



contributing funds to political campaigns; the 1947 Taft-Hartley Act, which banned unions from making these donations; and the 1974 amendments to the Federal Election Campaign Act, which limited donations of individuals to the campaigns of federal candidates and to political parties.

3. During my 15 years in Congress, I have watched corporate and union money infiltrate and overwhelm our campaign finance system. The solicitation of large contributions from corporations and unions by Members of Congress and other federal officeholders, the expenditure of those funds by political parties on advertisements that promote or attack federal candidates, and the use of corporate and union funds on issue ads that endorse or attack a federal candidate have completely undermined the reforms that were enacted in 1907, 1947, and 1974.

4. As I watched the amounts of corporate and union money increase over the last decade, I watched the political parties become more and more dependent on contributions from large soft money donors. During the 1980s, soft money was virtually unknown. The Center for Responsive Politics reports that in the 1992 election cycle, the parties raised \$86 million in soft money. In the 1996 cycle, the parties raised \$262 million in soft money. In the 2000 election cycle, the amount rose to \$495 million. And it will continue to grow at an alarming rate.

5. Part of my motivation for reforming our campaign finance system came from responses by my constituents to surveys my Congressional Office sent out in 1997 and in 1999. The results of both surveys indicated that over 82 percent of my constituents believe that our "democracy is threatened by the influence of unlimited campaign contributions by individuals, corporations, labor unions and other interest groups." See Exhibit A, Question D; Exhibit B, Question 20. I agree wholeheartedly.

6. Those of my colleagues who oppose the BCRA claim that soft money is not a problem for our political system. They argue that soft money makes national political parties

stronger and does not corrupt or appear to corrupt federal officeholders. Many assert that because soft money contributions are made to national political parties and the national congressional campaign committees, and not directly to candidates, there is little potential for corruption. My experience in the United States House of Representatives leads me to a very different conclusion.

7. The national political parties and the national congressional campaign committees are influenced by large soft money donations, and federal officeholders who solicit these funds are also influenced by these donations.

8. My personal experience includes instances when procedural maneuvers were used to prevent votes on legislative issues because of the special interests of major soft money donors and their influence over the national political parties and the national congressional campaign committees. I believe, based on my time in the House, that the legislative process is skewed and influenced by the desires of donors of soft money to the national political parties and the national congressional campaign committees.

9. Soft money donations, particularly corporate and union donations, buy access and thereby make it easier for large donors to get their points across to influential Members of Congress. The donors of large amounts of soft money to the national parties are well-known to the leadership and to many other Members of Congress. The access to elected officials that large donors receive goes far beyond an average citizen's opportunity to be heard.

10. The large soft money contributions most members of Congress raise to meet their committee chairmanship or ranking member obligations come from the corporations and unions who are regulated by those very committees. This is one of the reasons that I do not raise soft money, although I do engage in raising hard money for my party to fulfill my duties as a party

member. Not only do I believe that corporate and union money is not appropriate under the 1907 and 1947 legislation, I believe that the process of asking for large amounts of soft money from entities Congress regulates leads to an obvious conflict of interest and the appearance of corruption.

11. Another part of our campaign finance system that is of concern to me is the use of corporate and union funds to run broadcast campaign advertisements on behalf of or against federal candidates for office. Although these ads are often described as being about issues, my experience as a candidate and as a Member of the House has taught me that when these ads mention a candidate for office in close proximity to a primary or general election, they are clearly designed to influence the election. I am opposed to the use of corporate and union funds in this manner because I believe it circumvents the 1907 and 1947 laws prohibiting the use of corporate treasury funds and union dues money in connection with federal election activity.

12. Although the Supreme Court has identified a limited category of "magic words" that make an advertisement a campaign advertisement, my experience as a candidate and a Member of the House is that this limited test is inadequate to identify campaign ads. Campaign ads need not include phrases such as "vote for," "re-elect" or "vote against" to be effective campaign tools, and the practice of large numbers of so-called "issue ads" before an election proves it.

13. I personally feel that some of the ads run in 2000 attacking the character of President George W. Bush were inappropriate, including some that insinuated that he is a racist. While these ads may still be run under the BCRA, I was very glad that the BCRA passed with a provision that would require the disclosure of all funding for broadcast ads mentioning a candidate for federal office, run within 30 days of a primary and 60 days of a general election.

The BCRA will prevent the abuses of the past, where ads were run with impunity, without any kind of disclosure of who had paid for the message.

14. The BCRA does not restrict the kinds of advertisements that can be run, and does not tell individuals that they cannot say what they please. The BCRA simply requires that advertisements that mention federal candidates and run within 30 days of a primary or 60 days of a general election be paid for with hard money and be disclosed.

15. Although my current challenger has argued that the BCRA is an incumbent protection program, my experience indicates the contrary. The current system protects incumbents in ways that will not be possible once soft money is banned.

16. Like my constituents I strongly feel that soft money has had a detrimental effect on our democracy and on the health of political parties. When I was first a candidate for federal office in the late 1980s, I understood the strength of the Republican Party to be in its grassroots efforts, which were designed to raise smaller contributions and mobilize volunteer efforts. I believe that those kinds of activities are good for the parties and for our democracy in a way that raising funds from corporations, unions, and wealthy individuals could never be. Although opponents of the BCRA assert that the BCRA will cause damage to the political parties, I personally believe that the parties were stronger and more vital when I first ran for Congress in 1987. The rise of soft money since 1987 has made the parties dependent on soft money donations and made them dangerously weak.

17. Perhaps the most perplexing issue for me is the assertion that grassroots activities cannot be financed with hard money. In the 2000 election cycle, the two major parties raised over \$740 million in hard money. To date, in the 2002 election cycle, the parties have already

raised \$412.1 million in hard money. I believe the BCRA will compel the national political parties to focus on more grassroots efforts instead of raising corporate and union funds.

18. Soft money is raised directly by federal candidates, officeholders, and national political party leaders. National party officials often raise these funds by promising donors access to elected officials. The national parties and national congressional campaign committees also request that Members of Congress make the calls to soft money donors to solicit more funds. The solicitation of money by federal officeholders, the national party committees' attempts to advertise access, and the access provided to large donors create the appearance of corruption. That is one reason why it was important for the BCRA to apply to all soft money raised by the national party committees. The way in which soft money is raised and who participates in the solicitation of these funds creates the taint and appearance of corruption.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

  
Hon. Christopher Shays

Executed this 4 day of October, 2002.