

Thank you for the warm welcome.

It's good to be here with you in Florida, the current home of thousands of chads and the former home of one Elian.

I gotta believe that the people of Florida will be happy when this is over so they can concentrate on more important things like sun tanning and golf.

Seriously though, while deciding who won the 2000 presidential election has dominated the print and news media for a month now, my hope is that once it is decided another important story will dominate the news:

That this election was the most expensive campaign in American history. In 2000, candidates, political parties and advocacy groups spent over \$3 billion dollars - 30 dollars for every voter - to influence the presidential and congressional races.

And the power of that money is clear: the vast majority of U.S. House and Senate races were won by the candidate with the biggest war chest.

In New Jersey, Democrat Jon Corzine spent an estimated \$60 million dollars of his own money to win a Senate seat - twice as much as anyone had previously spent to win election to the Senate.

In fact, Senator-Elect Corzine spent more of his personal fortune than any other candidate for public office in American history except for presidential candidate Ross Perot in 1992.

In my home state of Minnesota it is reported that Senator-elect Mark Dayton spent almost 12 million dollars of his own money to defeat incumbent Rod Grams. This was after he had spent millions more of his own money in previous elections unsuccessfully running for the United States Senate and Governor.

In the presidential race, George W. Bush broke the \$100 million dollar fund raising barrier for his primary campaign.

It was the first time a major-party candidate chose to forgo federal matching funds in order to raise an unlimited amount of money during the primary election season.

But candidates' spending is only a small part of the picture.

Political parties and special interest groups weighed in with their own TV and newspaper ads, mass mailings and phone banks.

While many agree that soft money channeled through political parties to support individual campaigns was a huge problem, in past elections it played an even more prominent role in the 2000 elections.

In 1992, soft money accounted for 18% of political party fundraising. That number jumped to more than 40% this election cycle.

As of the most recent filing, political parties collected record soft money contributions from wealthy individuals, labor unions, corporations and special interest groups.

The Republicans raised \$211 million dollars - 74% more than in 1996 - and the Democrats raised \$199 million dollars - 85% more than in 1996.

These are some incredible numbers.

Then there's the other soft money, the millions spent by special interest advocacy groups on "issue advertising". While these ads by law cannot directly advocate for or against a particular candidate, many of them cross the line.

These groups are not required to report their spending to the Federal Elections Commission, but do disclose their contributions and spending in filings with the IRS. But the fact is we really don't know who these people are and we for sure don't know if what they are saying is true.

The Associated Press reports that these special interest groups have spent more than \$130 million dollars to influence elections since July 2000.

You might be asking yourself, "what did all this money buy?"

I'll tell you what it bought:

- 1 in 2 eligible voters actually going to the polls. Isn't that pathetic.
- Over 85% of incumbents returned to the US Congress.
- The same two major political parties running the show in Washington and in state legislatures across the country
- Increased special interest access to lawmakers, and
- National special interest groups influencing local election results

Not much of a return on our investment if you ask me.

And yet we continue to see candidates, political parties, political action committees and advocacy groups pour unprecedented amounts of money into our elections.

Why? Because, for the most part, money wins elections, buys political power, and preserves the status quo.

Webster's dictionary defines a bribe as "the giving of money or something of value to a person in power with the expectation of influencing their decision making."

Isn't it strange that bribery is illegal everywhere except politics? That has to change.

So how do we get better results?

If we hope to re-engage individual citizens in our political process, we must limit the influence of special interests in campaigns, level the playing field between challengers and incumbents, encourage third party participation, and focus on real issues, not 30-second sound-bytes.

While today's political campaigns are too often about power and money, Minnesota has made an effort to bring some control and fairness to the election process. For example:

- Minnesota has low contribution and spending limits for candidates as a condition of receiving public subsidy;
- There are limits on the contributions that political parties can give to individual candidates;
- There are limits on the amount of money that candidates can accept from political action committees, lobbyists and large donors; and
- We require disclosure of contributions to candidates and parties that exceed \$100 dollars

While Minnesota is doing a lot of things right, I will encourage our elected officials to follow through on campaign finance reforms that will address some of the flaws in our system. My Administration's goals for campaign finance reform are:

- Closing the soft money loophole.
- Giving candidates the public money when they need it, and
- Providing better citizen access to campaign finance information

As we work to limit the influence of soft money in campaigns, it's important to think about what role political parties and special interest groups should play in our elections.

Political parties have traditionally been around to support candidates who align with their respective political philosophies.

Today, parties do less and less party-building and instead target their efforts and money into a handful of contested races focusing on the election or defeat of a particular candidate.

Special interest advocacy groups are also pushing the limits of what they are legally allowed to do. While these groups abide by the letter of the law, issue ads often don't respect the spirit of the law. The law prohibits specifically asking people to "Vote For" or "Vote Against" a particular candidate, but many of these groups browbeat the candidates, and distort their positions on hot

button issues like gun control and abortion, with, again, the goal of promoting their election or defeat.

While parties and special interest groups should certainly have the opportunity to express their views on candidates' policy records, the current barrage of negative and misleading ads and mailings in the final week or two of the election is unfair to the candidates and to the people they seek to represent.

Candidates in competitive races are often taken by surprise and most often don't have the time or resources to respond to inaccurate claims and set the record straight.

This soft money activity threatens the integrity of our campaign finance system. But meaningful reform has been obstructed by arguments that the ability to spend freely in elections is a free speech issue.

This phenomenon is undermining our country's campaign finance laws. Minnesota saw the effects first hand in the 1999 special elections. That was after the courts declared unconstitutional the part of Minnesota's campaign finance law that restricted independent expenditures made by political parties and caucuses between the primary and general elections.

Before this ruling, parties and caucuses were limited to contributing \$5,000 dollars directly to legislative candidates. After the ruling, the parties and legislative caucuses were free to accept unlimited sums from individuals and interest groups and to spend any amount of money on behalf of individual candidates.

Over the years, Minnesota's process has successfully limited campaign spending and minimized the influence of special-interest money, but the court-sanctioned ability for political parties, party caucuses and special interest groups to pour money into Minnesota campaigns has changed the political landscape in Minnesota.

The results are disturbing.

In the Minnesota House the Democrat and Republican caucuses raised and spent more than \$4 million dollars, nearly two times their fundraising and spending in 1998. About half of that money was used to fund independent expenditures in a handful of competitive districts.

The Democratic and Republican House caucuses spent 90 to \$100,000 dollars on behalf of candidates in nearly a dozen tight legislative races. The most glaring example was the roughly \$200,000 dollars spent on radio and television ads by the House Democrats to unseat incumbent Robert Westfall who lost to his DFL challenger, Paul Marquart.

Incredibly, Westfall couldn't respond to the ads because he had signed a spending limit agreement, which capped his spending at \$25,000 dollars, the limit for house districts if you get public campaign subsidy.

But, of course, the Republicans jumped into the fray with their own independent expenditures.

This one is particularly disgusting.

On the day before the Election, the House Republicans mailed out a brochure accusing DFL incumbent Rep. Jim Tunheim of missing 147 days of work as a legislator. While he may have missed 147 votes during the 2000 session, Rep. Tunheim remembers missing only six legislative days during his entire 18-year House career.

The claims in this last-minute literature piece were simply untrue.

You have your own examples. You know the lies and distortions that are used against candidates. And of course you know the denials:

Here it is folks. Listen to the biggest lie in politics:

"Oh, well, ah, that was an independent expenditure by the Party that I was absolutely unaware of."

And then, as you all know, the candidates will go on to tell us as sanctimoniously as they can:

"But you can be sure that, once elected, I will work hard to change these campaign finance laws to prevent this kind of abuse."

In my mind, hypocrisy is the greatest sin of all.

People often ask me how, given my provocative nature, I manage to remain popular with the people.

Well, I'll tell you why:

Because while I may be controversial, I am up front and truthful about what I am doing.

Recently, I was criticized by some Minnesota Legislators because I am using a few hours of my free time on weekends to do the color commentary for the new XFL football league.

Well, as ethics officers, I don't know how you feel, but I would rather have an elected official's outside interests on the front page of the newspaper so that the people are fully aware of what's going on and can decide for themselves if there is a problem.

While hypocrisy is the greatest political sin of all, the people are the greatest equalizers between right and wrong. If I decide to run for re-election in 2002, I trust the people to judge whether my outside interests interfered in any way with how I did my job as Governor.

In the meantime, I have a problem with legislators who criticize other elected officials, but are then able to hide behind a loophole in the law that prevents the people from knowing their outside interests.

It's much easier to point the finger at someone else than to accept responsibility for an out-of-control system that is at the very heart of the public's disinterest and declining confidence in our electoral process.

I hope that elected officials will instead focus on the biggest ethical dilemma facing state and federal governments - the far-reaching impacts of soft money in our elections.

But so long as political parties, party caucuses and special interests can spend unlimited amounts to influence individual campaigns, incumbents will keep getting re-elected and we'll have business as usual.

I believe that political parties and party caucuses should agree to limit their independent expenditures as a condition of receiving public money and I will encourage the Minnesota Legislature to pass a bill that closes this gaping loophole in Minnesota's law. I also support legislation to close the soft money loophole in our federal campaign finance laws.

However, while reining in soft money will help to level the playing field, we must also give candidates public money when they really need it.

In Minnesota, legislative and constitutional officer candidates are currently given public funds following the general election if they receive a certain percentage of the total vote in that election. This financing mechanism forces many candidates to take out loans to cover campaign expenses until after the election when they receive the public subsidy.

This is particularly unfair to challengers since many incumbents have built-up a sizeable war chest over several election cycles.

Some candidates, particularly challengers, have difficulty securing the loan even if they demonstrate a required level of support.

As a candidate for Governor, 22 banks turned me down before I was able to find one that would give me a loan.

I support changing the timing of these direct payments to candidates.

Minnesota candidates who sign a spending limit agreement, raise the appropriate level of qualifying contributions, and have the nomination of a major political party should receive their public subsidies after the primary election.

This common sense change will help level the playing field by putting viable challengers in a position to run competitive campaigns.

It's also time for state campaign finance information to be available on-line to provide easy and timely citizen access to this information.

Campaign expenditures and contributions are public information. But in many states, including Minnesota, this data is not available on the Internet. Putting this information on-line will help bring government back to the people by giving them the tools they need to make good decisions about who they want representing them.

That one's a no-brainer.

Finally, if we want to re-engage voters in political campaigns, educate voters, and attract viable third party candidates we must include third party candidates in public debates.

Under the current FEC guidelines, Abraham Lincoln would not have been permitted to participate in the presidential debates of 1860. At the time, Lincoln was a former one-term House member, he was considered a regional candidate and he belonged to a new party, the Republican Party. Imagine where we might be today as a country if Lincoln had not been allowed to participate in those debates.

In 1992, the presidential debates were found to be the biggest single factor used by voters to determine whom they were going to support.

Before the debates, Perot was at 7%. After the debates he received 19%. In my own election, the public debates helped fuel my momentum and were absolutely critical to my victory.

Debates serve an important purpose. They offer an opportunity for candidates and voters to discuss issues and they force candidates to define themselves in a way that just isn't possible in a 30-second sound-byte.

People are bored with two-way debates about the same old issues. The only people approaching issues in new ways are third-party candidates. It is important that they be included in the debates!

By accomplishing these goals, we will help ensure that any person interested in elected office can run a competitive campaign and be judged on the issues rather than the size of his or her pocketbook.

While there are many ways to tackle the challenges I've raised, one thing is for certain: the 2000 election was our wake-up call.

It's time to stop TALKING about how to reform our ethics, campaign finance and election laws. We can't afford to sit idly by and let our elections be decided by the highest bidder.

We need to take ACTION to preserve the integrity of our free elections. I hope that you'll join me in sharing the responsibility for reforming our campaign finance system.

But keep in mind that we simply cannot count on politicians to bite the many hands that feed them.

As I said before, citizens can and must hold their elected representatives accountable. In the end it is the people who force meaningful reform by using their collective power at the polls.

Bringing about this change certainly won't be easy, but it's the right thing to do.

Thank you.

Right now I'd be happy to take a few questions.