

4. CED has been an outspoken voice for the need for campaign finance reform and ~~lobbied vigorously for passage of the Bipartisan Campaign Reform Act (BCRA).~~

In April 2000, CED President Charles Kolb testified before the U.S. Senate Committee on Rules & Administration on the issue. CED representatives were regularly featured in editorials, articles and news reports about campaign finance reform. Many Members of Congress, including reform leaders Senators John McCain and Russell Feingold, used CED's work as evidence of the need to pass meaningful campaign finance reform legislation.

5. As noted, CED's Trustees are chairmen, presidents, and senior executives of major American corporations and university presidents. These business leaders have direct experience with campaign fundraising over the last fifteen years. They and their companies have been solicited by elected officials and party leaders for ever-increasing amounts of soft money corporate contributions to political parties (as well as for hard money contributions from corporate employees and the corporation's PAC if it has one). These business leaders have accordingly had occasion to consider the pros and cons of contributing or declining to contribute. Based on this experience, CED's Trustees individually and as a group have developed a particularized understanding of how the soft money fundraising system works and how it impacts the integrity of our elected officials, the integrity of American business, and more generally the health of our democracy.

6. My clear conclusion, which I know is shared by CED Trustees generally, is that soft money fundraising by elected officials and party-officials and large soft
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money contributions by corporations corrupt the solicitors and the givers alike, and certainly create an appearance among the electorate generally that American business buys influence and legislation.

7. When I talk with leaders of large labor unions, I have found that they share the concerns of the CED Trustees about the corrosive effect of large soft money contributions on the system.
8. The fact is that the people who raise large soft money contributions from business corporations and labor unions are often sitting Members of Congress who will have to consider matters that will affect the financial health or operations of the organizations being solicited. Often the Members who solicit large corporate contributions sit on committees that directly affect the corporation's business. Similarly, these Members' actions affect issues of interest to labor unions. Congress as a body and through these Congressional committees regularly considers matters that importantly affect both business and labor in regulated and unregulated industries—from tax legislation to trade legislation to industry deregulation to environmental legislation, to list just a few examples.
9. When sitting Members solicit large corporate and union contributions, the leaders of these organizations feel intense pressure to contribute, because experience has taught that the consequences of failing to contribute (or failing to contribute enough) may be very negative. Business and labor leaders believe, based on their experience, that disappointed Members, and their party colleagues, may shun or disfavor them because they have not contributed. Equally, these leaders fear that if they refuse to contribute (enough), competing interests who do contribute

generously will have an advantage in gaining access to and influencing key

~~Congressional leaders on matters of importance to the company or union.~~

10. The other side of the coin is that labor and business leaders are regularly advised that—and their experience directly confirms that—organizations that make large soft money donations to political parties in fact do get preferred access to government officials. That access runs the gamut from attendance at events where they have opportunities to present points of view informally to lawmakers to direct, private meetings in an official's office to discuss pending legislation or a government regulation that affects the company or union.
11. If an organization is solicited by a party official rather than an elected official, the effect is the same. Companies and unions know that party officials inform elected officials about who has given significant amounts; and party officials often promise access to elected officials to those who agree to contribute large amounts of corporate or union money.
12. In sum, most unions and corporations give large soft money contributions to political parties—sometimes to both political parties—because they are afraid to unilaterally disarm. They do not want their competitors alone to enjoy the benefits that come with large soft money donations: namely, access and influence in Washington. Though a soft money check might be made out to a political party, labor and business leaders know that those checks open the doors to the offices of individual and important Members of Congress and the Administration, giving donors the opportunity to argue for their corporation's or union's position on a particular statute, regulation, or other governmental action. Labor and

business leaders believe—based on experience and with good reason—that such ~~access gives them an opportunity to shape and affect governmental decisions and~~ that their ability to do so derives from the fact that they have given large sums of money to the parties.

13. In these ways, the soft money loophole over the past two decades has created a deeply cynical environment of real and perceived corruption that traps American government, business, and labor unions.
 14. This debilitating and demoralizing environment damages government and business alike. It goes without saying that maintaining governmental integrity is critically important to our democracy and our citizens' faith in their government. It is also important for American to have faith in the integrity of their business institutions and labor unions as well. The recent spate of deplorable corporate scandals has broadly demoralized America and this is having widespread and adverse political and economic consequences. It is not good for America when American citizens believe their business leaders are corrupt, and one element of that regrettably widespread perception is the appearance that business buys government decisions by making large political contributions.
 15. Public policy decisions should be made and should appear to all to be made on the basis of the public interest—not on which corporation or labor union can give the most money to the political party in power. Even the appearance of this type of corruption weakens public confidence in governmental as well as business and labor institutions.
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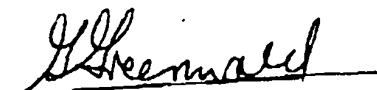
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16. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing
is true and correct.


Gerald Greenwald

Executed this 24th day of September, 2002.