environmental responsibilities -- including voting to place numerous restrictions on the enforcement of Clean Water Act and Clean Air Act

✓Voted to expand certain tax breaks that encourage corporations to move American jobs overseas

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Families First Agenda

Legislative Specifications

House Democratic Leader Richard A. Gephardt
Senate Democratic Leader Thomas A. Daschle

June 28, 1996

FAMILIES FIRST AGENDA

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FAMILIES FIRST AGENDA

PAYCHECK SECURITY

1) FAIR PAY

In today's tough new economy, families increasingly need two earners just to make ends meet. More and more women are being required to enter the workforce in order to increase their family's income and ensure that the mortgage, food, utility, and clothing bills are met each month.

And yet, as women enter the workforce in order to help their families pay all the bills, they still find – even in the 1990s – that they are often underpaid for the work that they do. Indeed, women still earn 75 cents to a man's dollar. One reason that women continue to be underpaid is that many of them work in female-dominated occupations – which have historically been underpaid.

More and more working families are finding that, if women were truly being paid what they were worth, the entire family would be better off.

Hence, the issue of women workers being paid what they are worth in the workplace has become, not only a matter of basic fairness, but also a central economic concern for millions of working families.

The Families First Agenda contains a "fair pay" initiative that includes two parts:

- **Enhanced Enforcement of the Equal Pay Act** – The Equal Pay Act, passed in 1963, made it illegal to pay different wages to women and men doing the same work. The Equal Employment Opportunities Commission (EEOC) enforces the Act. Over the years, the Equal Pay Act has never been fully enforced -- in part due to inadequate enforcement resources.

This initiative proposes stiffer enforcement and tougher penalties for violations under the Equal Pay Act. It also proposes improving data collection regarding the pay of men and women across various business sectors, as well as increasing public disclosure of diversity data for senior corporate positions. Finally, it proposes that the EEOC and the Office of Federal Contract Compliance Programs (which enforces work discrimination rules including equal pay requirements for federal contractors) be provided earmarked resources to be used only for enforcement of equal pay requirements.

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- **Voluntary Employer Guidelines on Fair Pay** – Another key step in achieving fair pay for women, in addition to strictly enforcing the Equal Pay Act, is ensuring that the wages of a woman are not being unfairly held down simply because she is working in a female-dominated occupation. In order to assist businesses seeking to achieve fair pay, the Secretary of Labor would be charged with developing voluntary fair pay guidelines for the nation's employers. These guidelines would give businesses a model framework for assuring equal pay for equivalent work. In order to focus greater national attention on the problem of fair pay, there would also be a National Summit on Fair Pay. This first-ever summit would develop a specific legislative action plan for Congress to better achieve fair pay in American workplaces.

2) EXPAND CHILD & DEPENDENT CARE TAX CREDIT

In today's economy, in most American homes, both parents are required to work in order to pay all the bills. Hence, the majority of working families are required to find child care – especially when their children are very young, and for many also in the after-school hours once their children become school-age.

Hence, a primary concern of many working families is finding high-quality child care -- in appropriate, safe conditions -- that they can afford.

The current tax code offers a tax credit for dependent care expenses. However, the present credit offers little tax relief to millions of working families. The current statute reduces the percentage of tax credit as the family's income rises above \$10,000. For example, a couple earning \$30,000 a year with one child can only receive a maximum credit of \$480 a year – even though their child care expenses may be close to \$4,000.

The Families First Agenda contains a proposal to make child care more affordable for millions of working families – by making the tax credit more generous.

This Democratic proposal makes the tax credit more generous in three ways. First, it doubles the income threshold at which the tax credit begins to be phased down – from \$10,000 to \$20,000. Secondly, it increases the maximum amount of day care expenses that can qualify for the credit. (Currently, the maximum credit is 30% of day care expenses up to \$2,400 for one dependent and up to \$4,800 for two or more dependents. Under the proposal, the maximum credit would be 30% of day care expenses up to \$3,600 for one dependent and up to \$5,400 for two or more dependents.)

As a result of these two changes, a couple earning \$30,000 a year with one child

could now receive a maximum credit of \$900 a year. Hence, the impact of this proposal would be to almost double their tax credit for child care.

Thirdly, the proposal would make the dependent care tax credit refundable. The credit is currently non-refundable.

This proposal recognizes that good day care is an essential component of our children's development into productive citizens. In addition, more affordable day care could help serve the "latchkey kid" population that is currently often left for hours in the afternoon with no adult supervision.

3) BAN IMPORTS MADE WITH CHILD LABOR

In this new, highly competitive, global economy, American workers are prepared for fair competition from their counterparts around the world. However, American workers should not be asked to compete with child labor from abroad.

Hence, the Families First Agenda contains a proposal to ban the importing into the United States of products made with child labor.

The vast majority of countries in the world today -- including such countries as India, China, and Guatemala -- do have at least some laws imposing restrictions on the use of child labor. The chief problem has been not the absence of any child labor laws whatsoever -- but rather the lax enforcement of these child labor laws in many countries around the globe.

Hence, under this Democratic proposal, in order to import into the United States, importers of record would be required to certify to the Customs Service that the products they are importing are not produced in violation of the particular country's child labor laws. (Competitors could then bring a complaint to the Customs Service if they had reason to believe that this certification was false.)

Secondly, this proposal would call on countries around the world to beef up enforcement of their existing child labor laws. It would also call for the upward harmonization of all countries' child labor standards over time. Under the proposal, the United States would be required to use its voice and vote in international organizations to push for enhanced child labor protections.

FAMILIES FIRST AGENDA

HEALTH CARE SECURITY

This Congressional Democratic agenda assumes that the Kennedy-Kassebaum Health Insurance Reform bill will be enacted sometime in 1996. However, if it is not enacted in 1996, it will be the first item of the Democratic agenda in 1997.

The Kennedy-Kassebaum bill contains a number of important provisions for working families, including:

- Guaranteeing the portability of health insurance coverage for workers who change or lose their jobs;
- Prohibiting health insurance companies from denying coverage for pre-existing medical conditions; and
- Prohibiting health insurance companies from denying coverage to employers with two or more employees.

Once the Kennedy-Kassebaum bill has become law, Congressional Democrats also endorse a step in expanding the health care coverage available to the children of working parents, as described below.

MAKING THE HEALTH COVERAGE OF CHILDREN MORE AVAILABLE AND AFFORDABLE FOR WORKING FAMILIES

In millions of American working families, both spouses work and yet neither spouse works at a job that offers health insurance benefits.

Hence, millions of American children have working parents and yet have no health insurance coverage whatsoever.

Many working parents are kept awake at night worrying about the lack of health coverage for their children – and how they will be able to ensure good care for their child if the child has an accident or becomes seriously ill.

Children are much less expensive to insure than whole families – and yet few insurers allow families to purchase "children-only" policies. It is estimated that a health insurance policy for a child under 13 would cost about \$1,000.

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This Democratic initiative, contained in the Families First Agenda, will help working parents obtain health insurance for their children, by making "kids-only" policies available, accessible, and affordable.

This initiative represents a first step in ultimately ensuring that all American children have access to affordable health care.

This initiative has three components:

1. TO MAKE "KIDS-ONLY" INSURANCE AVAILABLE

- Mandate that all insurance companies and managed care plans that do business with the Federal Government (through FEHBP, Medicare, Medicaid, etc.) offer "children-only" policies – for children up to the age of 13.
- Require these policies to cover no less than the benefits offered in their government packages.

2. TO MAKE "KIDS-ONLY" INSURANCE ACCESSIBLE

- Mandate various consumer protections in these "kids-only" policies (similar to the protections contained in the Kennedy-Kassebaum bill), including guaranteed issue, guaranteed renewability, no discrimination based on health status, etc.

3. TO HELP MAKE "KIDS-ONLY" INSURANCE MORE AFFORDABLE

- Provide assistance to working families to cover a portion of the cost of the premium, including tax relief and premium subsidies.

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FAMILIES FIRST AGENDA

RETIREMENT SECURITY

Millions of American working families worry about whether, after a lifetime of hard work, they will have economic security when they retire. Specifically, families worry about whether they will be able to gain access to a pension plan during their working years, whether they can take their pension plan with them when they change jobs, and whether their pension will still be there for them when they finally retire.

A PENSION REFORM INITIATIVE

The Families First Agenda includes a major pension reform initiative to improve pension coverage, portability and protection. The initiative includes three components: 1) President Clinton's Retirement Savings and Security Act; 2) provisions better protecting women's pension benefits; and 3) miscellaneous additional pension reforms.

President Clinton's Retirement Savings and Security Act

First, this Democratic initiative includes the provisions contained in President Clinton's Retirement Savings and Security Act, submitted to Congress in May. These provisions include:

- **Expanding Pension Coverage** -- The bill expands pension coverage by: offering small businesses a simple small business 401(k) plan (called the NEST), thereby potentially expanding pension coverage by up to 10 million workers; simplifying 401(k) plans for all businesses; and making the employees of non-profit organizations eligible for 401(k) plans, thereby potentially expanding pension coverage by up to an additional 9 million workers.
- **Expanding IRAs** -- Currently, deductible IRAs are available to families who have pension coverage only if household income is under \$50,000 for married couples and under \$35,000 for single taxpayers and can be withdrawn penalty-free only after age 59 ½.

The bill makes IRAs more attractive and expands eligibility to 20 million more families. Specifically, the bill doubles the income limits from \$50,000 to

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\$100,000 for married couples and from \$35,000 to \$70,000 for single taxpayers for a deductible IRA where a family member has pension coverage; and also allows penalty-free withdrawals from IRAs for education and training, first home purchases, major medical expenses, and during long-term unemployment.

- **Increasing Pension Portability** – The bill increases pension portability by: requiring the Treasury Department to issue new rules to make it easier for employers to accept rollovers into their pension plans from employees' previous pension plans; changing a law that encourages private employers to impose a one-year waiting requirement before employees can participate in the company's pension plan; and ensuring that workers get the benefits they have earned, even if they have long left the job or the employer is no longer in business.
- **Enhancing Pension Protection** – The bill enhances pension protection by: requiring plan administrators and accountants to report promptly the serious misuse of pension funds, with fines of up to \$100,000; requiring state and local government pension plans be held in trust; and doubling the maximum level of annual benefits guaranteed under multiemployer plans.
- **Better Preventing Pension Raids** – Finally, the bill better prevents pension raiding by: ensuring continued opposition to efforts to reduce the prohibitive excise taxes that were put in place in 1990 on money withdrawn by companies from pension funds and used for other purposes; and requiring the Labor Department to report regularly to Congress on any attempts by companies to tap into pension funds.

Protecting Women's Pension Benefits

This initiative also contains a series of provisions to create better protections respecting women's pension rights.

One central concern is that, in certain cases, when a woman is widowed, she learns that she and her husband had unknowingly signed away her rights to survivor benefits -- due to misleading and confusing spousal consent forms used by certain insurers.

This initiative would protect spouses against unknowingly signing away rights to survivor benefits by requiring the development of a model, easy-to-read, full-disclosure spousal consent form -- which must be used by companies selling annuities and other pension benefits to American workers.

The initiative also protects spouses against loss of access to pension benefits during divorce proceedings by developing a model form for disposition of pension

benefits during a divorce.

In addition, the initiative also includes provisions to modernize civil service and military pension provisions that currently disadvantage widows and divorced spouses, including provisions to: 1) allow widows and divorced spouses to collect awarded civil service pension benefits if the spouse or ex-spouse dies after leaving civil service and before collecting benefits; and 2) authorize courts to order the naming of an ex-spouse as the beneficiary of all or a portion of any refunded contributions for a civil service pension, in divorce proceedings.

Other Pension Reform Provisions

This initiative also contains the following additional pension reform provisions not included in President Clinton's Retirement Savings and Security Act or in the women's pension equity provisions, including:

- Requiring employers to invest employee pension contributions in no more than 15 days -- down from the current 90-day limit. (This would stop the involuntary interest-free loans employers have been taking from employee pension funds);
- Allowing for the creation of portable pension plans through a non-profit cooperative or clearinghouse to which employees and employers could easily contribute; and
- Increasing monetary and criminal penalties for pension raiding.

FAMILIES FIRST AGENDA

PERSONAL SECURITY

CRIME INITIATIVE -- KEEPING AMERICANS SAFE IN THEIR HOMES, THEIR NEIGHBORHOODS, AND THEIR SCHOOLS

1. EXTENDING THE 100,000 COPS PROGRAM

The 100,000 Cops-on-the-Beat program -- created by the 1994 Omnibus Crime Act -- has already proven to be enormously successful and enormously popular in communities all across the country. It guarantees 100,000 additional police officers on the streets between FY 1995 and FY 2000 (with federal funding actually dramatically dropping off after FY 1999). The COPS program is showing effective results nationwide -- crime rates are down and violence is down. The program has been praised by police chiefs, sheriffs, mayors, and rank-and-file police officers throughout the nation.

A number of states and localities across the country are already expressing an interest in extending the COPS program beyond its currently scheduled expiration date of FY 2000. Hence, this initiative would extend the program for two additional years -- through FY 2002 -- and ensure adequate federal funding throughout these next six years. The initiative would thereby ensure that states and localities can continue to add community police to their forces throughout the six-year period. Under the proposal, by FY 2002, there would be an additional 125,000 police on the streets -- rather than the 100,000 under current law.

2. LAUNCHING A CAMPAIGN AGAINST YOUTH CRIME: MORE ADULT SUPERVISION FOR YOUTH AND MORE OPTIONS FOR JUVENILE COURT JUDGES

The 104th Congress is already considering legislation regarding making changes in the juvenile justice system with respect to juveniles arrested for violent crimes -- who make up 5% of total juvenile arrests.

However, this initiative involves taking the next step of addressing the vast majority of juveniles who are not violent to give them the attention and help they need to stay away from violence and crime. This initiative proposes: 1) encouraging the establishment of after-school "safe havens," to ensure adult supervision during after-school hours; and 2) providing juvenile court judges with more options in dealing with non-violent juvenile offenders, in order to help keep them from

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becoming repeat or serious offenders.

After-School "Safe-Havens"

50% of youth crime occurs during the unsupervised hours between school and dinnertime. We need more "safe havens" for the vast majority of America's children who go home to an empty house or apartment after school. "Safe havens" give kids a place to go after school so they are off the streets and out of trouble and where they are also less likely to become the victims of crime by others.

This initiative would encourage the establishment of after-school "safe havens" by providing state and local governments with technical assistance in how they can work with community-based organizations in establishing after-school "safe haven" programs. "Safe haven" programs could include the expansion of such programs as Boys & Girls Clubs, DARE programs, and Police Athletic Leagues.

Early Intervention with Non-Violent Juvenile Offenders

95% of total juvenile arrests – more than two million juveniles – are for non-violent crimes. We must intervene with these 95% at the time of their first misbehavior – and keep them from becoming repeat or serious offenders.

Today, in most states, a juvenile can commit multiple non-violent offenses before they get any real attention from the juvenile justice system. Most juvenile court judges currently have very few options for handling these non-violent offenders.

This initiative would address this problem by giving states incentives and resources for providing juvenile court judges the ability to impose a range of graduated sanctions designed to prevent additional criminal behavior. Such a range would start with options like counseling, drug testing/treatment, job training, or community service, and move to restitution, enrollment in alternative schools, and crime-specific programs, such as an anti-auto theft program.

3. FIGHTING DRUGS

Expanding Drug Testing and Treatment Through Drug Courts

Drug courts have proven effective in reducing recidivism rates among drug-addicted offenders. Without drug courts, most drug offenders are sent right back out on the streets with no help in breaking their addiction.

This initiative calls for increasing the federal support for drug courts, in which offenders receive drug testing/treatment and job training. The initiative would also permit states to use prison dollars provided under the 1994 Crime law to provide

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drug treatment to prisoners before their release and to institute drug testing/treatment for offenders released on parole or probation.

Fully Funding Safe and Drug-Free Schools

Finally, this initiative calls for fully funding the Safe and Drug-Free School program – until it is ensured that every elementary and high school student is being exposed to drug education and prevention services. This is particularly important because recent surveys have shown that large numbers of young people are currently discounting the dangers of drug use.

FAMILIES FIRST AGENDA

EDUCATIONAL OPPORTUNITY

Expanded educational opportunity is more critical today – in the tough, new, global economy – than at any previous time in American history. Indeed, the wage premium for better-educated workers has expanded dramatically just over the past 15 years. For example, in 1993, full-time male workers aged 25 and over with a college degree earned on average 89% more per year than their counterparts with only a high school degree.

And yet, at the same time that a college degree is becoming more and more valuable, more and more working families are concerned that a college education may be out-of-reach for their children.

Indeed, the number-one concern of millions of working parents is whether or not they will ever be able to afford to send their children to college – in light of the fact that college tuition has simply skyrocketed in recent years. Indeed, college tuition has grown by 269% since 1980.

HOPE SCHOLARSHIPS & TAX DEDUCTIONS FOR EDUCATION AND TRAINING

The Families First Agenda contains a Democratic initiative designed to make a college education, as well as vocational training, more affordable for millions of American working families.

HOPE Scholarships

This Democratic initiative includes the HOPE Scholarship program, as proposed by President Clinton on June 4.

The HOPE Scholarship program would provide all students with a \$1,500 refundable tax credit for full-time tuition in their first year of college (\$750 for half-time tuition) and another \$1,500 in their second year if they work hard, stay off drugs, and earn at least a B average in their first year.

This HOPE Scholarship program will attempt to make two years of college as universally accessible as high school is today.

This \$1,500 credit is \$300 above the national average community college tuition

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and would make tuition free for 67% of all community college students. While the tax credit is priced to pay for the full cost of community college, the credit can be applied to tuition at any college – from a two-year public community college to a four-year private college. This \$1500 tax credit would be a substantial downpayment for parents sending their children to colleges with higher tuition.

The tax credit would be phased out at higher income levels. For joint filers, the credit would be phased out at incomes between \$80,000 and \$100,000. For single filers, the credit would be phased out between \$50,000 and \$70,000.

Tax Deductions for Education and Training Expenses

This Democratic initiative also includes tax deductions for education and training expenses – both the \$10,000 tax deduction proposed by the Clinton Administration for direct education and training expenses as well as a tax deduction for student loan interest.

First, the initiative includes the \$10,000 tax deduction for tuition for college, graduate school, community college, and certified training and technical programs, as proposed by the Clinton Administration. In order to receive the deduction, the tuition must be for an education or training program that is at least half-time or related to a worker's career.

Eligible students in their first two years of college or their parents must choose between either the HOPE Scholarship or the tax deduction. The deduction is up to \$10,000 a year per family; the credit is \$1,500 per student.

The \$10,000 tax deduction would be available even to those taxpayers who do not itemize their deductions. It would also be available for any year a family has education or training expenses.

As with the tax credit, the tax deduction would be phased out at higher income levels. For joint filers, the deduction would be phased out at incomes between \$80,000 and \$100,000. For single filers, the deduction would be phased out between \$50,000 and \$70,000.

Finally, unlike the Clinton tax deduction proposal, this Democratic initiative also includes a tax deduction for student loan interest. Under this proposal, those paying off student loans taken out under a federal or state loan program for higher education would be able to deduct the interest payments on those loans. This tax deduction would also be phased out at higher income levels.

FAMILIES FIRST AGENDA

ECONOMIC OPPORTUNITY

1) SMALL BUSINESS INITIATIVE

Small businesses are the real engine of job creation in our economy. Over half of all new jobs are being created in the small business sector. As large companies downsize, small companies are upsizing.

And yet, for too long, it is the wealthiest corporations that are getting all the tax breaks and special favors in Washington, D.C.

In too many cases, the tax code and other public laws have favored large corporations over the vital small business sector.

The Families First Agenda includes two important steps to provide needed tax relief to small businesses:

A) Keeping Family Businesses in the Family

Currently, in certain situations, upon the death of the owner of a small business, the heirs must liquidate the family business in order to obtain the cash to pay federal estate taxes.

This proposal would allow the heirs to pay these estate taxes in annual installments, with a favorable interest rate of 4%, on the first \$2.5 million of the estate (up from the current, much-less-generous \$1 million threshold). In addition, the proposal would liberalize the types of small businesses that could qualify for this favorable tax treatment.

This proposal would allow many family businesses to stay in the family – rather than having to be liquidated.

B) Increasing Expensing of Depreciable Property

Federal income tax law generally requires the taxpayer to depreciate amounts spent to purchase machinery and equipment. The business owner is generally required to deduct the cost of the purchase over the life expectancy of the property, which is usually a number of years. However, current law includes an exception which permits a small business to immediately deduct ("expense") the full amount paid each year up to a certain maximum.

In 1993, the Democratic Congress enacted a law increasing the amount that small businesses were allowed to expense – from \$10,000 to \$17,500. The version of this bill that had originally passed the House had increased this amount to \$25,000, but it was scaled back in the Senate.

This proposal would revive the proposal of Democrats in 1993 to immediately raise the amount that small businesses are allowed to expense from \$17,500 to \$25,000 – effective in January 1998. Increased expensing would give needed funds to small businesses that have limited access to capital markets. Increased expensing (rather than using depreciation) also simplifies tax reporting and record-keeping -- which are more burdensome for small businesses.

2) PARTNERSHIP WITH PRIVATE SECTOR IN REBUILDING COMMUNITIES

Decaying roads, bridges, rail systems, and water treatment systems are clogging the economic lifelines of communities around the country. Indeed, studies have shown upwards of \$40 billion in annual losses from traffic congestion alone. With "just-in-time" manufacturing a critical ingredient of our economic competitiveness, a modern, efficient transportation system is more vital now than ever.

However, the lack of adequate investment in such items as roads, bridges, airports and sewer systems is hampering economic growth in communities all across the country.

The Families First Agenda contains a Democratic proposal for a new investment partnership – using public funds to leverage additional private investment – in order to boost investment in our roads, transit systems, airports, sewers, drinking water, schools, and other infrastructure. Democrats will work to fully utilize the annual revenues flowing to our transportation trust funds for their intended purpose: infrastructure investment.

The central component of this new investment initiative calls for drawing down the large unexpended balances in the Highway and Airport Trust Funds by \$1.75 billion a year and distributing the funds to State Infrastructure Banks, to be used for the highway, transit and airport projects for which those funds were raised. This \$1.75 billion in federal investment would then be leveraged by the State Banks to generate significant additional state and private investment. The initiative also includes an additional \$250 million a year in increased funding for improved sewage treatment, safe drinking water facilities, and school facilities.

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State Infrastructure Banks: A New Tool To Fund Public Works

To expand investment and get the most from taxpayer dollars, states have begun to establish State Infrastructure Banks to attract private investment. These State Infrastructure Banks are a means of increasing and improving both public and private investment in infrastructure. The Banks provide greater flexibility to support the financing of projects by using federal-aid funds for revolving loan funds and other forms of innovative financing which attract private investment.

This Democratic investment initiative would supplement our current infrastructure programs with support for State Infrastructure Banks, making the Banks a nationwide program in which all 50 states could participate.

Under the proposal, the Federal Government would distribute funds by drawing from the large unexpended balances that currently exist in the Highway and Airport Trust Funds to capitalize State Infrastructure Banks in every state. The State Infrastructure Banks would then use the funding from these unexpended balances for the purposes for which they were raised: investment in highway, transit and airport projects.

The state banks would offer grants, loans, risk insurance, lines of credit, and/or other financing to attract private capital to infrastructure projects for which dedicated revenues can be identified. States would be free to design the banks to suit their particular needs.

This proposal is similar in concept to the Clean Water Act's highly successful State Revolving Loan Program, in which the Federal Government capitalizes state loan funds (except that it would *supplement*, rather than replace, current grant programs). This proposal builds on the recently-passed National Highway System legislation, which establishes ten State Banks, and the President's FY 1997 budget proposal to provide \$250 million for their capitalization.

The use of innovative financing, though in its early stages, is already being used in many areas of the country. The Clinton Administration already has helped 35 states accelerate over 75 innovative financing infrastructure projects, allowing most to be completed three, five, or even ten years ahead of schedule.

The initiative calls for \$1.75 billion in new federal funding for these State Infrastructure Banks each year, which -- due to the ability to leverage state and private funding -- would lead to a total of over \$4 billion in new infrastructure investment each year (assuming a 20% matching requirement for states and a conservative leveraging ratio of 2-to-1). As states gain expertise, state banks eventually could achieve even higher leveraging ratios. Under this proposal, DOT is also given greater flexibility and authority to assist states with interstate or large projects important to national competitiveness.

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Additional Infrastructure for Safe Drinking Water and School Improvements

Secondly, under this proposal, the Federal Government would provide the Environmental Protection Agency and State Education Agencies \$250 million in additional revenues each year to distribute for infrastructure projects to improve sewage treatment, safe drinking water facilities, and school facilities. These funds will also be leveraged to attract additional investment.

This additional \$250 million a year would help the nation address the fact that there is currently billions of dollars in backlog in the nation's sewage, drinking water treatment, and school improvement needs.

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FAMILIES FIRST AGENDA

GOVERNMENTAL RESPONSIBILITY

The Families First Agenda insists that responsibility be exercised by every quarter of American society – including individuals, corporations, and government. Government's responsibility is to exercise fiscal responsibility by achieving a balanced federal budget.

A BALANCED FEDERAL BUDGET

Congressional Democrats endorse a balanced federal budget that is consistent with American values and is fair to all Americans.

Congressional Democrats call for balancing the budget through: closing tax loopholes for wealthy special interests; eliminating unnecessary business subsidies; making responsible reforms and adjustments in various entitlement programs; requiring more burdensharing with our allies in paying for the costs of defending Europe and Asia; rooting out fraud and abuse by unscrupulous providers and others in the Medicare and Medicaid programs; continuing the "Reinventing Government" initiative in order to make government services more cost-effective; and reducing funding for low-priority programs.

Congressional Democrats know that the budget can be balanced while still maintaining our obligations to our parents, our children, and our future. Specifically, Democrats endorse a budget that is balanced in a responsible and realistic way, while still:

- Protecting Medicare and its guarantee of affordable, high-quality health care for senior citizens from damaging reductions and ensuring that reductions in the Medicare program are never used to pay for tax breaks for the wealthy;
- Protecting Medicaid from damaging reductions and continuing the guarantee of health care coverage for children living in poverty and nursing home coverage for seniors who have exhausted all their resources;
- Protecting seniors from the threat of seizure of their homes or family farms to pay their spouses' nursing home bills;
- Protecting working families from the liability for the nursing home bills of their elderly parents.

- Investing in the education and training of America's young people and workers, to better prepare our country to compete in the world economy of the 21st century; and
- Protecting the environment.

Together, the American people can protect high-priority programs and still balance the budget in a realistic and sustainable way.

Like the Clinton budget, the Families First Agenda calls for balancing the federal budget but also providing middle-class Americans with targeted assistance – through such items as targeted tax relief. The targeted assistance in the Families First Agenda is actually somewhat less extensive than that proposed in the Clinton budget. Certainly, balancing the budget and also providing targeted assistance to middle-class families will require large spending reductions in many areas of the budget -- as are called for in the Clinton budget – and Democrats have shown a willingness to support such large spending reductions.

The Clinton balanced budget plan balances the budget and still provides targeted tax relief to middle-class families. Specifically, the Clinton plan balances the budget through \$461 BILLION in total deficit reduction, which is composed of the following three components:

- \$524 BILLION in spending reductions;
- \$117 BILLION in targeted middle-class tax relief; and
- \$54 BILLION in revenue increases achieved through tax loophole-closings targeted at special interests.

The Families First Agenda will balance the budget with precisely the same three components – large spending reductions, targeted middle-class tax relief, and tax loophole-closings targeted at special interests.

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FAMILIES FIRST AGENDA

CORPORATE RESPONSIBILITY

The Families First Agenda insists that responsibility be exercised by every quarter of American society -- including government, individuals, and corporations.

Corporations need to show responsibility towards their employees, responsibility towards their communities, and responsibility towards their country. Simply put, Democrats are calling upon corporations to return to earlier standards of loyalty towards their employees, communities, and country.

Hence, the Families First Agenda includes proposals to: 1) require corporate responsibility in the protection of employees' pension funds; 2) require corporations to meet their environmental responsibilities; and 3) encourage corporations to show responsibility towards their country by repealing tax breaks for shipping jobs abroad.

1) REQUIRING CORPORATE RESPONSIBILITY IN THE PROTECTION OF EMPLOYEES' PENSIONS

First, corporations need to exercise loyalty towards their employees. One key way in which loyalty needs to be exercised towards their employees is by better protecting employees' pension funds.

Hence, this Democratic initiative contains several provisions to enhance pension protection, including:

- Requiring plan administrators and accountants to report promptly the serious misuse of pension funds, with fines of up to \$100,000; and
- Requiring employers to invest employee pension contributions in no more than 15 days -- down from the current 90-day limit. (This would stop the involuntary interest-free loans employers have been taking from employee pension funds).

The initiative also contains several provisions to better prevent pension raids, including:

- Ensuring continued opposition to efforts to reduce the prohibitive excise taxes that were put in place in 1990 on money withdrawn by companies from

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pension funds and used for other purposes;

- Requiring the Labor Department to report regularly to Congress on attempts by companies to use pension funds for other purposes; and
- Increasing the monetary and criminal penalties for violating the various restrictions on pension raiding.

2) REQUIRING CORPORATIONS TO MEET THEIR ENVIRONMENTAL RESPONSIBILITIES

Corporations also need to exercise loyalty towards their communities. One key way in which loyalty needs to be exercised towards their communities is by meeting corporations' environmental responsibilities.

It is only through corporations meeting their environmental responsibilities that the ongoing national efforts to protect the health and safety of the nation's children, families, and communities can be successful.

In encouraging more environmental responsibility, Congressional Democrats are dedicated to achieving the following objectives:

- **Keep drinking water safe from contamination.** Protect our children and families by ensuring the water they drink is safe and free from dangerous chemicals, pesticides, and bacteria.
- **Protect the clean air laws that are cutting pollution.** Ensure the air our children and families breathe is free from dangerous pollutants.
- **Protect our rivers, lakes and streams from water pollution.** Reauthorize the Clean Water Act and strengthen the clean-up of America's waterways so that more of our waters can meet the goal of being safe for fishing and swimming.
- **Maintain our commitment to clean up toxic waste sites.** Speed the cleanup of toxic waste sites while ensuring that polluters pay to clean up the contamination they cause. Reform the Superfund toxic waste cleanup law to reduce litigation, fairly apportion cleanup costs, and encourage redevelopment of old industrial sites.
- **Recognize every American's right-to-know about exposure to toxic chemicals.** Improve America's right-to-know laws to give families the facts they need to protect themselves from unseen health risks, and spur industry

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efforts to exceed minimum standards for reducing toxic waste.

3) REPEALING TAX BREAK THAT ENCOURAGES CORPORATIONS TO MOVE JOBS OVERSEAS

Finally, U.S. corporations need to exercise loyalty towards their country. One key way in which loyalty needs to be exercised towards their country is by stopping the shipping of large numbers of good-paying jobs to plants overseas. The shipping of these good jobs overseas is serving to undermine the standard of living of tens of thousands of American working families.

Hence, this Democratic initiative contains a proposal to attempt to encourage corporations to show more responsibility towards their country by repealing a tax break for shipping jobs overseas.

Indeed, under current tax law, American corporations are actually rewarded for shutting down manufacturing plants in the United States – eliminating good-paying jobs for thousands of hard-working Americans – and shipping those jobs to overseas plants.

Under the law, U.S. companies are allowed to defer payment of taxes on profits earned overseas until they send those profits back to the United States in the form of dividends.

Hence, companies that export good American jobs get a tax subsidy not available to companies which continue to manufacture in the United States.

This Democratic proposal would repeal this tax deferral in cases where U.S. multinational corporations produce abroad in foreign tax havens and then ship those products back to the United States. (The proposal would not hinder U.S. multinationals that produce abroad from competing with foreign firms in foreign markets.)

Hence, under this Democratic proposal, companies would no longer be subsidized by the tax code for shipping jobs out of the United States.

FAMILIES FIRST AGENDA

INDIVIDUAL RESPONSIBILITY

The Families First Agenda insists that responsibility be exercised by every quarter of American society – including government, corporations, and individuals. Individual responsibility can be better enhanced through enactment of: 1) welfare reform legislation that imposes work requirements on welfare recipients; 2) tough “deadbeat parents” legislation that requires parents to support their children; and 3) a teen pregnancy initiative that enhances personal responsibility and is targeted at dramatically reducing the teen pregnancy rate.

1) WELFARE REFORM & “DEADBEAT PARENTS”

Congressional Democrats endorse welfare reform legislation that is tough on work but protects innocent children. Specifically, Democrats endorse welfare reform legislation that achieves the following goals:

- Tying welfare to work, by imposing work requirements for receipt of welfare benefits;
- Providing the resources required to successfully move people from welfare to work – including ensuring child care and transitional health care for those moving into the workforce;
- Requiring parental responsibility, but also protecting innocent children; and
- Requiring responsibility from sponsors of legal immigrants, but also not unfairly penalizing legal immigrants.

Congressional Democrats also endorse, as part of welfare reform, tough “deadbeat parents” legislation that achieves the following goals:

- Ensuring uniform interstate child support laws;
- Giving states new tools to ensure that child support orders can be collected across state lines;
- Strengthening child support collection, including strengthening and expanding income withholding from wages; and
- Strengthening child support enforcement, such as motor vehicle liens,

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suspension of drivers' and professional licenses, and denial of passports.

2) TEEN PREGNANCY

Congressional Democrats endorse an aggressive, national campaign focused on dramatically bringing down the rate of teen pregnancy. Democrats believe that the only way in which such a campaign will be successful is if every level of American society – ranging from elected political leadership to grass-roots community organizations – get involved in focusing national attention on preventing teen pregnancy.

All Americans need to speak out about the importance of preventing “children from having children.”

Specifically, Democrats endorse a teen pregnancy initiative that achieves the following goals:

- Requiring states to intensify efforts to establish paternity as a means of holding non-custodial parents accountable for their actions and responsible to their children;
- Providing technical assistance to state and local governments in setting up teen pregnancy prevention programs focusing on at-risk young people who are not yet parents; and
- Providing for partnerships with community-based volunteer organizations in developing programs focused on prevention of teen pregnancy.

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9TH STORY of Level 1 printed in FULL format.

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Inter Press Service

November 6, 1996, Wednesday

LENGTH: 1045 words

HEADLINE: U.S.-ELECTIONS: LABOR, BUSINESS BOTH CLAIM VICTORY IN VOTE

BYLINE: By Farhan Haq

DATELINE: NEW YORK, Nov. 6

BODY:

For labor and big business alike, the 1996 elections were a vote everyone could love.

Wall Street eagerly accepted yesterday's re-election of President Bill Clinton and return of a Republican-led Congress, with the Dow Jones industrial index rising 40 points in trading yesterday to 6081 points. The market continued to swell in trading today, setting a record by breaking the 6100-point mark.

But Wall Street's enthusiasm was matched by the claims of victory emerging from the long-dormant labor unions, most notably the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO).

"As far as we're concerned, working families are back as a political force," AFL-CIO spokeswoman Deborah Dion told IPS. "Labor is back."

"Union voters got a great deal in the sense that they put themselves back into the game," agreed Robert Borosage, co-director of the Washington-based think tank, Campaign for America's Future. "It's a big deal for working people, because their views will get more consideration than they have received in a number of years."

The AFL-CIO sank some \$ 35 million into the 1996 campaign, largely targeting pro-business Republicans who seized control of the House of Representatives for the first time in four decades in 1994.

From the outset of the campaign, labor pushed the negative image of House Speaker Newt Gingrich and the Republican "Contract with America," a 1994 campaign document which the AFL-CIO scorned as a pro-business, anti-worker tract.

"A gang of thugs calling themselves members of Congress has been trying to mug the American people for the past two years," AFL-CIO President John Sweeney argued. "We fought them to a standstill."

As a result, Sweeney said, 1996 has been the year that "the labor movement awoke from a long, long sleep." But union membership remains at only 13.1 million people, or some 15 percent of the workforce, down considerably from 1945 when 35 percent of all workers belonged to unions.



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That decline was why this election has been crucial, proving that labor can take an active role in improving workers' lives and affecting the political process, Sweeney said. In practice, that boiled down to seeking Republican losses in the House of Representatives.

In particular, the labor coalition paid for advertisements attacking the records of 32 Republicans seeking their second term in the House; by this morning, eight of the freshmen had been defeated.

Despite labor's efforts, however, the 435-seat House remains narrowly Republican. With eight races still undecided today, the Republicans had won 222 seats, enough to maintain a slight majority, compared to 203 for Democrats and two for center-left independents.

The Republicans also picked up several seats vacated by retiring Democrats in the south, an increasingly Republican region.

Labor's impact was nevertheless strong, especially in shifting non-college-educated voters, who turned out heavily in 1994 against the Democrats, back to the centrist party.

Borosage said the shift in voters without a college education, along with the 20-point gap by women voters in favor of Clinton over Republican Bob Dole, provided the biggest boost to the Democrats' renewed fortunes. The former group, Borosage argued, was heavily affected by the AFL-CIO campaign.

Some polls taken of voters exiting yesterday's polls bear that argument out. A New York Times survey indicated that 6 out of 10 union voters turned to the Democrats this year. An NBC poll showed that one-third of voters identified themselves as belonging to unions, and that 55 percent of those union votes went to the Democrats.

More significant than the voter turnout and unseated Republicans, however, is the effect the labor campaign has had on re-asserting workers' concerns.

"The center has been redefined to protect Medicare (the state-run program of health assistance for the poor and elderly), invest in education and continue progress on health care," Borosage said. None of those issues were supported by Republicans two years ago, he noted, but even Gingrich stressed them in his own successful re-election bid in Georgia.

"The Republican retreat from their own anti-government position was pretty profound," he contended.

"Every family in America was talking about our issues: college loans, the minimum wage, retirement securities," said Dion. "The Gingrich foot soldiers will never, ever try to do in 1994 with the Contract with America."

Regardless of the relationship between the returning Republican Congress and Democratic presidency, Dion argued, both sides learned not to seek major cuts in Medicare, a central campaign issue which hurt the Republicans. Support for Medicare even helped Clinton win Florida, a traditionally Republican state with a sizable elderly community.

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Some Republicans argue that voter anger over Republican proposals to curb Medicare spending pushed both parties away from any plans to cut either that program or the larger Social Security entitlement. By election day, voters faced a choice between Dole's plan to increase Medicare spending by 6 percent a year and Clinton's to increase it by 7 percent a year.

"It was Bob Dole and the Republicans who turned themselves into imitation Democrats," David Frum, a senior fellow at the right-wing Manhattan Institute, wrote in The New York Times today.

"Again and again, Mr. Dole was driven off his message of lower taxes and forced to swear that he was as determined as President Clinton to protect Medicare in all its costly splendor," Frum complained.

The unions' organizing power and advertising dollars this year also prodded some pre-election changes. After several years of haggling, Clinton and the Gingrich-led House agreed in August to phase in a 90-cent minimum wage, to \$ 5.15 an hour, by next year.

As Borosage noted wryly, by last week, Gingrich was assailing his own Democratic opponent, Georgian businessman Michael Coles, for paying minimum wage to some workers in his cookie-making company, although Gingrich himself had weighed in against any increase in the minimum wage until this summer.

"Now they know where working families stand," Dion summed up.

LANGUAGE: ENGLISH

LOAD-DATE: November 7, 1996



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Gannett News Service

November 8, 1996, FINAL EDITION

LENGTH: 1596 words

HEADLINE: A look at special-interest groups' spending in 1996 elections

BYLINE: Gannett News Service

DATELINE: WASHINGTON

BODY:

WASHINGTON -- Here's how several major interest groups jumped in on congressional campaigns to advocate issues -- often with negative television advertisements that keyed on hot topics such as gun control and abortion:

Christian Coalition puts emphasis on 'voter guides'

The Christian Coalition, started in 1989, is regarded by many as a model of how outside groups can utilize grass-roots strength to amass power and influence the electoral process.

The Federal Election Commission brought suit against the group this year, charging that it was improperly coordinating its famed "voter guides" with the campaigns of Republican candidates.

The voter guides list presidential, congressional and gubernatorial candidates' stands on issues it considers important to its "pro-life" and "pro-family" outlook.

Some of them include: homosexuals in the military, term limits for Congress, a voluntary school-prayer constitutional amendment, banning partial-birth abortion and the balanced budget amendment.

This year the group distributed the voter guides using 125,000 churches -- up from 100,000 in previous elections -- the Sunday before voters went to the polls. Workers also canvassed neighborhoods and handed out the voter guides in shopping malls and similar grass-roots locations.

In all, the Christian Coalition says it spent \$ 22 million to \$ 24 million on this year's races.

NRA, gun-control group battle it out in California race

While Andrea Seastrand and Walter Capps battled it out for Congress in Santa Barbara, Calif., a parallel campaign was being waged



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by special-interest groups.

The National Rifle Association and the Handgun Control Voter Education Fund were among the groups that used independent expenditures to fund a barrage of attack advertising in the race for one of California's 52 congressional seats.

The re-election bid of Seastrand, a freshman Republican who voted to repeal President Clinton's assault rifle ban, was one of 50 races targeted by the NRA.

Overall, the NRA spent more than \$ 4 million in the 1996 election season, \$ 1.5 million in independent expenditures alone, said Tanya Metaksa, the NRA's chief lobbyist in Washington and chair of its Political Victory Fund.

The NRA has used independent expenditures for more than two decades and defends the practice as an effective way for its membership to influence elections.

The Handgun Control group said it wanted to educate voters about the dangers of assault weapons -- and see Seastrand and Martin Hoke, a second-term Republican from Ohio, thrown out of office.

In October, the group spent \$ 62,000 against Hoke and \$ 43,000 against Seastrand. Spokeswoman Jamie Shor said it was money well spent: "In both districts, our candidates won."

But the National Rifle Association said it won the war.

"We were in approximately 50 different races," Metaksa said, "and we were successful in retaining 92 percent of the members in Congress who voted to repeal the Clinton gun ban."

Term limits group uses radio, TV, mail for 'education'

Americans for Limited Terms says it will end up spending about \$ 1 million this year on what it deems voter education efforts.

The group, one of many that advocates term limits, researches candidate positions relating to state and federal term limits and distributes the findings through media appearances and advertising.

"We're selective. We try to speak to voters to whom term limits makes a difference," said Paul Farago, spokesman for the group.

States where little interest has been shown in the issue are likely to be avoided, he said.

Methods employed by the group include radio, television and direct mail.



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"Candidates do not advertise their opposition to the term limits favored by voters. That's why we do," Farago said.

Environmentalists turned aggressive with independent spending in '96

After years of relying on campaign foot-soldiers hanging brochures on door knobs, the environmental movement turned suddenly aggressive in the 1996 elections, plowing tens of thousands of dollars into key races and claiming credit for the truncated political careers of more than a dozen lawmakers.

The Sierra Club and the League of Conservation Voters led the environmental community's electioneering this year. While both groups contributed handsomely to Republicans and Democrats they support, most of the money spent was for negative ads aimed at Republicans they wanted to defeat.

But as Rep. Helen Chenoweth, R-Idaho, who survived a \$ 240,000 assault by LCV and a massive attack by organized labor showed, the strategy of tarring incumbents doesn't always work.

"They were definitely effective to a degree, but not effective enough," Chenoweth said.

The LCV spent about \$ 1.5 million in independent campaigns, including \$ 138,000 against vanquished Sen. Larry Pressler, R-S.D.; \$ 122,000 against Rep. Jim Longley, R-Maine, who also lost; \$ 203,000 against Rep. Randy Tate, R-Wash., another loser; \$ 110,000 against Rep. Fred Heineman, R-N.C., also a loser. But the \$ 155,000 spent against Republican Gordon Smith, the winner in the Oregon Senate race, didn't do the trick, nor did the \$ 130,000 against Rep. Frank Riggs, R-Calif.

The Sierra Club, meanwhile, spent about \$ 300,000 of its \$ 7.5 million campaign budget on independent ventures, including for and against rival candidates in California, where club favorite Walter Capps unseated Rep. Andrea Seastrand, and Michigan, where the group's choice, Debbie Stabenow, defeated incumbent Rep. Dick Chrysler.

104th Congress drove Planned Parenthood to independent spending

Planned Parenthood wanted to make a splash in the 1996 congressional elections. So for the first time, the pro-choice group decided to throw money into independent expenditures.

"The 104th Congress really went after abortion rights, family planning, sex education," said Margaret Conway, vice president for public policy for the Planned Parenthood Action Fund. "... As we came into the election season, voters had no idea we had been under attack. We felt we had a really huge education problem."



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The group's education strategy included taking out advertising against candidates who opposed issues important to Planned Parenthood.

Conway wouldn't say how much the group spent in all. But records Planned Parenthood filed with the Federal Election Commission show the group spent more than \$ 40,000 in October both for and against candidates.

"I think it's important. I think it's fair," Conway said. "...It's a First Amendment issue where we need to be able to discuss our issues with the voting public."

For its part, the National Right to Life spent amply in the 1996 campaign.

Officials in the group's office here did not return several phone calls this week, but records on file with the FEC show the national organization spent \$ 430,000 on behalf of candidates and more than \$ 50,000 against candidates.

Chamber-led Coalition tries positive over negative

The business-oriented Coalition, led by the U.S. Chamber of Commerce, ran some negative ads -- but mostly went positive to blunt labor attack ads.

The Coalition was formed rather belatedly in June to counter negative ads the AFL-CIO was running against incumbent Republicans.

But rather than responding in kind against a Democrat, ads by The Coalition argued that the Republican had done the very things that got him or her elected in 1994 -- passing a balanced budget that included tax relief for middle-income families and that would save Medicare. Call your member of Congress and offer to help the campaign, The Coalition ads urged.

Bruce Josten, senior vice president of the Chamber, expects The Coalition to be around in the 1998 campaign, still going largely positive.

He said many companies -- because they are traded publicly, have both Democratic and Republican employees or are involved in community activities -- don't have "the stomach" for negative campaigns.

The Coalition spent about \$ 4.5 million.

On heels of \$ 35 million political campaign, AFL-CIO ready for another

AFL-CIO president John Sweeney joked Friday that reporters were



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"damned right" in assuming organized labor will spend another \$ 35 million on independent political advocacy on the heels of its 1996 effort.

"You might even see more," he said.

Sweeney and other labor leaders declared success Friday in their effort to redefine the congressional agenda even if Democrats did not win back a majority.

"In a sense, labor won before the election," said consultant Bob Schrum, theorizing that the policy agenda changed from the GOP's 1994 "Contract With America" to working people issues.

About \$ 22 million of AFL-CIO spending went into radio and TV ads.

The top market for TV was Seattle, where organized labor campaigned against four Republicans. Also near the top were Portland, Phoenix, Boston and Cleveland.

Critics of organized labor have said the campaign was a failure because the majority of targeted House Republicans won re-election.

But the AFL-CIO says it helped defeat 18 of its top 45 GOP targets.

That's 40 percent who did not win re-election, compared to a normal re-election rate of 94 percent for House incumbents.

Contributing: Norm Brewer, Paul Barton, Ken Miller, Fredreka Schouten, Brian Tumulty.

LANGUAGE: ENGLISH

LOAD-DATE: November 11, 1996



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Copyright 1996 The New York Times Company
The New York Times

November 15, 1996, Friday, Late Edition - Final

SECTION: Section A; Page 20; Column 1; National Desk

LENGTH: 1043 words

HEADLINE: Despite Setbacks, Labor Chief Is Upbeat Over Election Role

BYLINE: By STEVEN GREENHOUSE

DATELINE: WASHINGTON, Nov. 11

BODY:

John J. Sweeney is sounding unmistakably upbeat nowadays even though Republicans assert that big labor was the big loser in last week's elections.

Mr. Sweeney, the A.F.L.-C.I.O. president, admits to some disappointment that the Democrats failed to regain the House despite labor's anti-Republican advertising blitz and its mobilizing of thousands of campaign foot soldiers. But in what critics are calling instant historical revisionism, he says taking back the House was never labor's main goal.

Rather, he says, his central goal has always been to reawaken and rebuild the sleeping labor giant. With barely restrained jubilation, he boasts that this fall's political push not only roused labor from its slumber, but also demonstrated that labor was once again a powerful player on the national scene.

"We're happy that the President was re-elected," Mr. Sweeney said in an interview in his eighth-floor office overlooking Lafayette Park and the White House. "We're happy that we won in a lot of Congressional races. But the real happiness is with ourselves -- the real happiness is what we're developing in energy and enthusiasm from workers."

Yet, the true measure of labor's success will be revealed only in the new session of Congress. After each election in years past, an earlier president of the American Federation of Labor and Congress of Industrial Organizations, Lane Kirkland, walked from the federation's headquarters to the White House to deliver a list of labor's 50 priorities. This time, the list will be shorter and more achievable, Mr. Sweeney said.

While acknowledging that it might be difficult to muster a Congressional majority to back labor's positions, he said he would try to work closely with Republican moderates -- even though some are fuming that labor opposed their re-election.

Representative Dick Armey of Texas, the House majority leader, said union members should be angry that labor got so little for its money, asserting that it spent more than \$100 million on the campaign. Union officials call that figure ludicrous, putting their campaign costs at \$35 million.



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"After spending upwards of \$100 million to elect a Democratic Congress, the A.F.L.-C.I.O. watched the American people re-elect dozens of members they tried to defeat," Mr. Arney said. "John Sweeney owes union members an apology for wasting their money, often against their will, only to tilt at windmills."

In a move that unions see as retribution, Republicans are preparing legislation that would inhibit labor's campaign spending by requiring unions to get members' permission in writing before using their dues for political activities.

Mr. Sweeney said labor intended to be a "major player" in any debate on campaign finance. "We will support a finance law," he said, "but not one that's an attack on the labor movement."

The federation's legislative strategy, Mr. Sweeney suggested, will be to look for issues that help working families, develop a public groundswell behind labor's position and put pressure on some Republicans to vote labor's way.

With this in mind, Mr. Sweeney said labor would support legislation to provide health coverage to uninsured children and a bill that would further restrict corporate raids on employee pension plans.

In discussing the elections, Mr. Sweeney said labor could also claim victory because the candidates focused on issues that the federation's television advertising and fliers highlighted, including Medicare, education and pensions.

By his account, one reason the Republicans retained control of the House was that many Republican freshmen moved to the center, embracing labor's stance on the minimum wage, education spending and health insurance portability.

"We won this race by the influence we had on the agenda," he said.

But to many Republicans, the election was a debacle for labor, and such talk of victory is delusional.

"The best answer for how labor did is to look at what Sweeney said last January, that his goal was to unseat the Republican majority," said Bruce Josten, senior vice president of the United States Chamber of Commerce. "Measured against that objective, he didn't succeed."

Union leaders see a certain hypocrisy in such criticism. On one hand, Republicans assert that labor's spending was an abject failure. On the other hand, they vow to throttle such spending in the future.

From Mr. Sweeney's viewpoint, Republicans and business leaders are angry that labor is flexing its muscles again, and they are intent on denying labor a level playing field.

"With all the rhetoric about how much money the labor movement put in, it was a drop in the bucket compared with all the money the business community put into the districts where we campaigned," Mr. Sweeney said. "Business put in eight times what we put in. There was a real business blitz at the end of the campaign."

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That blitz and the Democrats' embarrassment over foreign contributions persuaded many voters to back Republican candidates to check President Clinton, he said.

Mr. Sweeney's staff has sifted through election results and polling numbers to make the case that labor's political offensive had big payoffs and was backed overwhelmingly by union members.

Labor's efforts, the staff members noted, helped oust 18 Republican House incumbents. They also noted that 62 percent of union members voted for Democrats and 35 percent for Republicans in Congressional races, while in nonunion households the vote went 45 percent Democratic, 53 percent Republican.

But Republicans note that Democrats won in just a third of the three dozen districts where the federation ran broadcast advertisements.

Labor officials are proud that union households accounted for 24 percent of the electorate, up from 19 percent in 1992. This increase, they say, meant 4 million extra voters and 2.5 million extra votes for Mr. Clinton and other Democratic candidates.

To defend the A.F.L.-C.I.O.'s efforts, Mr. Sweeney pointed to polls that found that 70 percent of union members backed the federation's political activities, 13 percent were neutral and 15 percent opposed.

"Someone asked me, 'Will we spend as much money next time around?' " he recalled. "I said, 'More.' It was money well spent."

GRAPHIC: Photo: John J. Sweeney, the president of the A.F.L.-C.I.O. (Associated Press)

LANGUAGE: ENGLISH

LOAD-DATE: November 15, 1996



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33RD STORY of Level 2 printed in FULL format.

Copyright 1996 The San Diego Union-Tribune
The San Diego Union-Tribune

October 21, 1996, Monday

SECTION: NEWS; Ed. 1,2,3; Pg. A-1

LENGTH: 1143 words

HEADLINE: AFL-CIO works hard to unseat House GOP with costly ad drive

SERIES: ELECTION 1996

BYLINE: Stephen Green
COPLEY NEW SERVICE

BODY:

Under new and energized leadership, organized labor is pouring millions of dollars into key House races around the nation, hoping to defeat Republicans and shape a Congress more responsive to its interests.

Howls emanating from Republicans suggest the \$35 million campaign undertaken by the AFL-CIO already has achieved a degree of success.

"It's had an effect on people's opinions," acknowledged Republican National Chairman Haley Barbour, accusing the unions of trying to "buy back the Congress" with "false advertising."

Democrats need a net gain of 18 seats to retake the House from the GOP, which captured it in 1994 for the first time in four decades. That calculation assumes Rep. Bernie Sanders of Vermont, officially independent, will continue to vote with the Democrats.

AFL-CIO President John Sweeney maintains that the commercials accurately depict GOP voting records.

Unions, he said, have had to devote considerable resources to attempting "to take back the Congress" because Republicans tried to "cripple worker organizations."

The campaign by the umbrella group of 79 unions, officially known as the American Federation of Labor and Congress of Industrial Organizations, has sparked counteradvertising from the GOP and major business associations.

Republican candidates, who earlier conserved much of their media funds, have begun a spurt of advertising expected to continue until Nov. 5 in an attempt to negate labor's campaign.

Likewise, the National Republican Campaign Committee, an arm of the national party, has begun advertising in key districts.

The general theme of the committee's advertising, said Rep. Bill Paxon of New



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York, NRCC chairman, is that "a Congress bought and paid for by big labor would represent the ultraliberal agenda of union bosses who oppose welfare reform, oppose a balanced budget and favor higher taxes on working families."

House Speaker Newt Gingrich "believes that labor began advertising too early for maximum effect," said Tony Blankley, the Georgia Republican's spokesman.

Most of the labor money -- some \$21 million -- has been spent on advertising in nearly 70 House districts with Republican incumbents, many of them GOP freshmen considered vulnerable. The commercials accuse Republicans of trying to cut spending for Medicare -- the GOP says it only wants to slow the rate of increase in spending -- and education.

The ads also decry GOP opposition to an increase in the minimum wage.

Denise Mitchell, director of public affairs for the AFL-CIO, said the remaining \$14 million has paid for on-site campaign work in some 100 districts.

Regardless of the outcome of the elections, the AFL-CIO campaign could be crucial to the future of organized labor, whose bargaining clout and membership have eroded. Since 1983, the percentage of workers belonging to unions has dropped from 20 percent to 15 percent.

"The labor movement will die if the status quo remains," declared Kate Bronfenbrenner, director of labor education research at Cornell University's School of Industrial and Labor Relations.

"If you do political education around the issues workers care about, it will help unions organize."

A year ago, Sweeney and other new officers were elected to take over the AFL-CIO, promising more assertive political and bargaining tactics.

"As unions become more aggressive, they are becoming more powerful than they have been in two decades," Bronfenbrenner said.

The AFL-CIO's Mitchell said the labor federation wants "to break through the alienation the working people of this country now have from the political system. This is one way to really give working families a voice."

In the San Diego area, the only incumbent targeted by the AFL-CIO has been Rep. Brian Bilbray, R-Imperial Beach. But after two radio ads appeared to have little effect, labor officials say they have concentrated their efforts in districts where they are thought to have a better chance.

In California, labor has focused on ousting incumbent GOP Reps. Andrea Seastrand of Shell Beach and Frank Riggs of Windsor.

A spokesman for Seastrand's Democratic opponent, Walter Capps, said labor's ads in the district, estimated by the GOP to have cost nearly \$500,000 so far, "have played an important role in airing her voting record."

But, the spokesman added, Capps expects the "playing field to be leveled" in the next couple of weeks with expenditures by Republicans and their supporters.



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One of labor's most ambitious efforts has been in Arizona's 6th Congressional District. Unions have spent more than \$1 million in a saturation advertising campaign against freshman Republican J.D. Hayworth, who is in a close race with Steve Owens, former chairman of the Arizona Democratic Party.

A spokesman for Hayworth said that the labor ads have "peaked" in effectiveness and that fresh GOP media buys now will turn the tide in favor of Hayworth.

A major force countering the AFL-CIO's advertisements is made up of business groups calling themselves The Coalition. It's been running commercials attacking union bosses and accusing labor of lying about the Republicans' record on Medicare.

The 25 organizations in The Coalition include the U.S. Chamber of Commerce, National Association of Manufacturers and the National Federation of Independent Businesses.

"We need to discredit this labor campaign," said a spokesman for the chamber. It has been estimated The Coalition will have spent \$10 million by Election Day in its effort.

Proponents of campaign finance reform say spending by labor and The Coalition reveal loopholes in the current system.

Under federal law, an interest group soliciting votes for a congressional candidate is limited to spending \$5,000. There is no limit, however, on expenditures aimed at highlighting voting records of candidates -- an exclusion used by both labor and business groups.

"The effect is the same as if they were contributions to the candidates," said Lisa Rosenberg, director of the Federal Election Commission Watch at the Center for Responsible Politics.

Politically, labor wants Democrats back in control of Congress on the assumption Democrats would give unions legal advantages in organizing and bargaining.

Unions also support proposals concerning pension reform, education and health care resembling the congressional Democrats' "Families First" agenda. Union officials and Democratic leaders say the programs were developed separately and similarities are coincidental.

Despite Republican control of the just-concluded Congress, labor succeeded in obtaining a minimum-wage increase.

Organized labor also helped kill GOP-sponsored bills that would have forced unions to obtain members' permission to spend dues on political efforts and eased laws governing overtime pay and hours.

LANGUAGE: ENGLISH



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October 29, 1996, Tuesday, Late Edition - Final

NAME: John J. Sweeney

SECTION: Section A; Page 1; Column 3; Business/Financial Desk

LENGTH: 1146 words

HEADLINE: For Big Labor, And New Chief, A Time to Smile

BYLINE: By FRANCIS X. CLINES

DATELINE: AUGUSTA, Me., Oct. 28

BODY:

John J. Sweeney was at large today out on the political landscape, a meek-looking man who smiles more like a parish pastor tending his flock than the campaign guerrilla strategist who is furiously denounced by Republicans across the country as the bare-knuckled "Boss of Big Labor."

On his first anniversary as the president of the A.F.L.-C.I.O., Mr. Sweeney arrived unattended in the fog and headed quickly to another workers' rally in another stop among hundreds of labor backroads he has been tirelessly working. There, he gave a modestly rousing speech but, even more critical to his mission, seemed delighted to field still more local reporters' questions of whether the labor movement, by going after House Republican freshmen with combative, expensive campaigns of criticism, was showing too much muscle in this election.

The very idea, the 62-year-old son of an immigrant bus driver and a housemaid had to muse privately: too much muscle coaxed from a labor movement so recently mocked for its political flab and flagging membership.

The union-muscle question resounds at every stop and, coming so soon after Big Labor's funereal status after the 1994 elections, seems to put snap in Mr. Sweeney's speech. His pate white-wreathed, his smile ever ready, Mr. Sweeney braces his pastorly demeanor with steely calls for workers to turn the Republican Congress from office for "the ugliness that has taken hold of our land."

"Brothers and sisters, two years ago American unions were history," Mr. Sweeney told his members in bittersweet exultation. "Today we are making history."

He is making union history with a special election-year fund of \$25 million worth of attack advertisements and \$10 million in political organization and cadre, all hammering away at the Republican Congress since the summer. Mr. Sweeney, underestimated by many as another colorless careerist in the movement, stood today before a crowd of cheering union workers at the Statehouse as a



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newly discovered national political force, a man once overlooked in the movement's comfortable hierarchy suddenly become labor's patriarchal hope.

"Sweeney comes on very meek, but then he grows on you with his actions," said Charlie O'Leary, the state president of the movement, brought back from a certain despair, he admits, by Mr. Sweeney's sudden plunge into campaign generalship. On a scale not tried before by the movement, Mr. Sweeney decided to send 131 full-time political coordinators into the field to direct thousands of union volunteers. Their targets are 96 Congressional districts, including those of the freshman loyalists of Speaker Newt Gingrich, with a flood of high-profile "education" advertisements attacking Republicans on Medicare and other sensitive entitlement-program issues. In turn, business interests have answered with a \$30 million counteroffensive of "Boss"-bashing ads.

Mr. Sweeney seems thereby to have compounded his personal clout, whatever the phenomenon may or may not imply for labor's chances at reversing membership decline. With merry confidence, Mr. Sweeney dismisses all questions of the risks involved, should he fail and face antilabor retaliation from a renewed Republican majority.

"The House is going to change," he declared with an elfin smile. He insists the Democrats will retake Congressional power, and labor will be a principal player once more with a new politicking-cum-organizing machine that he has designed to make the movement a force in future local, state and national elections.

His effort, which some equate with the Christian Coalition's organizational push beyond nonpartisan limits, is something brand new for labor. And even though campaign records show the union war chest is dwarfed nine-to-one by the Republicans' campaign contributions from business, Mr. Sweeney said it reflected the reawakening of a sleeping giant.

"If the Gingriches and Doles of the world did anything in the last session of Congress, they scared the hell out of the labor movement," he said in an interview. In this spirit of near-gratitude, the labor leader stepped to the microphone here with a speech that resonated with some timeless labor themes but in language carefully tested by the movement's focus-group advisers.

"We're here to send a message to the big banks, special interests and the greedy corporations who have been able to take advantage of working families for years," Mr. Sweeney declared, drawing throaty howls and vows of victory from the union workers who seemed, in his presence, to feel good once more about politics.

One worker waved his fist and shouted exuberantly: "Let's double that fund and really kick their butt!"

But Republicans are tracking Mr. Sweeney's movements, too, with an eye to their own campaign of portraying him to Maine voters as the intrusive agent of a complacent, even corrupt, ally of big government. "There'll definitely be some voter backlash to this," said Floyd R. Rutherford 2d, campaign manager for one of Mr. Gingrich's Republican freshman, Representative John B. Longley Jr. of Maine. "Sweeney's putting a face on a movement that voters view as deceitful," he said, referring to union ads that portrayed the Gingrich Republicans as



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scheming to cut Medicare and other popular social programs.

For Mr. Sweeney, the telling evidence that the movement's campaign may be working came not with the Republicans' counterattack but with Congress's approval this year of a rise in the minimum wage that had been rated as having no chance after the Republicans' 1994 victory.

Blending politics and union organizing is an old endeavor for Mr. Sweeney, who was a Democratic district leader 35 years ago in New York when he first began climbing the trade union ladder. As much as he talks of an updated labor agenda, geared to international markets, he also invokes the "wage and wealth gap" as the stuff of renewed labor militancy.

One working woman in a windbreaker approached him here with an opening bit of gratitude -- "If it wasn't for the union" -- that precisely echoed his own recollection of his father's gratitude as his transit union rolled the 48-hour workweek back to 40. As a boy, Mr. Sweeney witnessed the fabulous bargaining antics of Mike Quill, the New York transit union leader. Even more, he can do a good imitation from memory of Robert F. Kennedy's campaign rallying voice on the streets of the city. The twin strains of politicking and organizing seem to meet in Mr. Sweeney's ambitious attempt to resurrect the labor movement.

"The real success will be in how we follow up to this election, how we keep the momentum, how we keep the structure in place at the grass roots level so that they are there for the next local election, state election, whatever it takes," he said, heading on to his next labor rally in New Hampshire with a certain calculated abandon.

GRAPHIC: Photo: Labor, once mocked for its political weakness, is flexing its muscle under John J. Sweeney. He observed his first anniversary as president of the A.F.L.-C.I.O. yesterday at a labor rally in Augusta, Me. (Keith Meyers/The New York Times) (pg. D5)

LANGUAGE: ENGLISH

LOAD-DATE: October 29, 1996



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August 28, 1996, Wednesday, FIVE STAR LIFT Edition

SECTION: NEWS; Pg. 1A

LENGTH: 1428 words

HEADLINE: 'AND IT TAKES A PRESIDENT'; HILLARY CLINTON REPLIES TO BOB DOLE'S COMMENT THAT: "IT DOES NOT TAKE A VILLAGE TO RAISE A CHILD. IT TAKES A FAMILY."

BYLINE: Bill Lambrecht Post-Dispatch Washington Bureau Patrick E. Gauen And Jo Mannies Of The Post-Dispatch Staff Contributed To This Article.

DATELINE: CHICAGO

BODY:

On a night devoted to family theories, Hillary Rodham Clinton said Tuesday that her husband's re-election would improve the lives of millions of children in America's "village."

Mrs. Clinton trumpeted President Bill Clinton's successes on children and family issues in a speech notable for its measured tones.

"It takes a president who believes not only in the potential of his own child, but of all children; who believes not only in the strength of his own family, but of the American family; who believes not only in the promise of each of us as individuals, but in our promise together as a nation," she said. The phrases echoed the title of her book, "It Takes a Village."

"It takes a president who not only holds these beliefs but acts on them. It takes Bill Clinton," she said.

Mrs. Clinton got a tumultuous reception on the second night of the Democratic National Convention. Her speech - delivered from the podium - was neither as personal or as chatty as Elizabeth Dole's from-the-aisles delivery to the Republican convention in San Diego.

Instead, Mrs. Clinton seemed to focus on policy issues. She also seemed to answer Republican nominee Bob Dole, whose acceptance speech questioned the wisdom of the proverb that it takes a village to raise a child.

Mrs. Clinton, whose speech drew additional interest because of Mrs. Dole's appearance, said she had decided to speak about the children's issues she has worked on for years. She led a parade of speakers who struck pro-family themes that have long been associated with the GOP. Like Clinton in recent months, the Democratic Party served notice Tuesday night that it would no longer cede that political ground.

Harmony in the convention held Tuesday as the party approved its platform with little debate. Prominent liberals on the podium - Jesse Jackson and former



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St. Louis Post-Dispatch, August 28, 1996

New York Gov. Mario Cuomo - soft-pedaled opposition to Clinton's rightward drift on welfare and other matters.

Tonight, Clinton will be formally renominated in a program that will highlight Vice President Al Gore. Clinton will deliver his acceptance speech Thursday night and presumably tell Americans what he would do in a second term.

On Tuesday, House Minority Leader Richard A. Gephardt, D-Mo., devoted his second convention speech in two nights to promoting the Democratic Party's "Families First" initiative for regaining control of Congress.

"It is not a contract to be broken," Gephardt said, contrasting the Democrats' agenda with the Republicans' Contract with America proposals that endured a roller-coaster ride of acceptance and rejection in Congress. "It is not an expression of ideology, but a set of ideas to make America work for the families who work hard every day, who save what they can, who hope to buy a home and build a better life for their children."

Gephardt was greeted by signs and chants of "Speaker Gephardt" - which would be his position in the House if Democrats gain 20 seats in the November election.

Family Matters

If Clinton wins re-election, which would bolster Democratic hopes of regaining the House, it may be because of his success in winning the electorate's center. Clinton has aggressively molded family-oriented initiatives in recent months that are designed to appeal to the middle.

Clinton was praised from the podium Tuesday night for championing the V-chip television monitor, educational programming, anti-smoking regulations and various pro-family policies.

In the keynote speech, Indiana Gov. Evan Bayh intoned the pro-family themes when he described his own proud family history and lauded Clinton for providing a stable economy and strong opportunities for families.

"Fifty years from now, few will remember who addressed this convention tonight," Bayh said. "But our children will know whether we met the critical challenges of our time. What will they say of us?"

"Let them say - as with our parents - that our generation has delivered on its promises to the children. Let them say that the traditional values - opportunity, responsibility and faith - held us tight, one generation to the next."

Tipper Gore, wife of the vice president, told of her fight to win voluntary labeling of records and CDs "to give parents the tools to protect their children from violence, obscenity and degradation of women."

Then, she said, "the battle was over music, but now, thanks to President Clinton and Vice President Gore, parents will have even more powerful tools" - the V-chip, voluntary ratings and new educational programming on the TV networks.



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Boisterous Greeting

For Mrs. Clinton, her speech Tuesday night in her hometown offered a chance to repair a relationship with voters that has run hot and cold. Problems surfaced after she moved into the White House and took a public role in drafting a health care plan that proved to be too broad, poorly explained or both. Her past connections with the Rose law firm of Arkansas, accused of misdeeds during the Whitewater investigation, brought further distress to Democrats.

Indeed, Republicans view the "Hillary factor" as a liability to the president. Dole surprised many political observers when he indirectly criticized Mrs. Clinton in his acceptance speech.

Mrs. Clinton's speech Tuesday was primarily a recitation of her husband's successes in office, although it included several references to their daughter, Chelsea, 16, who was smiling at her mother from the audience.

Mrs. Clinton said twice that she was overwhelmed at the long and boisterous greeting she received when she took the stage. She joked that a friend had advised her to have her hair cut and colored orange so that she could change her name to Hillary Rodman Clinton - after the eccentric Chicago Bulls basketball player.

Mrs. Clinton intoned the family issues that her husband has cultivated and praised him for pro-children initiatives.

"Parents, first and foremost, are responsible for their children. But we are all responsible for ensuring that children are raised in a nation that doesn't just talk about family values, but acts in ways that value families," she said.

Mrs. Clinton praised the bipartisan effort leading to a new law that will let many Americans keep their health insurance if they switch jobs. She also renewed her call for expanded health insurance - the issue that caused some of her problems.

"Now the country must take the next step of helping unemployed Americans and their children keep health insurance for six months after losing their jobs," she said. "If you lose your job, it's bad enough. But your daughter shouldn't have to lose her doctor, too."

In reference to her daughter and other young people, Mrs. Clinton said: "Her life and the lives of millions of boys and girls will be better because of what all of us are doing together. They will face fewer obstacles and more possibilities. That is something we should all be proud of. And that is what this election is all about."

Jackson Urges Unity

Jackson's speech had been one of the most eagerly awaited for its substance as well as style. Jackson, a two-time Democratic presidential aspirant, represents the wing of the party that has criticized Clinton's signing last week of a Republican-drawn welfare law.

"Last week, over the objections of many Democratic Party leaders and the opposition of millions of Americans, Franklin Roosevelt's six-decade guarantee



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of support for women and children was abandoned," Jackson said.

But Jackson warned people to avoid letting the welfare issue divide Democrats as did the Vietnam War at the Democratic convention in 1968.

"The last time we gathered in Chicago, high winds whipped apart our big tent. We could not bridge that gap between strongly held opinions; we lost to (Richard) Nixon by the margin of our despair," Jackson said.

Jackson said that unlike the Republicans at their convention, the Democrats had enough diversity to allow differences of opinion over an issue as large as welfare. "When Pataki and Wilson disagreed in San Diego, they were sent to Siberia," Jackson said, referring to Govs. Pete Wilson of California and George Pataki of New York, who were denied significant speaking roles apparently because of their abortion rights views.

Cuomo, one of the Democratic Party's foremost liberal voices, was a late addition to a speaking roster short of outspoken liberals. The addition of Cuomo suggested that the party may be feeling confident enough about portraying its centrist side this week to showcase a liberal of Cuomo's stature.

GRAPHIC: PHOTO, GRAPHIC; (1) Color Photo Headshot of Hillary Rodham Clinton (2) Photo From AP - Hillary Rodham Clinton waves to delegates as they cheer her before her address to the Democratic National Convention. (3) Color Graphic Logo - DEMOCRATIC CONVENTION

LANGUAGE: English

LOAD-DATE: August 28, 1996



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