

**The original documents are located in Box 15, folder “Federal Election Commission Legislation (1)” of the Michael Raoul-Duval Papers at the Gerald R. Ford Presidential Library.**

### **Copyright Notice**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Michael Raoul-Duval donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.



Public Law 92-225  
92nd Congress, S. 382  
February 7, 1972

**An Act**

To promote fair practices in the conduct of election campaigns for Federal political offices, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Election Campaign Act of 1971".*

Federal Elec-  
tion Campaign  
Act of 1971.

**TITLE I—CAMPAIGN COMMUNICATIONS**

**SHORT TITLE**

SEC. 101. This title may be cited as the "Campaign Communications Reform Act". Citation of title.

**DEFINITIONS**

SEC. 102. For purposes of this title:

(1) The term "communications media" means broadcasting stations, newspapers, magazines, outdoor advertising facilities, and telephones; but, with respect to telephones, spending or an expenditure shall be deemed to be spending or an expenditure for the use of communications media only if such spending or expenditure is for the costs of telephones, paid telephonists, and automatic telephone equipment, used by a candidate for Federal elective office to communicate with potential voters (excluding any costs of telephones incurred by a volunteer for use of telephones by him).

86 STAT. 3  
86 STAT. 4

(2) The term "broadcasting station" has the same meaning as such term has under section 315(f) of the Communications Act of 1934.

Post, p. 7.

(3) The term "Federal elective office" means the office of President of the United States, or of Senator or Representative in, or Resident Commissioner or Delegate to, the Congress of the United States (and for purposes of section 103(b) such term includes the office of Vice President).

(4) The term "legally qualified candidate" means any person who (A) meets the qualifications prescribed by the applicable laws to hold the Federal elective office for which he is a candidate, and (B) is eligible under applicable State law to be voted for by the electorate directly or by means of delegates or electors.

(5) The term "voting age population" means resident population, eighteen years of age and older.

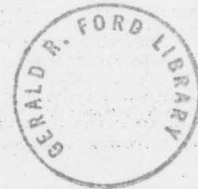
(6) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico.

**MEDIA RATE AND RELATED REQUIREMENTS**

SEC. 103. (a) (1) Section 315(b) of the Communications Act of 1934 is amended to read as follows: 66 Stat. 717.  
47 USC 315.

"(b) The charges made for the use of any broadcasting station by any person who is a legally qualified candidate for any public office in connection with his campaign for nomination for election, or election, to such office shall not exceed—

"(1) during the forty-five days preceding the date of a primary or primary runoff election and during the sixty days preceding the date of a general or special election in which such person is a candidate, the lowest unit charge of the station for the same class and amount of time for the same period; and





74 Stat. 894.  
47 USC 312.

“(2) at any other time, the charges made for comparable use of such station by other users thereof.”

(2) (A) Section 312(a) of such Act is amended by striking “or” at the end of clause (5), striking the period at the end of clause (6) and inserting in lieu thereof a semicolon and “or”, and adding at the end of such section 312(a) the following new paragraph:

“(7) for willful or repeated failure to allow reasonable access to or to permit purchase of reasonable amounts of time for the use of a broadcasting station by a legally qualified candidate for Federal elective office on behalf of his candidacy.”

66 Stat. 717.  
47 USC 315.  
Nonbroadcast  
media rates.

(B) The second sentence of section 315(a) of such Act is amended by inserting “under this subsection” after “No obligation is imposed”.

(b) To the extent that any person sells space in any newspaper or magazine to a legally qualified candidate for Federal elective office, or nomination thereto, in connection with such candidate’s campaign for nomination for, or election to, such office, the charges made for the use of such space in connection with his campaign shall not exceed the charges made for comparable use of such space for other purposes.

86 STAT. 4  
86 STAT. 5

LIMITATIONS OF EXPENDITURES FOR USE OF COMMUNICATIONS MEDIA

SEC. 104. (a) (1) Subject to paragraph (4), no legally qualified candidate in an election (other than a primary or primary runoff election) for a Federal elective office may—

(A) spend for the use of communications media on behalf of his candidacy in such election a total amount in excess of the greater of—

(i) 10 cents multiplied by the voting age population (as certified under paragraph (5)) of the geographical area in which the election for such office is held, or

(ii) \$50,000, or

(B) spend for the use of broadcast stations on behalf of his candidacy in such election a total amount in excess of 60 per centum of the amount determined under subparagraph (A) with respect to such election.

Primaries.

(2) No legally qualified candidate in a primary election for nomination to a Federal elective office, other than President, may spend—

(A) for the use of communications media, or

(B) for the use of broadcast stations,

on behalf of his candidacy in such election a total amount in excess of the amounts determined under paragraph (1) (A) or (B), respectively, with respect to the general election for such office. For purposes of this subsection a primary runoff election shall be treated as a separate primary election.

Presidential  
primaries.

(3) (A) No person who is a candidate for presidential nomination may spend—

(i) for the use in a State of communications media, or

(ii) for the use in a State of broadcast stations,

on behalf of his candidacy for presidential nomination a total amount in excess of the amounts which would have been determined under paragraph (1) (A) or (B), respectively, had he been a candidate for election for the office of Senator from such State (or for the office of Delegate or Resident Commissioner in the case of the District of Columbia or the Commonwealth of Puerto Rico).

(B) For purposes of this paragraph (3), a person is a candidate for presidential nomination if he makes (or any other person makes on his behalf) an expenditure for the use of any communications medium on behalf of his candidacy for any political party’s nomination for election to the office of President. He shall be considered to be such a candidate during the period—

(i) beginning on the date on which he (or such other person) first makes such an expenditure (or, if later, January 1 of the year in which the election for the office of President is held), and

(ii) ending on the date on which such political party nominates a candidate for the office of President.

For purposes of this title and of section 315 of the Communications Act of 1934, a candidate for presidential nomination shall be considered a legally qualified candidate for public office.

(C) The Comptroller General shall prescribe regulations under which any expenditure by a candidate for presidential nomination for the use in two or more States of a communications medium shall be attributed to such candidate's expenditure limitation in each such State, based on the number of persons in such State who can reasonably be expected to be reached by such communications medium.

66 Stat. 717;  
73 Stat. 557.  
47 USC 315.  
Regulations.  
86 STAT. 5  
86 STAT. 6

(4)(A) For purposes of subparagraph (B):

(i) The term "price index" means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

"Price index."

(ii) The term "base period" means the calendar year 1970.

"Base period."

(B) At the beginning of each calendar year (commencing in 1972), as there becomes available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Comptroller General and publish in the Federal Register the per centum difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under paragraph (1)(A)(i) and (ii) shall be increased by such per centum difference. Each amount so increased shall be the amount in effect for such calendar year.

Publication in Federal Register.

(5) Within 60 days after the date of enactment of this Act, and during the first week of January in 1973 and every subsequent year, the Secretary of Commerce shall certify to the Comptroller General and publish in the Federal Register an estimate of the voting age population of each State and congressional district for the last calendar year ending before the date of certification.

Publication in Federal Register.

(6) Amounts spent for the use of communications media on behalf of any legally qualified candidate for Federal elective office (or for nomination to such office) shall, for the purposes of this subsection, be deemed to have been spent by such candidate. Amounts spent for the use of communications media by or on behalf of any legally qualified candidate for the office of Vice President of the United States shall, for the purposes of this section, be deemed to have been spent by the candidate for the office of President of the United States with whom he is running.

(7) For purposes of this section and section 315(c) of the Communications Act of 1934—

Post, p. 7.

(A) spending and charges for the use of communications media include not only the direct charges of the media but also agents' commissions allowed the agent by the media, and

(B) any expenditure for the use of any communications medium by or on behalf of the candidacy of a candidate for Federal elective office (or nomination thereto) shall be charged against the expenditure limitation under this subsection applicable to the election in which such medium is used.

(b) No person may make any charge for the use by or on behalf of any legally qualified candidate for Federal elective office (or for nomination to such office) of any newspaper, magazine, or outdoor advertising facility, unless such candidate (or a person specifically authorized by such candidate in writing to do so) certifies in writing to the

Certification requirement.



86 STAT. 7

66 Stat. 717.  
47 USC 315.

Ante, p. 5.



person making such charge that the payment of such charge will not violate paragraph (1), (2), or (3) of subsection (a), whichever is applicable.

(c) Section 315 of the Communications Act of 1934 is amended by redesignating subsection (c) as subsection (g) and by inserting after subsection (b) the following new subsections:

“(c) No station licensee may make any charge for the use of such station by or on behalf of any legally qualified candidate for Federal elective office (or for nomination to such office) unless such candidate (or a person specifically authorized by such candidate in writing to do so) certifies to such licensee in writing that the payment of such charge will not violate any limitation specified in paragraph (1), (2), or (3) of section 104(a) of the Campaign Communications Reform Act, whichever paragraph is applicable.

“(d) If a State by law and expressly—

“(1) has provided that a primary or other election for any office of such State or of a political subdivision thereof is subject to this subsection,

“(2) has specified a limitation upon total expenditures for the use of broadcasting stations on behalf of the candidacy of each legally qualified candidate in such election,

“(3) has provided in any such law an unequivocal expression of intent to be bound by the provisions of this subsection, and

“(4) has stipulated that the amount of such limitation shall not exceed the amount which would be determined for such election under section 104(a)(1)(B) or 104(a)(2)(B) (whichever is applicable) of the Campaign Communications Reform Act had such election been an election for a Federal elective office or nomination thereto;

then no station licensee may make any charge for the use of such station by or on behalf of any legally qualified candidate in such election unless such candidate (or a person specifically authorized by such candidate in writing to do so) certifies to such licensee in writing that the payment of such charge will not violate such State limitation.

“(e) Whoever willfully and knowingly violates the provisions of subsection (c) or (d) of this section shall be punished by a fine not to exceed \$5,000 or imprisonment for a period not to exceed five years, or both. The provisions of sections 501 through 503 of this Act shall not apply to violations of either such subsection.

“(f) (1) For the purposes of this section:

“(A) The term ‘broadcasting station’ includes a community antenna television system.

“(B) The terms ‘licensee’ and ‘station licensee’ when used with respect to a community antenna television system, means the operator of such system.

“(C) The term ‘Federal elective office’ means the office of President of the United States, or of Senator or Representative in, or Resident Commissioner or Delegate to, the Congress of the United States.

“(2) For purposes of subsections (c) and (d), the term ‘legally qualified candidate’ means any person who (A) meets the qualifications prescribed by the applicable laws to hold the office for which he is a candidate and (B) is eligible under applicable State law to be voted for by the electorate directly or by means of delegates or electors.”

Penalty.

47 USC 501-503.

Definitions.

REGULATIONS

SEC. 105. The Comptroller General shall prescribe such regulation as may be necessary or appropriate to carry out sections 102, 103(b), 104(a), and 104(b) of this Act.

## PENALTIES

SEC. 106. Whoever willfully and knowingly violates any provision of section 103(b), 104(a), or 104(b) or any regulation under section 105 shall be punished by a fine of not more than \$5,000 or by imprisonment of not more than five years, or both.

## TITLE II—CRIMINAL CODE AMENDMENTS

SEC. 201. Section 591 of title 18, United States Code, is amended to read as follows: 62 Stat. 719.

## § 591. Definitions

“When used in sections 597, 599, 600, 602, 608, 610, and 611 of this title—

Post, pp. 9, 10.

“(a) ‘election’ means (1) a general, special, primary, or runoff election, (2) a convention or caucus of a political party held to nominate a candidate, (3) a primary election held for the selection of delegates to a national nominating convention of a political party, (4) a primary election held for the expression of a preference for the nomination of persons for election to the office of President, and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

“(b) ‘candidate’ means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, to Federal office, if he has (1) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, or (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

“(c) ‘Federal office’ means the office of President or Vice President of the United States, or Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States;

“(d) ‘political committee’ means any individual, committee, association, or organization which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000;

“(e) ‘contribution’ means—

“(1) a gift, subscription, loan, advance, or deposit of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business), made for the purpose of influencing the nomination for election, or election, of any person to Federal office, for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

“(2) a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution for such purposes;

“(3) a transfer of funds between political committees;



86 STAT. 9

Exception.

"(4) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or political committee without charge for any such purpose; and

"(5) notwithstanding the foregoing meanings of 'contribution', the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or political committee;

"(f) 'expenditure' means—

"(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business), made for the purpose of influencing the nomination for election, or election, of any person to Federal office, for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

"(2) a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure; and

"(3) a transfer of funds between political committees;

"(g) 'person' and 'whoever' mean an individual, partnership, committee, association, corporation, or any other organization or group of persons; and

"(h) 'State' means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States."

62 Stat. 721.

SEC. 202. Section 600 of title 18, United States Code, is amended to read as follows:

**"§ 600. Promise of employment or other benefit for political activity**

"Whoever, directly or indirectly, promises any employment, position, compensation, contract, appointment, or other benefit, provided for or made possible in whole or in part by any Act of Congress, or any special consideration in obtaining any such benefit, to any person as consideration, favor, or reward for any political activity or for the support of or opposition to any candidate or any political party in connection with any general or special election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, shall be fined not more than \$1,000 or imprisoned not more than one year, or both."

62 Stat. 723.

SEC. 203. Section 608 of title 18, United States Code, is amended to read as follows:

**"§ 608. Limitations on contributions and expenditures**

"(a) (1) No candidate may make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for nomination for election, or election, to Federal office in excess of—

"(A) \$50,000, in the case of a candidate for the office of President or Vice President;

"(B) \$35,000, in the case of a candidate for the office of Senator; or

“(C) \$25,000, in the case of a candidate for the office of Representative, or Delegate or Resident Commissioner to the Congress.

“(2) For purposes of this subsection, ‘immediate family’ means a candidate’s spouse, and any child, parent, grandparent, brother, or sister of the candidate, and the spouses of such persons.

“Immediate family.”

“(b) No candidate or political committee shall knowingly accept any contribution or authorize any expenditure in violation of the provisions of this section.

Penalty.

“(c) Violation of the provisions of this section is punishable by a fine not to exceed \$1,000, imprisonment for not to exceed one year, or both.”

Repeal.  
62 Stat. 723.

SEC. 204. Section 609 of title 18, United States Code, is repealed.

SEC. 205. Section 610 of title 18, United States Code, relating to contributions or expenditures by national banks, corporations, or labor organizations, is amended by adding at the end thereof the following paragraph:

“As used in this section, the phrase ‘contribution or expenditure’ shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business) to any candidate, campaign committee, or political party or organization, in connection with any election to any of the offices referred to in this section; but shall not include communications by a corporation to its stockholders and their families or by a labor organization to its members and their families on any subject; nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and their families, or by a labor organization aimed at its members and their families; the establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation or labor organization: *Provided*, That it shall be unlawful for such a fund to make a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination, or financial reprisal; or by dues, fees, or other monies required as a condition of membership in a labor organization or as a condition of employment, or by monies obtained in any commercial transaction.”

“Contribution or expenditure.”

SEC. 206. Section 611 of title 18, United States Code, is amended to read as follows:

62 Stat. 724.

“§ 611. Contributions by Government contractors

“Whoever—

“(a) entering into any contract with the United States or any department or agency thereof either for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof or for selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, at any time between the commencement of negotiations for and the later of (1) the completion of performance under, or (2) the termination of negotiations for, such contract or furnishing of material, supplies, equipment, land or buildings, directly or indirectly makes any contribution of money or other thing of value, or promises expressly or impliedly to make any such contribution, to any political party, committee, or candidate for public office or to any person for any political purpose or use; or



"(b) knowingly solicits any such contribution from any such person for any such purpose during any such period; shall be fined not more than \$5,000 or imprisoned not more than five years, or both."

SEC. 207. The table of sections for chapter 29 of title 18, United States Code, is amended by—

(1) striking out the item relating to section 608 and inserting in lieu thereof the following:

"608. Limitations on contributions and expenditures.";

(2) striking out the item relating to section 609 and inserting in lieu thereof the following:

"609. Repealed.";

(3) striking out the item relating to section 611 and inserting in lieu thereof the following:

"611. Contributions by Government contractors."

### TITLE III—DISCLOSURE OF FEDERAL CAMPAIGN FUNDS

#### DEFINITIONS

SEC. 301. When used in this title—

(a) "election" means (1) a general, special, primary, or runoff election, (2) a convention or caucus of a political party held to nominate a candidate, (3) a primary election held for the selection of delegates to a national nominating convention of a political party, (4) a primary election held for the expression of a preference for the nomination of persons for election to the office of President, and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

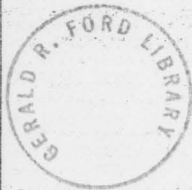
(b) "candidate" means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he has (1) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office, or (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

(c) "Federal office" means the office of President or Vice President of the United States; or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States;

(d) "political committee" means any committee, association, or organization which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000;

(e) "contribution" means—

(1) a gift, subscription, loan, advance, or deposit of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office or as a presidential or vice-presidential elector, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expres-



sion of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose;

(3) a transfer of funds between political committees;

(4) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or committee without charge for any such purpose; and

(5) notwithstanding the foregoing meanings of "contribution", the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or political committee; Exception.

(f) "expenditure" means—

(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office, or as a presidential and vice-presidential elector, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure, and

(3) a transfer of funds between political committees;

(g) "supervisory officer" means the Secretary of the Senate with respect to candidates for Senator; the Clerk of the House of Representatives with respect to candidates for Representative in, or Delegate or Resident Commissioner to, the Congress of the United States; and the Comptroller General of the United States in any other case;

(h) "person" means an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons; and

(i) "State" means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

#### ORGANIZATION OF POLITICAL COMMITTEES

SEC. 302. (a) Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of chairman or treasurer thereof. No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer, or their designated agents.

(b) Every person who receives a contribution in excess of \$10 for a political committee shall, on demand of the treasurer, and in any event within five days after receipt of such contribution, render to the treasurer a detailed account thereof, including the amount, the name and



86 STAT. 13

address (occupation and the principal place of business, if any) of the person making such contribution, and the date on which received. All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, or associates of such committee.

Recordkeeping.

(c) It shall be the duty of the treasurer of a political committee to keep a detailed and exact account of—

- (1) all contributions made to or for such committee;
- (2) the full name and mailing address (occupation and the principal place of business, if any) of every person making a contribution in excess of \$10, and the date and amount thereof;
- (3) all expenditures made by or on behalf of such committee; and
- (4) the full name and mailing address (occupation and the principal place of business, if any) of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made.

Receipts, preservation.

(d) It shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of \$100 in amount, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds \$100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for periods of time to be determined by the supervisory officer.

Unauthorized activities, notice.

(e) Any political committee which solicits or receives contributions or makes expenditures on behalf of any candidate that is not authorized in writing by such candidate to do so shall include a notice on the face or front page of all literature and advertisements published in connection with such candidate's campaign by such committee or on its behalf stating that the committee is not authorized by such candidate and that such candidate is not responsible for the activities of such committee.

Funds solicitation, notice.

(f) (1) Any political committee shall include on the face or front page of all literature and advertisements soliciting funds the following notice:

"A copy of our report filed with the appropriate supervisory officer is (or will be) available for purchase from the Superintendent of Documents, United States Government Printing Office, Washington, D.C. 20402."

Annual report.

(2) (A) The supervisory officer shall compile and furnish to the Public Printer, not later than the last day of March of each year, an annual report for each political committee which has filed a report with him under this title during the period from March 10 of the preceding calendar year through January 31 of the year in which such annual report is made available to the Public Printer. Each such annual report shall contain—

(i) a copy of the statement of organization of the political committee required under section 303, together with any amendments thereto; and

(ii) a copy of each report filed by such committee under section 304 from March 10 of the preceding year through January 31 of the year in which the annual report is so furnished to the Public Printer.

(B) The Public Printer shall make copies of such annual reports available for sale to the public by the Superintendent of Documents as soon as practicable after they are received from the supervisory officer.



REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 303. (a) Each political committee which anticipates receiving contributions or making expenditures during the calendar year in an aggregate amount exceeding \$1,000 shall file with the supervisory officer a statement of organization, within ten days after its organization or, if later, ten days after the date on which it has information which causes the committee to anticipate it will receive contributions or make expenditures in excess of \$1,000. Each such committee in existence at the date of enactment of this Act shall file a statement of organization with the supervisory officer at such time as he prescribes.

(b) The statement of organization shall include—

- (1) the name and address of the committee;
- (2) the names, addresses, and relationships of affiliated or connected organizations;
- (3) the area, scope, or jurisdiction of the committee;
- (4) the name, address, and position of the custodian of books and accounts;
- (5) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;
- (6) the name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting for nomination for election, or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;
- (7) a statement whether the committee is a continuing one;
- (8) the disposition of residual funds which will be made in the event of dissolution;
- (9) a listing of all banks, safety deposit boxes, or other repositories used;
- (10) a statement of the reports required to be filed by the committee with State or local officers, and, if so, the names, addresses, and positions of such persons; and
- (11) such other information as shall be required by the supervisory officer.

(c) Any change in information previously submitted in a statement of organization shall be reported to the supervisory officer within a ten-day period following the change.

(d) Any committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year in an aggregate amount exceeding \$1,000 shall so notify the supervisory officer.

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 304. (a) Each treasurer of a political committee supporting a candidate or candidates for election to Federal office, and each candidate for election to such office, shall file with the appropriate supervisory officer reports of receipts and expenditures on forms to be prescribed or approved by him. Such reports shall be filed on the tenth day of March, June, and September, in each year, and on the fifteenth and fifth days next preceding the date on which an election is held, and also by the thirty-first day of January. Such reports shall be complete as of such date as the supervisory officer may prescribe, which shall not be less than five days before the date of filing, except that any contribution of \$5,000 or more received after the last report is filed prior to the election shall be reported within forty-eight hours after its receipt.

Receipts and expenditures.

Completion date, exception.

ice

ages,  
rate



(b) Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers;

(5) each loan to or from any person within the calendar year in an aggregate amount or value in excess of \$100, together with the full names and mailing addresses (occupations and the principal places of business, if any) of the lender and endorsers, if any, and the date and amount of such loans;

(6) the total amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising event; (B) mass collections made at such events; and (C) sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt in excess of \$100 not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period;

(9) the full name and mailing address (occupation and the principal place of business, if any) of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount or value in excess of \$100, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made;

(10) the full name and mailing address (occupation and the principal place of business, if any) of each person to whom an expenditure for personal services, salaries, and reimbursed expenses in excess of \$100 has been made, and which is not otherwise reported, including the amount, date, and purpose of such expenditure;

(11) the total sum of expenditures made by such committee or candidate during the calendar year;

(12) the amount and nature of debts and obligations owed by or to the committee, in such form as the supervisory officer may prescribe and a continuous reporting of their debts and obligations after the election at such periods as the supervisory officer may require until such debts and obligations are extinguished; and

(13) such other information as shall be required by the supervisory officer.

(c) The reports required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

## REPORTS BY OTHERS THAN POLITICAL COMMITTEES

SEC. 305. Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount in excess of \$100 within a calendar year shall file with the supervisory officer a statement containing the information required by section 304. Statements required by this section shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.

## FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

SEC. 306. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

(b) A copy of a report or statement shall be preserved by the person filing it for a period of time to be designated by the supervisory officer in a published regulation.

(c) The supervisory officer may, by published regulation of general applicability, relieve any category of political committees of the obligation to comply with section 304 if such committee (1) primarily supports persons seeking State or local office, and does not substantially support candidates, and (2) does not operate in more than one State or on a statewide basis.

Noncompliance  
relief.

(d) The supervisory officer shall, by published regulations of general applicability, prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

Debts, pledges,  
etc., separate  
schedules.

## REPORTS ON CONVENTION FINANCING

SEC. 307. Each committee or other organization which—

(1) represents a State, or a political subdivision thereof, or any group of persons, in dealing with officials of a national political party with respect to matters involving a convention held in such State or political subdivision to nominate a candidate for the office of President or Vice President, or

(2) represents a national political party in making arrangements for the convention of such party held to nominate a candidate for the office of President or Vice President,

shall, within sixty days following the end of the convention (but not later than twenty days prior to the date on which presidential and vice-presidential electors are chosen), file with the Comptroller General of the United States a full and complete financial statement, in such form and detail as he may prescribe, of the sources from which it derived its funds, and the purposes for which such funds were expended.

## DUTIES OF THE SUPERVISORY OFFICER

SEC. 308. (a) It shall be the duty of the supervisory officer—

(1) to develop and furnish to the person required by the provisions of this Act prescribed forms for the making of the reports and statements required to be filed with him under this title;

(2) to prepare, publish, and furnish to the person required to



- file such reports and statements a manual setting forth recommended uniform methods of bookkeeping and reporting;
- (3) to develop a filing, coding, and cross-indexing system consonant with the purposes of this title;
- (4) to make the reports and statements filed with him available for public inspection and copying, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, as requested by any person, at the expense of such person: *Provided*, That any information copied from such reports and statements shall not be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;
- (5) to preserve such reports and statements for a period of ten years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only five years from the date of receipt;
- (6) to compile and maintain a current list of all statements or parts of statements pertaining to each candidate;
- (7) to prepare and publish an annual report including compilations of (A) total reported contributions and expenditures for all candidates, political committees, and other persons during the year; (B) total amounts expended according to such categories as he shall determine and broken down into candidate, party, and nonparty expenditures on the National, State, and local levels; (C) total amounts expended for influencing nominations and elections stated separately; (D) total amounts contributed according to such categories of amounts as he shall determine and broken down into contributions on the national, State, and local levels for candidates and political committees; and (E) aggregate amounts contributed by any contributor shown to have contributed in excess of \$100;
- (8) to prepare and publish from time to time special reports comparing the various totals and categories of contributions and expenditures made with respect to preceding elections;
- (9) to prepare and publish such other reports as he may deem appropriate;
- (10) to assure wide dissemination of statistics, summaries, and reports prepared under this title;
- (11) to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this title, and with respect to alleged failures to file any report or statement required under the provisions of this title;
- (12) to report apparent violations of law to the appropriate law enforcement authorities; and
- (13) to prescribe suitable rules and regulations to carry out the provisions of this title.
- (b) The supervisory officer shall encourage, and cooperate with, the election officials in the several States to develop procedures which will eliminate the necessity of multiple filings by permitting the filing of copies of Federal reports to satisfy the State requirements.
- (c) It shall be the duty of the Comptroller General to serve as a national clearinghouse for information in respect to the administration of elections. In carrying out his duties under this subsection, the Comptroller General shall enter into contracts for the purpose of conducting independent studies of the administration of elections. Such studies shall include, but shall not be limited to, studies of—
- (1) the method of selection of, and the type of duties assigned to, officials and personnel working on boards of elections;
- Public inspection.
- Preservation.
- Annual report.
- Information dissemination.
- Rules and regulations.
- Comptroller General, information and studies.

- (2) practices relating to the registration of voters; and
- (3) voting and counting methods.

Studies made under this subsection shall be published by the Comptroller General and copies thereof shall be made available to the general public upon the payment of the cost thereof. Nothing in this subsection shall be construed to authorize the Comptroller General to require the inclusion of any comment or recommendation of the Comptroller General in any such study.

Publication.

(d)(1) Any person who believes a violation of this title has occurred may file a complaint with the supervisory officer. If the supervisory officer determines there is substantial reason to believe such a violation has occurred, he shall expeditiously make an investigation, which shall also include an investigation of reports and statements filed by the complainant if he is a candidate, of the matter complained of. Whenever in the judgment of the supervisory officer, after affording due notice and an opportunity for a hearing, any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this title or any regulation or order issued thereunder, the Attorney General on behalf of the United States shall institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the person is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, a permanent or temporary injunction, restraining order, or other order shall be granted without bond by such court.

Violation.

Hearing opportunity; injunction.

(2) In any action brought under paragraph (1) of this subsection, subpoenas for witnesses who are required to attend a United States district court may run into any other district.

(3) Any party aggrieved by an order granted under paragraph (1) of this subsection may, at any time within sixty days after the date of entry thereof, file a petition with the United States court of appeals for the circuit in which such person is found, resides, or transacts business, for judicial review of such order.

Judicial review.

(4) The judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

62 Stat. 928.

(5) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection).

STATEMENTS FILED WITH STATE OFFICERS

SEC. 309. (a) A copy of each statement required to be filed with a supervisory officer by this title shall be filed with the Secretary of State (or, if there is no office of Secretary of State, the equivalent State officer) of the appropriate State. For purposes of this subsection, the term "appropriate State" means—

"Appropriate State."

(1) for reports relating to expenditures and contributions in connection with the campaign for nomination for election, or election, of a candidate to the office of President or Vice President of the United States, each State in which an expenditure is made by him or on his behalf, and

(2) for reports relating to expenditures and contributions in connection with the campaign for nomination for election, or election, of a candidate to the office of Senator or Representative in,



State officer,  
duties.

or Delegate or Resident Commissioner to, the Congress of the United States, the State in which he seeks election.

(b) It shall be the duty of the Secretary of State, or the equivalent State officer, under subsection (a)—

(1) to receive and maintain in an orderly manner all reports and statements required by this title to be filed with him;

(2) to preserve such reports and statements for a period of ten years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only five years from the date of receipt;

(3) to make the reports and statements filed with him available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, requested by any person, at the expense of such person; and

(4) to compile and maintain a current list of all statements or parts of statements pertaining to each candidate.

#### PROHIBITION OF CONTRIBUTIONS IN NAME OF ANOTHER

SEC. 310. No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

#### PENALTY FOR VIOLATIONS

SEC. 311. (a) Any person who violates any of the provisions of this title shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

(b) In case of any conviction under this title, where the punishment inflicted does not include imprisonment, such conviction shall be deemed a misdemeanor conviction only.

### TITLE IV—GENERAL PROVISIONS

#### EXTENSION OF CREDIT BY REGULATED INDUSTRIES

SEC. 401. The Civil Aeronautics Board, the Federal Communications Commission, and the Interstate Commerce Commission shall each promulgate, within ninety days after the date of enactment of this Act, its own regulations with respect to the extension of credit, without security, by any person regulated by such Board or Commission to any candidate for Federal office (as such term is defined in section 301(c) of the Federal Election Campaign Act of 1971), or to any person on behalf of such a candidate, for goods furnished or services rendered in connection with the campaign of such candidate for nomination for election, or election, to such office.

Ante, p. 11.

#### PROHIBITION AGAINST USE OF CERTAIN FEDERAL FUNDS FOR ELECTION ACTIVITIES

SEC. 402. No part of any funds appropriated to carry out the Economic Opportunity Act of 1964 shall be used to finance, directly or indirectly, any activity designed to influence the outcome of any election to Federal office, or any voter registration activity, or to pay the salary of any officer or employee of the Office of Economic Opportunity who, in his official capacity as such an officer or employee, engages in any such activity. As used in this section, the term "election" has the same meaning given such term by section 301(a) of the Fed-

78 Stat. 508.  
42 USC 2701  
note.

"Election."

eral Election Campaign Act of 1971, and the term "Federal office" has the same meaning given such term by section 301(c) of such Act.

"Federal  
office."  
Ante, p. 11.

EFFECT ON STATE LAW

SEC. 403. (a) Nothing in this Act shall be deemed to invalidate or make inapplicable any provision of any State law, except where compliance with such provision of law would result in a violation of a provision of this Act.

(b) Notwithstanding subsection (a), no provision of State law shall be construed to prohibit any person from taking any action authorized by this Act or from making any expenditure (as such term is defined in section 301(f) of this Act) which he could lawfully make under this Act.

PARTIAL INVALIDITY

SEC. 404. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby.

REPEALING CLAUSE

SEC. 405. The Federal Corrupt Practices Act, 1925 (2 U.S.C. 241-256), is repealed.

43 Stat. 1070.

EFFECTIVE DATE

SEC. 406. Except as provided for in section 401 of this Act, the provisions of this Act shall become effective on December 31, 1971, or sixty days after the date of enactment of this Act, whichever is later.

Approved February 7, 1972.

LEGISLATIVE HISTORY:

- HOUSE REPORTS: No. 92-564 accompanying H.R. 11060 (Comm. on House Administration) and No. 92-752 (Comm. of Conference).
- SENATE REPORTS: No. 92-96 (Comm. on Commerce), No. 92-229 (Comm. on Rules and Administration) and No. 92-580 (Comm. of Conference).
- CONGRESSIONAL RECORD:
- Vol. 117 (1971): July 21, 23, Aug. 2-5, considered and passed Senate. Nov. 18, 29, 30, considered and passed House, amended, in lieu of H.R. 11060. Dec. 14, Senate agreed to conference report.
- Vol. 118 (1972): Jan. 19, House agreed to conference report.
- WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 8, No. 7: Feb. 7, Presidential statement.



## An Act

To impose overall limitations on campaign expenditures and political contributions; to provide that each candidate for Federal office shall designate a principal campaign committee; to provide for a single reporting responsibility with respect to receipts and expenditures by certain political committees; to change the times for the filing of reports regarding campaign expenditures and political contributions; to provide for public financing of Presidential nominating conventions and Presidential primary elections; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Election Campaign Act Amendments of 1974".

Federal Election Campaign Act Amendments of 1974.  
2 USC 431  
note.

### TITLE I—CRIMINAL CODE AMENDMENTS

#### LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

SEC. 101. (a) Section 608 of title 18, United States Code, relating to limitations on contributions and expenditures, is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) (1) Except as otherwise provided by paragraphs (2) and (3), no person shall make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

"(2) No political committee (other than a principal campaign committee) shall make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed \$5,000. Contributions by the national committee of a political party serving as the principal campaign committee of a candidate for the office of President of the United States shall not exceed the limitation imposed by the preceding sentence with respect to any other candidate for Federal office. For purposes of this paragraph, the term 'political committee' means an organization registered as a political committee under section 303 of the Federal Election Campaign Act of 1971 for a period of not less than 6 months which has received contributions from more than 50 persons and, except for any State political party organization, has made contributions to 5 or more candidates for Federal office.

"Political committee."  
Post, p. 1276.

"(3) No individual shall make contributions aggregating more than \$25,000 in any calendar year. For purposes of this paragraph, any contribution made in a year other than the calendar year in which the election is held with respect to which such contribution was made, is considered to be made during the calendar year in which such election is held.

"(4) For purposes of this subsection—

"(A) contributions to a named candidate made to any political committee authorized by such candidate, in writing, to accept contributions on his behalf shall be considered to be contributions made to such candidate; and

"(B) contributions made to or for the benefit of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be contributions made to or for the benefit of the candidate of such party for election to the office of President of the United States.

"(5) The limitations imposed by paragraphs (1) and (2) of this subsection shall apply separately with respect to each election, except that all elections held in any calendar year for the office of President of the United States (except a general election for such office) shall be considered to be one election.





"(6) For purposes of the limitations imposed by this section, all contributions made by a person, either directly or indirectly, on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate. The intermediary or conduit shall report the original source and the intended recipient of such contribution to the Commission and to the intended recipient.

"(c) (1) No candidate shall make expenditures in excess of—

"(A) \$10,000,000, in the case of a candidate for nomination for election to the office of President of the United States, except that the aggregate of expenditures under this subparagraph in any one State shall not exceed twice the expenditure limitation applicable in such State to a candidate for nomination for election to the office of Senator, Delegate, or Resident Commissioner, as the case may be;

"(B) \$20,000,000, in the case of a candidate for election to the office of President of the United States;

"(C) in the case of any campaign for nomination for election by a candidate for the office of Senator or by a candidate for the office of Representative from a State which is entitled to only one Representative, the greater of—

"(i) 8 cents multiplied by the voting age population of the State (as certified under subsection (g)); or

"(ii) \$100,000;

"(D) in the case of any campaign for election by a candidate for the office of Senator or by a candidate for the office of Representative from a State which is entitled to only one Representative, the greater of—

"(i) 12 cents multiplied by the voting age population of the State (as certified under subsection (g)); or

"(ii) \$150,000;

"(E) \$70,000, in the case of any campaign for nomination for election, or for election, by a candidate for the office of Representative in any other State, Delegate from the District of Columbia, or Resident Commissioner; or

"(F) \$15,000, in the case of any campaign for nomination for election, or for election, by a candidate for the office of Delegate from Guam or the Virgin Islands.

"(2) For purposes of this subsection—

"(A) expenditures made by or on behalf of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be expenditures made by or on behalf of the candidate of such party for election to the office of President of the United States; and

"(B) an expenditure is made on behalf of a candidate, including a Vice Presidential candidate, if it is made by—

"(i) an authorized committee or any other agent of the candidate for the purposes of making any expenditure; or

"(ii) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate, to make the expenditure.

"(3) The limitations imposed by subparagraphs (C), (D), (E), and (F) of paragraph (1) of this subsection shall apply separately with respect to each election.

"(4) The Commission shall prescribe rules under which any expenditure by a candidate for Presidential nomination for use in 2 or more

States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(d) (1) At the beginning of each calendar year (commencing in 1976), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Commission and publish in the Federal Register the per centum difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. Each limitation established by subsection (c) and subsection (f) shall be increased by such per centum difference. Each amount so increased shall be the amount in effect for such calendar year.

"(2) For purposes of paragraph (1)—

"(A) the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics; and

"(B) the term 'base period' means the calendar year 1974.

"(e) (1) No person may make any expenditure (other than an expenditure made by or on behalf of a candidate within the meaning of subsection (c) (2) (B)) relative to a clearly identified candidate during a calendar year which, when added to all other expenditures made by such person during the year advocating the election or defeat of such candidate, exceeds \$1,000.

"(2) For purposes of paragraph (1)—

"(A) 'clearly identified' means—

"(i) the candidate's name appears;

"(ii) a photograph or drawing of the candidate appears; or

"(iii) the identity of the candidate is apparent by unambiguous reference; and

"(B) 'expenditure' does not include any payment made or incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610, would not constitute an expenditure by such corporation or labor organization.

"(f) (1) Notwithstanding any other provision of law with respect to limitations on expenditures or limitations on contributions, the national committee of a political party and a State committee of a political party, including any subordinate committee of a State committee, may make expenditures in connection with the general election campaign of candidates for Federal office, subject to the limitations contained in paragraphs (2) and (3) of this subsection.

"(2) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds an amount equal to 2 cents multiplied by the voting age population of the United States (as certified under subsection (g)). Any expenditure under this paragraph shall be in addition to any expenditure by a national committee of a political party serving as the principal campaign committee of a candidate for the office of President of the United States.

"(3) The national committee of a political party, or a State committee of a political party, including any subordinate committee of a State committee, may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with such party which exceeds—

Publication in Federal Register.

"Price index."

"Base period."

"Clearly identified."





"(A) in the case of a candidate for election to the office of Senator, or of Representative from a State which is entitled to only one Representative, the greater of—

"(i) 2 cents multiplied by the voting age population of the State (as certified under subsection (g)); or

"(ii) \$20,000; and

"(B) in the case of a candidate for election to the office of Representative, Delegate, or Resident Commissioner in any other State, \$10,000.

"(g) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, 18 years of age or older.

"(h) No candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of this section. No officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or knowingly make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under this section.

"(i) Any person who violates any provision of this section shall be fined not more than \$25,000 or imprisoned not more than one year, or both."

(b) (1) Section 608(a)(1) of title 18, United States Code, relating to limitations on contributions and expenditures, is amended to read as follows:

"(a) (1) No candidate may make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaigns during any calendar year for nomination for election, or for election, to Federal office in excess of, in the aggregate—

"(A) \$50,000, in the case of a candidate for the office of President or Vice President of the United States;

"(B) \$35,000, in the case of a candidate for the office of Senator or for the office of Representative from a State which is entitled to only one Representative; or

"(C) \$25,000, in the case of a candidate for the office of Representative, or Delegate or Resident Commissioner, in any other State.

For purposes of this paragraph, any expenditure made in a year other than the calendar year in which the election is held with respect to which such expenditure was made, is considered to be made during the calendar year in which such election is held."

(2) Such section 608(a) is amended by adding at the end thereof the following new paragraphs:

"(3) No candidate or his immediate family may make loans or advances from their personal funds in connection with his campaign for nomination for election, or for election, to Federal office unless such loan or advance is evidenced by a written instrument fully disclosing the terms and conditions of such loan or advance.

"(4) For purposes of this subsection, any such loan or advance shall be included in computing the total amount of such expenditures only to the extent of the balance of such loan or advance outstanding and unpaid."

(c) (1) Notwithstanding section 608(a)(1) of title 18, United States Code, relating to limitations on expenditures from personal funds, any individual may satisfy or discharge, out of his personal funds or the

Voting age population estimates, certification and publication in Federal Register. "Voting age population,"

Violations, penalties.

18 USC 608 note.

personal funds of his immediate family, any debt or obligation which is outstanding on the date of the enactment of this Act and which was incurred by him or on his behalf by any political committee in connection with any campaign ending before the close of December 31, 1972, for election to Federal office.

(2) For purposes of this subsection—

(A) the terms "election", "Federal office", and "political committee" have the meanings given them by section 591 of title 18, United States Code; and

(B) the term "immediate family" has the meaning given it by section 608(a)(2) of title 18, United States Code.

(d) (1) The first paragraph of section 613 of title 18, United States Code, relating to contributions by certain foreign agents, is amended—

(A) by striking out "an agent of a foreign principal" and inserting in lieu thereof "a foreign national"; and

(B) by striking out "either for or on behalf of such foreign principal or otherwise in his capacity as agent of such foreign principal,"

(2) The second paragraph of such section 613 is amended by striking out "agent of a foreign principal or from such foreign principal" and inserting in lieu thereof "foreign national".

(3) The fourth paragraph of such section 613 is amended to read as follows:

"As used in this section, the term 'foreign national' means—

"(1) a foreign principal, as such term is defined by section 1(b) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(b)), except that the term 'foreign national' shall not include any individual who is a citizen of the United States; or

"(2) an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, as defined by section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20))."

(4) (A) The heading of such section 613 is amended by striking out "agents of foreign principals" and inserting in lieu thereof "foreign nationals".

(B) The table of sections for chapter 29 of title 18, United States Code, is amended by striking out the item relating to section 613 and inserting in lieu thereof the following:

"613. Contributions by foreign nationals."

(e) (1) The second paragraph of section 610 of title 18, United States Code, relating to penalties for violating prohibitions against contributions or expenditures by national banks, corporations, or labor organizations, is amended—

(A) by striking out "\$5,000" and inserting in lieu thereof "\$25,000"; and

(B) by striking out "\$10,000" and inserting in lieu thereof "\$50,000".

(2) Section 611 of title 18, United States Code (as amended by section 103 of this Act), relating to contributions by firms or individuals contracting with the United States, is amended in the first paragraph thereof by striking out "\$5,000" and inserting in lieu thereof "\$25,000".

(3) The third paragraph of section 613 of title 18, United States Code (as amended by subsection (d) of this section), relating to contributions by foreign nationals, is amended by striking out "\$5,000" and inserting in lieu thereof "\$25,000".

(f) (1) Chapter 29 of title 18, United States Code, relating to elections and political activities, is amended by adding at the end thereof the following new sections:

Definitions.

Post, p. 1269.

"Foreign national."

§ 614. Prohibition of contributions in name of another

(a) No person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person.

Violation, penalty.

(b) Any person who violates this section shall be fined not more than \$25,000 or imprisoned not more than one year, or both.

§ 615. Limitation on contributions of currency

(a) No person shall make contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate, exceed \$100, with respect to any campaign of such candidate for nomination for election, or for election, to Federal office.

Violation, penalty.

(b) Any person who violates this section shall be fined not more than \$25,000 or imprisoned not more than one year, or both.

§ 616. Acceptance of excessive honorariums

Whoever, while an elected or appointed officer or employee of any branch of the Federal Government—

(1) accepts any honorarium of more than \$1,000 (excluding amounts accepted for actual travel and subsistence expenses) for any appearance, speech, or article; or

Penalty.

(2) accepts honorariums (not prohibited by paragraph (1) of this section) aggregating more than \$15,000 in any calendar year; shall be fined not less than \$1,000 nor more than \$5,000.

§ 617. Fraudulent misrepresentation of campaign authority

Whoever, being a candidate for Federal office or an employee or agent of such a candidate—

(1) fraudulently misrepresents himself or any committee or organization under his control as speaking or writing or otherwise acting for or on behalf of any other candidate or political party or employee or agent thereof on a matter which is damaging to such other candidate or political party or employee or agent thereof; or

Penalty.

(2) willfully and knowingly participates in or conspires to participate in any plan, scheme, or design to violate paragraph (1); shall, for each such offense, be fined not more than \$25,000 or imprisoned not more than one year, or both."

(2) Section 591 of title 18, United States Code, relating to definitions, is amended by striking out the matter preceding paragraph (a) and inserting in lieu thereof the following:

"Except as otherwise specifically provided, when used in this section and in sections 597, 599, 600, 602, 608, 610, 611, 614, 615, and 617 of this title—"

(3) The table of sections for chapter 29 of title 18, United States Code, is amended by adding at the end thereof the following new items:

"614. Prohibition of contributions in name of another.

"615. Limitation on contributions of currency.

"616. Acceptance of excessive honorariums.

"617. Fraudulent misrepresentation of campaign authority."

(4) Title III of the Federal Election Campaign Act of 1971 is amended by striking out section 310, relating to prohibition of contributions in the name of another.

2 USC 440.

CHANGES IN CRIMINAL CODE DEFINITIONS

SEC. 102. (a) Paragraph (a) of section 591 of title 18, United States Code, relating to the definition of election, is amended—

Definitions.

(1) by inserting "or" before "(4)"; and

(2) by striking out ", and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States".

USC prec. title 1.

(b) Paragraph (2) of such section 591, relating to the definition of political committee, is amended to read as follows:

"(d) 'political committee' means any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000;"

(c) Paragraph (e) of such section 591, relating to the definition of contribution, is amended to read as follows:

"(e) 'contribution'—

"(1) means a gift, subscription, loan, advance, or deposit of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business, which shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors), made for the purpose of influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President of the United States;

"(2) means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution for such purposes;

"(3) means funds received by a political committee which are transferred to such committee from another political committee or other source;

"(4) means the payment, by any person other than a candidate or a political committee, of compensation for the personal services of another person which are rendered to such candidate or political committee without charge for any such purpose; but

"(5) does not include—

"(A) the value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee;

"(B) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities;

"(C) the sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if such charge for use in a candidate's campaign is at least equal to the cost of such food or beverage to the vendor;

"(D) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate, or

Definitions.

USC prec. title 1.

USC sec. 1264.

USC sec. 1263.

Definitions.

USC sec. 1280.

USC sec. 1275.



“(E) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising;

to the extent that the cumulative value of activities by any person on behalf of any candidate under each of clauses (B), (C), and (D) does not exceed \$500 with respect to any election;”.

Definitions. (d) Paragraph (f) of such section 591, relating to the definition of expenditure, is amended to read as follows:

18 USC 591.

“(f) ‘expenditure’—

“(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business), made for the purpose of influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President of the United States;

“(2) means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure; and

“(3) means the transfer of funds by a political committee to another political committee; but

“(4) does not include—

“(A) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

“(B) nonpartisan activity designed to encourage individuals to register to vote or to vote;

“(C) any communication by any membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office;

“(D) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual’s residential premises for candidate-related activities;

“(E) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate;

“(F) any communication by any person which is not made for the purpose of influencing the nomination for election, or election, of any person to Federal office;

“(G) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising;

“(H) any costs incurred by a candidate in connection with the solicitation of contributions by such candidate, except that this clause shall not apply with respect to costs incurred by a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 608(c) of this title; or

“(I) any costs incurred by a political committee (as such term is defined by section 608(b)(2) of this title) with respect to the solicitation of contributions to such political committee or to any general political fund controlled by such political committee, except that this clause shall not apply to exempt costs incurred with respect to the solicitation of contributions to any such political committee made through broadcasting stations, newspapers, magazines, outdoor advertising facilities, and other similar types of general public political advertising;

to the extent that the cumulative value of activities by any individual on behalf of any candidate under each of clauses (D) or (E) does not exceed \$500 with respect to any election;”.

(e) Section 591 of title 18, United States Code, relating to definitions, is amended—

(1) by striking out “and” at the end of paragraph (g);

(2) by striking out the period at the end of paragraph (h) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

“(i) ‘political party’ means any association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization;

“(j) ‘State committee’ means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Federal Election Commission;

“(k) ‘national committee’ means the organization which, by virtue of the bylaws of the political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Federal Election Commission established under section 310(a) of the Federal Election Campaign Act of 1971; and

“(l) ‘principal campaign committee’ means the principal campaign committee designated by a candidate under section 302(f)(1) of the Federal Election Campaign Act of 1971.”.

Ante, p. 1264.

Ante, p. 1263.

Definitions.

Post, p. 1280.

Post, p. 1275.

POLITICAL FUNDS OF CORPORATIONS OR LABOR ORGANIZATIONS

SEC. 103. Section 611 of title 18, United States Code, relating to contributions by firms or individuals contracting with the United States, is amended by adding at the end thereof the following new paragraphs:

"This section does not prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, any separate segregated fund by any corporation or labor organization for the purpose of influencing the nomination for election, or election, of any person to Federal office, unless the provisions of section 610 of this title prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, such fund.

"For purposes of this section, the term 'labor organization' has the meaning given it by section 610 of this title."

EFFECT ON STATE LAW

18 USC 591 note.

SEC. 104. (a) The provisions of chapter 29 of title 18, United States Code, relating to elections and political activities, supersede and preempt any provision of State law with respect to election to Federal office.

(b) For purposes of this section, the terms "election", "Federal office", and "State" have the meanings given them by section 591 of title 18, United States Code.

TITLE II—AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971

CHANGES IN DEFINITIONS FOR REPORTING AND DISCLOSURE

2 USC 431.

SEC. 201. (a) Section 301 of the Federal Election Campaign Act of 1971, relating to definitions, is amended—

(1) by inserting "and title IV of this Act" after "title";

(2) by striking out ", and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States" in paragraph (a), and by inserting "and" before "(4)" in such paragraph;

(3) by amending paragraph (d) to read as follows:

"(d) 'political committee' means any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000;"

(4) by amending paragraph (e) to read as follows:

"(e) 'contribution'—

"(1) means a gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of—

"(A) influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party, or

"(B) influencing the result of an election held for the expression of a preference for the nomination of persons for election to the office of President of the United States;

"(2) means a contract, promise, or agreement, expressed or implied, whether or not legally enforceable, to make a contribution for such purposes;

"(3) means funds received by a political committee which are transferred to such committee from another political committee or other source;

"(4) means the payment, by any person other than a candidate or a political committee, of compensation for the personal services of another person which are rendered to such candidate or political committee without charge for any such purpose; but

"(5) does not include—

"(A) the value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee;

"(B) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities;

"(C) the sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if such charge for use in a candidate's campaign is at least equal to the cost of such food or beverage to the vendor;

"(D) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate;

"(E) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising; or

"(F) any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, would not constitute an expenditure by such corporation or labor organization;

to the extent that the cumulative value of activities by any individual on behalf of any candidate under each of clauses (B), (C), and (D) does not exceed \$500 with respect to any election;"

(5) by striking out paragraph (f) and inserting in lieu thereof the following: 2 USC 431.

"(f) 'expenditure'—

"(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of—

"(A) influencing the nomination for election, or the election, of any person to Federal office, or to the office of presidential and vice-presidential elector; or

"(B) influencing the results of a primary election held for the selection of delegates to a national nominating convention of a political party or for the expression of



a preference for the nomination of persons for election to the office of President of the United States;

"(2) means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure;

"(3) means the transfer of funds by a political committee to another political committee; but

"(4) does not include—

"(A) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

"(B) nonpartisan activity designed to encourage individuals to register to vote or to vote;

"(C) any communication by any membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office;

"(D) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities if the cumulative value of such activities by such individual on behalf of any candidate do not exceed \$500 with respect to any election;

"(E) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate if the cumulative amount for such individual incurred with respect to such candidate does not exceed \$500 with respect to any election;

"(F) any communication by any person which is not made for the purpose of influencing the nomination for election, or election, of any person to Federal office; or

"(G) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising; or

"(H) any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, would not constitute an expenditure by such corporation or labor organization;"

(6) by striking "and" at the end of paragraph (h);

(7) by striking the period at the end of paragraph (i) and inserting in lieu thereof a semicolon; and

(8) by adding at the end thereof the following new paragraphs:

2 USC 431.

"(j) 'identification' means—

"(1) in the case of an individual, his full name and the full address of his principal place of residence; and

"(2) in the case of any other person, the full name and address of such person;

"(k) 'national committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Commission;

"(l) 'State committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Commission;

"(m) 'political party' means an association, committee, or organization which nominates a candidate for election to any Federal office, whose name appears on the election ballot as the candidate of such association, committee, or organization; and

"(n) 'principal campaign committee' means the principal campaign committee designated by a candidate under section 302 (f) (1)."

(b) (1) Section 401 of the Federal Election Campaign Act of 1971, relating to extension of credit by regulated industries, is amended by striking out "(as such term is defined in section 301 (c) of the Federal Election Campaign Act of 1971)".

(2) Section 402 of the Federal Election Campaign Act of 1971, relating to prohibition against use of certain Federal funds for election activities, is amended by striking out the last sentence.

Infra.  
2 USC 451.

2 USC 431.  
2 USC 452.

ORGANIZATION OF POLITICAL COMMITTEES; PRINCIPAL CAMPAIGN COMMITTEE

SEC. 202. (a) (1) Section 302 (b) of the Federal Election Campaign Act of 1971, relating to reports of contributions in excess of \$10, is amended by striking out "the name and address (occupation and principal place of business, if any)" and inserting in lieu thereof "of the contribution and the identification".

(2) Section 302 (c) of such Act, relating to detailed accounts, is amended by striking out "full name and mailing address (occupation and the principal place of business, if any)" in paragraphs (2) and (4) and inserting in lieu thereof in each such paragraph "identification".

(3) Section 302 (e) of such Act is further amended by striking out the semicolon at the end of paragraph (2) and inserting in lieu thereof "and, if a person's contributions aggregate more than \$100, the account shall include occupation, and the principal place of business (if any);".

(b) Section 302 (f) of such Act is amended to read as follows:

"(f) (1) Each individual who is a candidate for Federal office (other than the office of Vice President of the United States) shall designate a political committee to serve as his principal campaign committee. No political committee may be designated as the principal campaign committee of more than one candidate, except that the candidate for the office of President of the United States nominated by a political party may designate the national committee of such political party as his principal campaign committee. Except as provided in the preceding sentence, no political committee which supports more than one candidate may be designated as a principal campaign committee.

"(2) Notwithstanding any other provision of this title, each report or statement of contributions received or expenditures made by a political committee (other than a principal campaign committee)

Reports,  
filing.

which is required to be filed with the Commission under this title shall be filed instead with the principal campaign committee for the candidate on whose behalf such contributions are accepted or such expenditures are made.

"(3) It shall be the duty of each principal campaign committee to receive all reports and statements required to be filed with it under paragraph (2) of this subsection and to compile and file such reports and statements, together with its own reports and statements, with the Commission in accordance with the provisions of this title."

REGISTRATION OF POLITICAL COMMITTEE; STATEMENTS

2 USC 433. SEC. 203. Section 303 of the Federal Election Campaign Act of 1971, relating to registration of political committees and statements, is amended by adding at the end thereof the following new subsection:

"(e) In the case of a political committee which is not a principal campaign committee, reports and notifications required under this section to be filed with the Commission shall be filed instead with the appropriate principal campaign committee."

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

2 USC 434. SEC. 204. (a) Section 304(a) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended—

(1) by striking out the second and third sentences and inserting in lieu thereof the following:

"The reports referred to in the preceding sentence shall be filed as follows:

"(A) (i) In any calendar year in which an individual is a candidate for Federal office and an election for such Federal office is held in such year, such reports shall be filed not later than the tenth day before the date on which such election is held and shall be complete as of the fifteenth day before the date of such election; except that any such report filed by registered or certified mail must be postmarked not later than the close of the twelfth day before the date of such election.

"(ii) Such reports shall be filed not later than the thirtieth day after the date of such election and shall be complete as of the twentieth day after the date of such election.

"(B) In any other calendar year in which an individual is a candidate for Federal office, such reports shall be filed after December 31 of such calendar year, but not later than January 31 of the following calendar year and shall be complete as of the close of the calendar year with respect to which the report is filed.

"(C) Such reports shall be filed not later than the tenth day following the close of any calendar quarter in which the candidate or political committee concerned received contributions in excess of \$1,000, or made expenditures in excess of \$1,000, and shall be complete as of the close of such calendar quarter: except that any such report required to be filed after December 31 of any calendar year with respect to which a report is required to be filed under subparagraph (B) shall be filed as provided in such subparagraph.

"(D) When the last day for filing any quarterly report required by subparagraph (C) occurs within 10 days of an election, the filing of such quarterly report shall be waived and superseded by the report required by subparagraph (A) (i).

Any contribution of \$1,000 or more received after the fifteenth day, but more than 48 hours, before any election shall be reported within 48 hours after its receipt."; and

(2) by striking out "Each" at the beginning of the first sentence of such section 304(a) and inserting in lieu thereof "(1) Except as provided by paragraph (2), each", and by adding at the end thereof the following new paragraphs:

"(2) Each treasurer of a political committee which is not a principal campaign committee shall file the reports required under this section with the appropriate principal campaign committee.

"(3) Upon a request made by a presidential candidate or a political committee which operates in more than one State, or upon its own motion, the Commission may waive the reporting dates set forth in paragraph (1) (other than the reporting date set forth in paragraph (1) (B)), and require instead that such candidate or political committee file reports not less frequently than monthly. The Commission may not require a presidential candidate or a political committee operating in more than one State to file more than 12 reports (not counting any report referred to in paragraph (1) (B)) during any calendar year. If the Commission acts on its own motion under this paragraph with respect to a candidate or a political committee, such candidate or committee may obtain judicial review in accordance with the provisions of chapter 7 of title 5, United States Code."

(b) (1) Section 304(b) (5) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by striking out "lender and endorsers" and inserting in lieu thereof "lender, endorsers, and guarantors".

(2) Section 304(b) (8) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by inserting immediately before the semicolon at the end thereof the following: ", together with total receipts less transfers between political committees which support the same candidate and which do not support more than one candidate".

(3) Section 304(b) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by striking out "full name and mailing address (occupation and the principal place of business, if any)" in paragraphs (9) and (10) and inserting in lieu thereof in each such paragraph "identification".

(4) Section 304(b) (11) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by inserting immediately before the semicolon at the end thereof the following: ", together with total expenditures less transfers between political committees which support the same candidate and which do not support more than one candidate".

(5) Section 304(b) (12) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by inserting immediately before the semicolon a comma and the following: ", together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefor".

(c) Such section 304 is amended by adding at the end thereof the following new subsections:

"(d) This section does not require a Member of the Congress to report, as contributions received or as expenditures made, the value of photographic, matting, or recording services furnished to him by the Senate Recording Studio, the House Recording Studio, or by an individual whose pay is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives and who furnishes such services as his primary duty as an employee of the Senate or House of Rep-

2 USC 434.

Waiver.

5 USC 701.

Members of Congress, reporting exemption.



representatives, or if such services were paid for by the Republican or Democratic Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee. This subsection does not apply to such recording services furnished during the calendar year before the year in which the Member's term expires.

"(e) Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount in excess of \$100 within a calendar year shall file with the Commission a statement containing the information required by this section. Statements required by this subsection shall be filed on the dates on which reports by political committees are filed but need not be cumulative."

(d) The heading for such section 304 is amended to read as follows:

"REPORTS"

(e) Notwithstanding the amendment to section 304 of the Federal Election Campaign Act of 1971, relating to the time for filing reports, made by the foregoing provisions of this section, nothing in this Act shall be construed to waive the report required to be filed by the thirty-first day of January of 1975 under the provisions of such section 304, as in effect on the date of the enactment of this Act.

CAMPAIGN ADVERTISEMENTS

SEC. 205. (a) Section 305 of the Federal Election Campaign Act of 1971, relating to reports by others than political committees, is amended to read as follows:

"REQUIREMENTS RELATING TO CAMPAIGN ADVERTISING

"Sec. 305. (a) No person who sells space in a newspaper or magazine to a candidate, or to the agent of a candidate, for use in connection with such candidate's campaign, may charge any amount for such space which exceeds the amount charged for comparable use of such space for other purposes.

"(b) Each political committee shall include on the face or front page of all literature and advertisements soliciting contributions the following notice:

"A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C."

(b) Title I of the Federal Election Campaign Act of 1971 is repealed.

WAIVER OF REPORTING REQUIREMENTS

SEC. 206. Section 306(b) of the Federal Election Campaign Act of 1971 (as so redesignated by section 207 of this Act), relating to formal requirements respecting reports and statements, is amended to read as follows:

"(b) The Commission may, by a rule of general applicability which is published in the Federal Register not less than 30 days before its effective date, relieve—

"(1) any category of candidates of the obligation to comply personally with the reporting requirements of section 304, if it determines that such action is consistent with the purposes of this Act; and

Savings provision. 2 USC 434 note.

2 USC 435.

Funds, solicitation, notice.

Repeal. 47 USC 801.

2 USC 436.

Publication in Federal Register.

Ante, p. 1276.

"(2) any category of political committees of the obligation to comply with the reporting requirements of such section if such committees—

"(A) primarily support persons seeking State or local office; and

"(B) do not operate in more than one State or do not operate on a statewide basis."

FORMAL REQUIREMENTS FOR REPORTS AND STATEMENTS

SEC. 207. Section 306 of the Federal Election Campaign Act of 1971, relating to formal requirements respecting reports and statements, is amended by striking out subsection (a); by redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively; and by adding at the end thereof the following new subsection:

"(d) If a report or statement required by section 303, 304(a) (1) (A) (ii), 304(a) (1) (B), 304(a) (1) (C), or 304(e) of this title to be filed by a treasurer of a political committee or by a candidate or by any other person, is delivered by registered or certified mail, to the Commission or principal campaign committee with which it is required to be filed, the United States postmark stamped on the cover of the envelope or other container in which such report or statement is so mailed shall be deemed to be the date of filing."

REPORTS BY CERTAIN ORGANIZATIONS; FEDERAL ELECTION COMMISSION; CAMPAIGN DEPOSITORIES

SEC. 208. (a) Title III of the Federal Election Campaign Act of 1971, relating to disclosure of Federal campaign funds, is amended by redesignating sections 308 and 309 as sections 316 and 317, respectively; by redesignating section 311 as section 321; and by inserting immediately after section 307 the following new sections:

"REPORTS BY CERTAIN PERSONS

"Sec. 308. Any person (other than an individual) who expends any funds or commits any act directed to the public for the purpose of influencing the outcome of an election, or who publishes or broadcasts to the public any material referring to a candidate (by name, description, or other reference) advocating the election or defeat of such candidate, setting forth the candidate's position on any public issue, his voting record, or other official acts (in the case of a candidate who holds or has held Federal office), or otherwise designed to influence individuals to cast their votes for or against such candidate or to withhold their votes from such candidate shall file reports with the Commission as if such person were a political committee. The reports filed by such person shall set forth the source of the funds used in carrying out any activity described in the preceding sentence in the same detail as if the funds were contributions within the meaning of section 301(e), and payments of such funds in the same detail as if they were expenditures within the meaning of section 301(f). The provisions of this section do not apply to any publication or broadcast of the United States Government or to any news story, commentary, or editorial distributed through the facilities of a broadcasting station or a bona fide newspaper, magazine, or other periodical publication. A news story, commentary, or editorial is not considered to be distributed through a bona fide newspaper, magazine, or other periodical publication if—

2 USC 436.

Ante, p. 1276.

2 USC 438, 439.

2 USC 437a.

Ante, p. 1272.

Ante, p. 1273.

"(1) such publication is primarily for distribution to individuals affiliated by membership or stock ownership with the person (other than an individual) distributing it or causing it to be distributed, and not primarily for purchase by the public at newsstands or by paid subscription; or

"(2) the news story, commentary, or editorial is distributed by a person (other than an individual) who devotes a substantial part of his activities to attempting to influence the outcome of elections, or to influence public opinion with respect to matters of national or State policy or concern.

"CAMPAIGN DEPOSITORIES

2 USC 437b.

"SEC. 309. (a) (1) Each candidate shall designate one or more national or State banks as his campaign depositories. The principal campaign committee of such candidate, and any other political committee authorized by him to receive contributions or to make expenditures on his behalf, shall maintain a checking account at a depository designated by the candidate and shall deposit any contributions received by such committee into such account. A candidate shall deposit any payment received by him under chapter 95 or chapter 97 of the Internal Revenue Code of 1954 in the account maintained by his principal campaign committee. No expenditure may be made by any such committee on behalf of a candidate or to influence his election except by check drawn on such account, other than petty cash expenditures as provided in subsection (b).

26 USC 9001.

"(2) The treasurer of each political committee (other than a political committee authorized by a candidate to receive contributions or to make expenditures on his behalf) shall designate one or more national or State banks as campaign depositories of such committee, and shall maintain a checking account for the committee at each such depository. All contributions received by such committee shall be deposited in such accounts. No expenditure may be made by such committee except by check drawn on such accounts, other than petty cash expenditures as provided in subsection (b).

2 USC 435.

"(b) A political committee may maintain a petty cash fund out of which it may make expenditures not in excess of \$100 to any person in connection with a single purchase or transaction. A record of petty cash disbursements shall be kept in accordance with requirements established by the Commission, and such statements and reports thereof shall be furnished to the Commission as it may require.

2 USC 436.

"(c) A candidate for nomination for election, or for election, to the office of President of the United States may establish one such depository in each State, which shall be considered as his campaign depository for such State by his principal campaign committee and any other political committee authorized by him to receive contributions or to make expenditures on his behalf in such State, under rules prescribed by the Commission. The campaign depository of the candidate of a political party for election to the office of Vice President of the United States shall be the campaign depository designated by the candidate of such party for election to the office of President of the United States.

Repeal.

47 USC 601.

2 USC 436.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

2 USC 437.

"FEDERAL ELECTION COMMISSION

Establishment.  
2 USC 437c.  
Membership.

"SEC. 310. (a) (1) There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives, ex officio and without the right to vote, and 6 members appointed as follows:

"(A) 2 shall be appointed, with the confirmation of a majority of both Houses of the Congress, by the President pro tempore of the Senate upon the recommendations of the majority leader of the Senate and the minority leader of the Senate;

"(B) 2 shall be appointed, with the confirmation of a majority of both Houses of the Congress, by the Speaker of the House of Representatives, upon the recommendations of the majority leader of the House and the minority leader of the House; and

"(C) 2 shall be appointed, with the confirmation of a majority of both Houses of the Congress, by the President of the United States.

A member appointed under subparagraph (A), (B), or (C) shall not be affiliated with the same political party as the other member appointed under such paragraph.

"(2) Members of the Commission shall serve for terms of 6 years, except that of the members first appointed—

"(A) one of the members appointed under paragraph (1) (A) shall be appointed for a term ending on the April 30 first occurring more than 6 months after the date on which he is appointed;

"(B) one of the members appointed under paragraph (1) (B) shall be appointed for a term ending 1 year after the April 30 on which the term of the member referred to in subparagraph (A) of this paragraph ends;

"(C) one of the members appointed under paragraph (1) (C) shall be appointed for a term ending 2 years thereafter;

"(D) one of the members appointed under paragraph (1) (A) shall be appointed for a term ending 3 years thereafter;

"(E) one of the members appointed under paragraph (1) (B) shall be appointed for a term ending 4 years thereafter; and

"(F) one of the members appointed under paragraph (1) (C) shall be appointed for a term ending 5 years thereafter.

An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds. Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.

"(3) Members shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment and shall be chosen from among individuals who, at the time of their appointment, are not elected or appointed officers or employees in the executive, legislative, or judicial branch of the Government of the United States.

"(4) Members of the Commission (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall receive compensation equivalent to the compensation paid at level IV of the Executive Schedule (5 U.S.C. 5315).

"(5) The Commission shall elect a chairman and a vice chairman from among its members (other than the Secretary of the Senate and the Clerk of the House of Representatives) for a term of one year. No member may serve as chairman more often than once during any term of office to which he is appointed. The chairman and the vice chairman shall not be affiliated with the same political party. The vice chairman shall act as chairman in the absence or disability of the chairman, or in the event of a vacancy in such office.

"(b) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to this Act and sections 608, 610, 611, 613, 614, 615, 616, and 617 of title 18, United States Code. The Commission has primary jurisdiction with respect to the civil enforcement of such provisions.

Term.

Vacancies.

Compensation.

83 Stat. 863.  
Chairman and  
vice chairman.

Ante, pp. 1263,  
1268.  
Jurisdiction.



"(c) All decisions of the Commission with respect to the exercise of its duties and powers under the provisions of this title shall be made by a majority vote of the members of the Commission. A member of the Commission may not delegate to any person his vote or any decisionmaking authority or duty vested in the Commission by the provisions of this title.

Meetings. "(d) The Commission shall meet at least once each month and also at the call of any member.

Rules. Seal. "(e) The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

Staff director and general counsel. 83 Stat. 863. "(f) (1) The Commission shall have a staff director and a general counsel who shall be appointed by the Commission. The staff director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315). The general counsel shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316). With the approval of the Commission, the staff director may appoint and fix the pay of such additional personnel as he considers desirable.

26 USC 9001. "(2) With the approval of the Commission, the staff director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (5 U.S.C. 5332).

5 USC 5332 note. "(3) In carrying out its responsibilities under this Act, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of other agencies and departments of the United States Government. The heads of such agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

"POWERS OF COMMISSION

2 USC 437d. "SEC. 311. (a) The Commission has the power—

"(1) to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may prescribe; and such submission shall be made within such a reasonable period of time and under oath or otherwise as the Commission may determine;

"(2) to administer oaths or affirmations;

"(3) to require by subpoena, signed by the chairman or the vice chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

"(4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

"(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

"(6) to initiate (through civil proceedings for injunctive, declaratory, or other appropriate relief), defend, or appeal any civil action in the name of the Commission for the purpose of

enforcing the provisions of this Act, through its general counsel;

"(7) to render advisory opinions under section 313;

"(8) to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, United States Code, as are necessary to carry out the provisions of this Act;

"(9) to formulate general policy with respect to the administration of this Act and sections 608, 610, 611, 613, 614, 615, 616, and 617 of title 18, United States Code;

"(10) to develop prescribed forms under section 311(a) (1); and

"(11) to conduct investigations and hearings expeditiously, to encourage voluntary compliance, and to report apparent violations to the appropriate law enforcement authorities.

"(b) Any United States district court within the jurisdiction of which any inquiry is carried on, may, upon petition by the Commission, in case of refusal to obey a subpoena or order of the Commission issued under subsection (a) of this section, issue an order requiring compliance therewith. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

"(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

"(d) (1) Whenever the Commission submits any budget estimate or request to the President of the United States or the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress.

"(2) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation, requested by the Congress or by any Member of the Congress, to the President of the United States or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

"REPORTS

"SEC. 312. The Commission shall transmit reports to the President of the United States and to each House of the Congress no later than March 31 of each year. Each such report shall contain a detailed statement with respect to the activities of the Commission in carrying out its duties under this title, together with recommendations for such legislative or other action as the Commission considers appropriate.

"ADVISORY OPINIONS

"SEC. 313. (a) Upon written request to the Commission by any individual holding Federal office, any candidate for Federal office, or any political committee, the Commission shall render an advisory opinion, in writing, within a reasonable time with respect to whether any specific transaction or activity by such individual, candidate, or political committee would constitute a violation of this Act, of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code.

"(b) Notwithstanding any other provision of law, any person with respect to whom an advisory opinion is rendered under subsection (a) who acts in good faith in accordance with the provisions and findings

Infra.

5 USC 500.

Ante, pp. 1263, 1268.

Budget estimates or requests, copies, transmittal to Congress.

Reports to President and Congress. 2 USC 437e.

2 USC 437f.

26 USC 9001, 9021.

26 USC 9001, 9021.

Ante, pp. 1263, 1268.

Complaints, filing. 2 USC 437g.

Hearing.

Civil action for relief.

18 USC 591.

of such advisory opinion shall be presumed to be in compliance with the provision of this Act, of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, with respect to which such advisory opinion is rendered.

"(c) Any request made under subsection (a) shall be made public by the Commission. The Commission shall, before rendering an advisory opinion with respect to such request, provide any interested party with an opportunity to transmit written comments to the Commission with respect to such request.

"ENFORCEMENT

"SEC. 314. (a) (1) (A) Any person who believes a violation of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, has occurred may file a complaint with the Commission.

"(B) In any case in which the Clerk of the House of Representatives or the Secretary of the Senate (who receive reports and statements as custodian for the Commission) has reason to believe a violation of this Act or section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, has occurred, he shall refer such apparent violation to the Commission.

"(2) The Commission, upon receiving any complaint under paragraph (1) (A), or a referral under paragraph (1) (B), or if it has reason to believe that any person has committed a violation of any such provision, shall notify the person involved of such apparent violation and shall—

"(A) report such apparent violation to the Attorney General;

or

"(B) make an investigation of such apparent violation.

"(3) Any investigation under paragraph (2) (B) shall be conducted expeditiously and shall include an investigation of reports and statements filed by any complainant under this title, if such complainant is a candidate. Any notification or investigation made under paragraph (2) shall not be made public by the Commission or by any other person without the written consent of the person receiving such notification or the person with respect to whom such investigation is made.

"(4) The Commission shall, at the request of any person who receives notice of an apparent violation under paragraph (2), conduct a hearing with respect to such apparent violation.

"(5) If the Commission determines, after investigation, that there is reason to believe that any person has engaged, or is about to engage in any acts or practices which constitute or will constitute a violation of this Act, it may endeavor to correct such violation by informal methods of conference, conciliation, and persuasion. If the Commission fails to correct the violation through informal methods, it may institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, the court shall grant a permanent or temporary injunction, restraining order, or other order.

"(6) The Commission shall refer apparent violations to the appropriate law enforcement authorities to the extent that violations of provisions of chapter 29 of title 18, United States Code, are involved, or if the Commission is unable to correct apparent violations of this Act under the authority given it by paragraph (5), or if the Commission determines that any such referral is appropriate.

"(7) Whenever in the judgment of the Commission, after affording due notice and an opportunity for a hearing, any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, upon request by the Commission the Attorney General on behalf of the United States shall institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the person is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, a permanent or temporary injunction, restraining order, or other order shall be granted without bond by such court.

"(8) In any action brought under paragraph (5) or (7) of this subsection, subpoenas for witnesses who are required to attend a United States district court may run into any other district.

"(9) Any party aggrieved by an order granted under paragraph (5) or (7) of this subsection may, at any time within 60 days after the date of entry thereof, file a petition with the United States court of appeals for the circuit in which such order was issued for judicial review of such order.

"(10) The judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(11) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection or under section 315).

"(b) In any case in which the Commission refers an apparent violation to the Attorney General, the Attorney General shall respond by report to the Commission with respect to any action taken by the Attorney General regarding such apparent violation. Each report shall be transmitted no later than 60 days after the date the Commission refers any apparent violation, and at the close of every 30-day period thereafter until there is final disposition of such apparent violation. The Commission may from time to time prepare and publish reports on the status of such referrals.

"JUDICIAL REVIEW

"SEC. 315. (a) The Commission, the national committee of any political party, or any individual eligible to vote in any election for the office of President of the United States may institute such actions in the appropriate district court of the United States, including actions for declaratory judgment, as may be appropriate to construe the constitutionality of any provision of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code. The district court immediately shall certify all questions of constitutionality of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

"(b) Notwithstanding any other provision of law, any decision on a matter certified under subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal shall be brought no later than 20 days after the decision of the court of appeals.

In the case of any rule or regulation proposed or issued which reports or

2 USC 438.

Ante, pp. 1263, 1268.

Subpoenas.

Petition for judicial review.

Report to Commission.

2 USC 437h.

Presidential elections.



"(c) It shall be the duty of the court of appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under subsection (a)."

26 USC 9001, 9021.  
2 USC 437c note.

(b) Until the appointment and qualification of all the members of the Federal Election Commission and its general counsel and until the transfer provided for in this subsection, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall continue to carry out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971 as such titles existed on the day before the date of enactment of this Act. Upon the appointment of all the members of the Commission and its general counsel, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall meet with the Commission and arrange for the transfer, within 30 days after the date on which all such members and the general counsel are appointed, of copies of all appropriate records, documents, memorandums, and other papers associated with carrying out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971 and chapter 95 of the Internal Revenue Code of 1954.

47 USC 801 note, Ante, p. 1272.

(c) Title III of the Federal Election Campaign Act of 1971 is amended—

26 USC 9001.

(1) by amending section 301(g), relating to definitions, to read as follows:

2 USC 431.

"(g) 'Commission' means the Federal Election Commission;";  
(2) by striking out "supervisory officer" in section 302(d) and inserting in lieu thereof "Commission";

2 USC 432.

(3) by amending section 303, relating to registration of political committees; statements—

2 USC 433.

(A) by striking out "supervisory officer" each time it appears therein and inserting in lieu thereof "Commission"; and

2 USC 434.

(B) by striking out "he" in the second sentence of subsection (a) of such section and inserting in lieu thereof "it";

(4) by amending section 304, relating to reports by political committees and candidates—

(A) by striking out "appropriate supervisory officer" and "him" in the first sentence thereof and inserting in lieu thereof "Commission" and "it", respectively; and

(B) by striking out "supervisory officer" where it appears in paragraphs (12) and (13) of subsection (b) and inserting in lieu thereof "Commission";

2 USC 436.

(5) by striking out "supervisory officer" each place it appears in section 306, relating to formal requirements respecting reports and statements, and inserting in lieu thereof "Commission";

2 USC 437.

(6) by striking out "Comptroller General of the United States" and "he" in section 307, relating to reports on convention financing, and inserting in lieu thereof "Federal Election Commission" and "it", respectively;

2 USC 438.

(7) by amending the heading for section 316 (as redesignated by subsection (a) of this section), relating to duties of the supervisory officer, to read as follows: "DUTIES";

(8) by striking out "supervisory officer" in section 316(a) (as redesignated by subsection (a) of this section) the first time it appears and inserting in lieu thereof "Commission";

(9) by amending section 316(a) (as redesignated by subsection (a) of this section)—

(A) by striking out "him" in paragraph (1) and inserting in lieu thereof "it"; and

(B) by striking out "him" in paragraph (4) and inserting in lieu thereof "it"; and

(10) by amending subsection (c) of section 316 (as redesignated by subsection (a) of this section)—

2 USC 438.

(A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission" and striking out "his" in the second sentence of such subsection and inserting in lieu thereof "its"; and

(B) by striking out the last sentence thereof; and

(11) by striking out "a supervisory officer" in section 317(a) of such Act (as redesignated by subsection (a) of this Act) and inserting in lieu thereof "the Commission".

2 USC 439.

DUTIES AND REGULATIONS

SEC. 209. (a) (1) Section 316(a) of the Federal Election Campaign Act of 1971 (as redesignated and amended by section 208(a) of this Act), relating to duties of the Commission, is amended by striking out paragraphs (6), (7), (8), (9), and (10), and by redesignating paragraphs (11), (12), and (13) as paragraphs (8), (9), and (10), respectively, and by inserting immediately after paragraph (5) the following new paragraphs:

"(6) to compile and maintain a cumulative index of reports and statements filed with it, which shall be published in the Federal Register at regular intervals and which shall be available for purchase directly or by mail for a reasonable price;

Index of reports and statements. Publication in Federal Register.

"(7) to prepare and publish from time to time special reports listing those candidates for whom reports were filed as required by this title and those candidates for whom such reports were not filed as so required;";

Special reports, publication.

(2) Notwithstanding section 308(a)(7) of the Federal Election Campaign Act of 1971 (relating to an annual report by the supervisory officer), as in effect on the day before the effective date of the amendments made by paragraph (1) of this subsection, no such annual report shall be required with respect to any calendar year beginning after December 31, 1972.

2 USC 438 note.

(b) (1) Section 316(a) (10) of the Federal Election Campaign Act of 1971 (as so redesignated by subsection (a) of this section), relating to the prescription of rules and regulations, is amended by inserting before the period at the end thereof the following: ", in accordance with the provisions of subsection (c)".

(2) Such section 316 is amended—

(A) by striking out subsection (b) and subsection (d); by redesignating subsection (c) as subsection (b); and

(B) by adding at the end thereof the following new subsections:

"(c) (1) The Commission, before prescribing any rule or regulation under this section, shall transmit a statement with respect to such rule or regulation to the Senate or the House of Representatives, as the case may be, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

Proposed rules or regulations, statement, transmittal to Congress.

"(2) If the appropriate body of the Congress which receives a statement from the Commission under this subsection does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 30 legislative days after receipt of such statement, then the Commission may prescribe such rule or regulation. In the case of any rule or regulation proposed to deal with reports or

Presidential elections.

statements required to be filed under this title by a candidate for the office of President of the United States, and by political committees supporting such a candidate both the Senate and the House of Representatives shall have the power to disapprove such proposed rule or regulation. The Commission may not prescribe any rule or regulation which is disapproved under this paragraph.

Senatorial elections.

“(3) If the Commission proposes to prescribe any rule or regulation dealing with reports or statements required to be filed under this title by a candidate for the office of Senator, and by political committees supporting such candidate, it shall transmit such statement to the Senate. If the Commission proposes to prescribe any rule or regulation dealing with reports or statements required to be filed under this title by a candidate for the office of Representative, Delegate, or Resident Commissioner, and by political committees supporting such candidate, it shall transmit such statement to the House of Representatives. If the Commission proposes to prescribe any rule or regulation dealing with reports or statements required to be filed under this title by a candidate for the office of President of the United States, and by political committees supporting such candidate it shall transmit such statement to the House of Representatives and the Senate.

“(4) For purposes of this subsection, the term ‘legislative days’ does not include, with respect to statements transmitted to the Senate, any calendar day on which the Senate is not in session, and with respect to statements transmitted to the House of Representatives, any calendar day on which the House of Representatives is not in session, and with respect to statements transmitted to both such bodies, any calendar day on which both Houses of the Congress are not in session.

Rules and regulations.

“(d) (1) The Commission shall prescribe suitable rules and regulations to carry out the provisions of this title, including such rules and regulations as may be necessary to require that—

“(A) reports and statements required to be filed under this title by a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, and by political committees supporting such candidate, shall be received by the Clerk of the House of Representatives as custodian for the Commission;

“(B) reports and statements required to be filed under this title by a candidate for the office of Senator, and by political committees supporting such candidate, shall be received by the Secretary of the Senate as custodian for the Commission; and

“(C) the Clerk of the House of Representatives and the Secretary of the Senate, as custodians for the Commission, each shall make the reports and statements received by him available for public inspection and copying in accordance with paragraph (4) of subsection (a), and preserve such reports and statements in accordance with paragraph (5) of subsection (a).

Congressional cooperation.

“(2) It shall be the duty of the Clerk of the House of Representatives and the Secretary of the Senate to cooperate with the Commission in carrying out its duties under this Act and to furnish such services and facilities as may be required in accordance with this section.”

MISCELLANEOUS PROVISIONS

Ante, p. 1279.

SEC. 210. Title III of the Federal Election Campaign Act of 1971 is amended by inserting immediately after section 317 (as so redesignated by section 208(a) of this Act) the following new sections:

“USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

“SEC. 318. Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures, and any other amounts contributed to an individual for the purpose of supporting his activities as a holder of Federal office, may be used by such candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, may be contributed by him to any organization described in section 170(c) of the Internal Revenue Code of 1954, or may be used for any other lawful purpose. To the extent any such contribution, amount contributed, or expenditure thereof is not otherwise required to be disclosed under the provisions of this title, such contribution, amount contributed, or expenditure shall be fully disclosed in accordance with rules promulgated by the Commission. The Commission is authorized to prescribe such rules as may be necessary to carry out the provisions of this section.

2 USC 439a.

26 USC 170.

Rules.

“PROHIBITION OF FRANKED SOLICITATIONS

“SEC. 319. No Senator, Representative, Resident Commissioner, or Delegate shall make any solicitations of funds by a mailing under the frank under section 3210 of title 39, United States Code.

2 USC 439b.

“AUTHORIZATION OF APPROPRIATIONS

“SEC. 320. There are authorized to be appropriated to the Commission for the purpose of carrying out its functions under this Act, and under chapters 95 and 96 of the Internal Revenue Code of 1954, not to exceed \$5,000,000 for the fiscal year ending June 30, 1975.”

2 USC 439c.

TITLE III—GENERAL PROVISIONS

EFFECT ON STATE LAW

SEC. 301. Section 403 of the Federal Election Campaign Act of 1971, relating to effect on State law, is amended to read as follows:

2 USC 453.

“EFFECT ON STATE LAW

“SEC. 403. The provisions of this Act, and of rules prescribed under this Act, supersede and preempt any provision of State law with respect to election to Federal office.”

PERIOD OF LIMITATIONS; ENFORCEMENT

SEC. 302. Title IV of the Federal Election Campaign Act of 1971, relating to general provisions, is amended by redesignating section 406 as section 408 and by inserting immediately after section 405 the following new sections:

2 USC 431 note.

“PERIOD OF LIMITATIONS

“SEC. 406. (a) No person shall be prosecuted, tried, or punished for any violation of title III of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, unless the indictment is found or the information is instituted within 3 years after the date of the violation.

2 USC 455.

Ante, pp. 1263, 1268.



"(b) Notwithstanding any other provision of law—

"(1) the period of limitations referred to in subsection (a) shall apply with respect to violations referred to in such subsection committed before, on, or after the effective date of this section; and

"(2) no criminal proceeding shall be instituted against any person for any act or omission which was a violation of any provision of title III of this Act, or section 608, 610, 611, or 613 of title 18, United States Code, as in effect on December 31, 1974, if such act or omission does not constitute a violation of any such provision, as amended by the Federal Election Campaign Act Amendments of 1974.

Nothing in this subsection shall affect any proceeding pending in any court of the United States on the effective date of this section.

"ADDITIONAL ENFORCEMENT AUTHORITY

Ante, p. 1272.  
Ante, pp. 1263,  
1268.

2 USC 456.

"SEC. 407. (a) In any case in which the Commission, after notice and opportunity for a hearing on the record in accordance with section 554 of title 5, United States Code, makes a finding that a person who, while a candidate for Federal office, failed to file a report required by title III of this Act, and such finding is made before the expiration of the time within which the failure to file such report may be prosecuted as a violation of such title III, such person shall be disqualified from becoming a candidate in any future election for Federal office for a period of time beginning on the date of such finding and ending one year after the expiration of the term of the Federal office for which such person was a candidate.

"(b) Any finding by the Commission under subsection (a) shall be subject to judicial review in accordance with the provisions of chapter 7 of title 5, United States Code."

5 USC 701.

TITLE IV—AMENDMENTS TO OTHER LAWS;  
EFFECTIVE DATES

POLITICAL ACTIVITIES BY STATE AND LOCAL OFFICERS AND EMPLOYEES

SEC. 401. (a) Section 1502(a)(3) of title 5, United States Code (relating to influencing elections, taking part in political campaigns, prohibitions, exceptions), is amended to read as follows:

"(3) be a candidate for elective office."

(b) (1) Section 1503 of title 5, United States Code, relating to non-partisan political activity, is amended to read as follows:

"§ 1503. Nonpartisan candidacies permitted

"Section 1502(a)(3) of this title does not prohibit any State or local officer or employee from being a candidate in any election if none of the candidates is to be nominated or elected at such election as representing a party any of whose candidates for Presidential elector received votes in the last preceding election at which Presidential electors were selected."

(2) The table of sections for chapter 15 of title 5, United States Code, is amended by striking out the item relating to section 1503 and inserting in lieu thereof the following new item:

"1503. Nonpartisan candidacies permitted."

(c) Section 1501 of title 5, United States Code, relating to definitions, is amended—

(1) by striking out paragraph (5);

(2) in paragraph (3) thereof, by inserting "and" immediately after "Federal Reserve System;" and

(3) in paragraph (4) thereof, by striking out "; and" and inserting in lieu thereof a period.

REPEAL OF COMMUNICATIONS MEDIA EXPENDITURE LIMITATIONS

SEC. 402. (a) Section 315 of the Communications Act of 1934 (relating to candidates for public office; facilities; rules) is amended by striking out subsections (c), (d), and (e), and by redesignating subsections (f) and (g) as subsections (c) and (d), respectively.

(b) Section 315(c) of such Act (as so redesignated by subsection (a) of this section), relating to definitions, is amended to read as follows:

"(c) For purposes of this section—

"(1) the term 'broadcasting station' includes a community antenna television system; and

"(2) the terms 'licensee' and 'station licensee' when used with respect to a community antenna television system mean the operator of such system."

APPROPRIATIONS TO CAMPAIGN FUND

SEC. 403. (a) Section 9006(a) of the Internal Revenue Code of 1954 (relating to establishment of campaign fund) is amended—

(1) by striking out "as provided by appropriation Acts" and inserting in lieu thereof "from time to time"; and

(2) by adding at the end thereof the following new sentence: "There is appropriated to the fund for each fiscal year, out of amounts in the general fund of the Treasury not otherwise appropriated, an amount equal to the amounts so designated during each fiscal year, which shall remain available to the fund without fiscal year limitation."

(b) In addition to the amounts appropriated to the Presidential Election Campaign Fund established under section 9006 of the Internal Revenue Code of 1954 (relating to payments to eligible candidates) by the last sentence of subsection (a) of such section (as amended by subsection (a) of this section), there is appropriated to such fund an amount equal to the sum of the amounts designated for payment under section 6096 of such Code (relating to designation by individuals to the Presidential Election Campaign Fund) before January 1, 1975, not otherwise taken into account under the provisions of such section 9006, as amended by this section.

ENTITLEMENTS OF ELIGIBLE CANDIDATES TO PAYMENTS FROM  
PRESIDENTIAL ELECTION CAMPAIGN FUND

SEC. 404. (a) Subsection (a)(1) of section 9004 of the Internal Revenue Code of 1954 (relating to entitlement of eligible candidates to payments) is amended to read as follows:

"(1) The eligible candidates of each major party in a presidential election shall be entitled to equal payments under section 9006 in an amount which, in the aggregate, shall not exceed the expenditure limitations applicable to such candidates under section 608(c)(1)(B) of title 18, United States Code."

(b) (1) Subsection (a)(2)(A) of section 9004 of such Code (relating to entitlement of eligible candidates to payments) is amended by striking out "computed" and inserting in lieu thereof "allowed".

- 26 USC 9004. (2) The first sentence of subsection (a) (3) of section 9004 of such Code (relating to entitlement of eligible candidates to payments) is amended by striking out "computed" and inserting in lieu thereof "allowed".
- 26 USC 9002. (c) (1) Section 9002(3) of the Internal Revenue Code of 1954 (relating to the definition of "Comptroller General") is amended to read as follows:  
 " (3) The term 'Commission' means the Federal Election Commission established by section 310(a) (1) of the Federal Election Campaign Act of 1971."
- Ante, p. 1280. (2) Section 9002(1) of such Code (relating to the definition of "authorized committee") is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".
- (3) The third sentence of section 9002(11) of such Code (relating to the definition of "qualified campaign expense") is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".
- 26 USC 9003. (4) Section 9003(a) of such Code (relating to condition for eligibility for payments) is amended—  
 (A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and  
 (B) by striking out "he" each place it appears therein and inserting in lieu thereof "it".
- (5) Section 9003(b) of such Code (relating to major parties) and section 9003(c) of such Code (relating to minor and new parties) each are amended by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission".
- 26 USC 9005. (6) The heading for section 9005 of such Code (relating to certification by Comptroller General) is amended by striking out "COMPTROLLER GENERAL" and inserting in lieu thereof "COMMISSION".
- (7) Section 9005(b) of such Code (relating to finality of certifications and determinations) is amended—  
 (A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and  
 (B) by striking out "him" and inserting in lieu thereof "it".
- 26 USC 9006. (8) Section 9006(c) of such Code (relating to payments from the fund) and section 9006(d) of such Code (relating to insufficient amounts in fund) each are amended by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission".
- 26 USC 9007. (9) Section 9007(a) of such Code (relating to examinations and audits) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".
- (10) Section 9007(b) of such Code (relating to repayments) is amended—  
 (A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and  
 (B) by striking out "he" each place it appears therein and inserting in lieu thereof "it".
- (11) Section 9007(c) of such Code (relating to notification) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".
- 26 USC 9009. (12) Section 9009(a) of such Code (relating to reports) is amended—  
 (A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and  
 (B) by striking out "him" and inserting in lieu thereof "it".

- (13) Section 9009(b) of such Code (relating to regulations, etc.) is amended—  
 (A) by striking out "Comptroller General" and inserting in lieu thereof "Commission";  
 (B) by striking out "he" and inserting in lieu thereof "it"; and  
 (C) by striking out "him" and inserting in lieu thereof "it".
  - 26 USC 9010. (14) The heading for section 9010 of such Code (relating to participation by Comptroller General in judicial proceedings) is amended by striking out "COMPTROLLER GENERAL" and inserting in lieu thereof "COMMISSION".
  - (15) Section 9010(a) of such Code (relating to appearance by counsel) is amended—  
 (A) by striking out "Comptroller General" and inserting in lieu thereof "Commission";  
 (B) by striking out "his" and inserting in lieu thereof "its"; and  
 (C) by striking out "he" each place it appears therein and inserting in lieu thereof "it".
  - (16) Section 9010(b) of such Code (relating to recovery of certain payments) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".
  - (17) Section 9010(c) of such Code (relating to declaratory and injunctive relief) is amended by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission".
  - (18) Section 9010(d) of such Code (relating to appeal) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission" and by striking out "he" and inserting in lieu thereof "it".
  - 26 USC 9011. (19) The heading for subsection (a) of section 9011 of such Code (relating to review of certification, determination, or other action by the Comptroller General) is amended by striking out "COMPTROLLER GENERAL" and inserting in lieu thereof "COMMISSION".
  - (20) Section 9011(a) of such Code, as amended by paragraph (19) (relating to review of certification, determination, or other action by the Commission) is amended by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission".
  - (21) Section 9011(b) of such Code, (relating to suits to implement chapter) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".
  - 26 USC 9012. (22) Section 9012(d) (1) of such Code (relating to false statements, etc.) is amended—  
 (A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and  
 (B) by striking out "him" and inserting in lieu thereof "it".
- CERTIFICATION FOR PAYMENT BY COMMISSION
- SEC. 405. (a) Section 9005(a) of the Internal Revenue Code of 1954 (relating to initial certifications for eligibility for payments) is amended to read as follows:  
 "(a) INITIAL CERTIFICATIONS.—Not later than 10 days after the candidates of a political party for President and Vice President of the United States have met all applicable conditions for eligibility to receive payments under this chapter set forth in section 9003, the Commission shall certify to the Secretary for payment to such eligible candidates under section 9006 payment in full of amounts to which such candidates are entitled under section 9004."

Ante, p. 1292.

Ante, p. 1291.



26 USC 9003.

(b) Section 9003(a) of such Code (relating to general conditions for eligibility for payments) is amended—

- (1) by striking out "with respect to which payment is sought" in paragraph (1) and inserting in lieu thereof "of such candidates";
- (2) by inserting "and" at the end of paragraph (2);
- (3) by striking out "and" at the end of paragraph (3) and inserting in lieu thereof a period; and
- (4) by striking out paragraph (4).

FINANCING OF PRESIDENTIAL NOMINATING CONVENTIONS

26 USC 9008.

SEC. 406. (a) Chapter 95 of subtitle H of the Internal Revenue Code of 1954 (relating to the presidential election campaign fund) is amended by striking out section 9008 (relating to information on proposed expenses) and inserting in lieu thereof the following new section:

"SEC. 9008. PAYMENTS FOR PRESIDENTIAL NOMINATING CONVENTIONS.

Ante, p. 1291.

"(a) ESTABLISHMENT OF ACCOUNTS.—The Secretary shall maintain in the fund, in addition to any account which he maintains under section 9006(a), a separate account for the national committee of each major party and minor party. The Secretary shall deposit in each such account an amount equal to the amount which each such committee may receive under subsection (b). Such deposits shall be drawn from amounts designated by individuals under section 6096 and shall be made before any transfer is made to any account for any eligible candidate under section 9006(a).

26 USC 6096.

"(b) ENTITLEMENT TO PAYMENTS FROM THE FUND.—

"(1) MAJOR PARTIES.—Subject to the provisions of this section, the national committee of a major party shall be entitled to payments under paragraph (3), with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed \$2,000,000.

"(2) MINOR PARTIES.—Subject to the provisions of this section, the national committee of a minor party shall be entitled to payments under paragraph (3), with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed an amount which bears the same ratio to the amount the national committee of a major party is entitled to receive under paragraph (1) as the number of popular votes received by the candidate for President of the minor party, as such candidate, in the preceding presidential election bears to the average number of popular votes received by the candidates for President of the United States of the major parties in the preceding presidential election.

"(3) PAYMENTS.—Upon receipt of certification from the Commission under subsection (g), the Secretary shall make payments from the appropriate account maintained under subsection (a) to the national committee of a major party or minor party which elects to receive its entitlement under this subsection. Such payments shall be available for use by such committee in accordance with the provisions of subsection (c).

"(4) LIMITATION.—Payments to the national committee of a major party or minor party under this subsection from the account designated for such committee shall be limited to the amounts in such account at the time of payment.

"(5) ADJUSTMENT OF ENTITLEMENTS.—The entitlements established by this subsection shall be adjusted in the same manner as expenditure limitations established by section 608(c) and section 608(f) of title 18, United States Code, are adjusted pursuant to the provisions of section 608(d) of such title.

Ante, pp. 1264, 1265.

"(c) USE OF FUNDS.—No part of any payment made under subsection (b) shall be used to defray the expenses of any candidate or delegate who is participating in any presidential nominating convention. Such payments shall be used only—

"(1) to defray expenses incurred with respect to a presidential nominating convention (including the payment of deposits) by or on behalf of the national committee receiving such payments; or

"(2) to repay loans the proceeds of which were used to defray such expenses, or otherwise to restore funds (other than contributions to defray such expenses received by such committee) used to defray such expenses.

"(d) LIMITATION OF EXPENDITURES.—

"(1) MAJOR PARTIES.—Except as provided by paragraph (3), the national committee of a major party may not make expenditures with respect to a presidential nominating convention which, in the aggregate, exceed the amount of payments to which such committee is entitled under subsection (b) (1).

"(2) MINOR PARTIES.—Except as provided by paragraph (3), the national committee of a minor party may not make expenditures with respect to a presidential nominating convention which, in the aggregate, exceed the amount of the entitlement of the national committee of a major party under subsection (b) (1).

"(3) EXCEPTION.—The Commission may authorize the national committee of a major party or minor party to make expenditures which, in the aggregate, exceed the limitation established by paragraph (1) or paragraph (2) of this subsection. Such authorization shall be based upon a determination by the Commission that, due to extraordinary and unforeseen circumstances, such expenditures are necessary to assure the effective operation of the presidential nominating convention by such committee.

"(e) AVAILABILITY OF PAYMENTS.—The national committee of a major party or minor party may receive payments under subsection (b) (3) beginning on July 1 of the calendar year immediately preceding the calendar year in which a presidential nominating convention of the political party involved is held.

"(f) TRANSFER TO THE FUND.—If, after the close of a presidential nominating convention and after the national committee of the political party involved has been paid the amount which it is entitled to receive under this section, there are moneys remaining in the account of such national committee, the Secretary shall transfer the moneys so remaining to the fund.

"(g) CERTIFICATION BY COMMISSION.—Any major party or minor party may file a statement with the Commission in such form and manner and at such times as it may require, designating the national committee of such party. Such statement shall include the information required by section 303(b) of the Federal Election Campaign Act of 1971, together with such additional information as the Commission may require. Upon receipt of a statement filed under the preceding sentences, the Commission promptly shall verify such statement according to such procedures and criteria as it may establish and shall certify to the Secretary for payment in full to any such committee of amounts to which such committee may be entitled under subsection (b). Such certifications shall be subject to an examination and audit which the Commission shall conduct no later than December 31 of the calen-

2 USC 433.

Examination and audit.



dar year in which the presidential nominating convention involved is held.

"(h) REPAYMENTS.—The Commission shall have the same authority to require repayments from the national committee of a major party or a minor party as it has with respect to repayments from any eligible candidate under section 9007(b). The provisions of section 9007(c) and section 9007(d) shall apply with respect to any repayment required by the Commission under this subsection."

(b)(1) Section 9009(a) of such Code (relating to reports) is amended by striking out "and" in paragraph (2) thereof; by striking out the period at the end of paragraph (3) thereof and inserting in lieu thereof "; and"; and by adding at the end thereof the following new paragraphs:

"(4) the expenses incurred by the national committee of a major party or minor party with respect to a presidential nominating convention;

"(5) the amounts certified by it under section 9008(g) for payment to each such committee; and

"(6) the amount of payments, if any, required from such committees under section 9008(h), and the reasons for each such payment."

(2) The heading for section 9012(a) of such Code (relating to excess campaign expenses) is amended by striking out "CAMPAIGN".

(3) Section 9012(a)(1) by such Code (relating to excess expenses) is amended by adding at the end thereof the following new sentence: "It shall be unlawful for the national committee of a major party or minor party knowingly and willfully to incur expenses with respect to a presidential nominating convention in excess of the expenditure limitation applicable with respect to such committee under section 9008(d), unless the incurring of such expenses is authorized by the Commission under section 9008(d)(3)."

(4) Section 9012(c) of such Code (relating to unlawful use of payments) is amended by redesignating paragraph (2) as paragraph (3) and by inserting immediately after paragraph (1) the following new paragraph:

"(2) It shall be unlawful for the national committee of a major party or minor party which receives any payment under section 9008(b)(3) to use, or authorize the use of, such payment for any purpose other than a purpose authorized by section 9008(c)."

(5) Section 9012(e)(1) of such Code (relating to kickbacks and illegal payments) is amended by adding at the end thereof the following new sentence: "It shall be unlawful for the national committee of a major party or minor party knowingly and willfully to give or accept any kickback or any illegal payment in connection with any expense incurred by such committee with respect to a presidential nominating convention."

(6) Section 9012(e)(3) of such Code (relating to kickbacks and illegal payments) is amended by inserting immediately after "their authorized committees" the following: ", or in connection with any expense incurred by the national committee of a major party or minor party with respect to a presidential nominating convention."

(c) The table of sections for chapter 95 of subtitle H of such Code (relating to the presidential election campaign fund) is amended by striking out the item relating to section 9008 and inserting in lieu thereof the following new item:

"SEC. 9008. Payments for presidential nominating conventions."

(d) Section 276 of such Code (relating to certain indirect contributions to political parties) is amended by striking out subsection (c) and by redesignating subsection (d) as subsection (c).

26 USC 9007.

Reports to Congress.  
26 USC 9009.

Ante, p. 1294.

26 USC 9012.

Excess expenses.

Unlawful use of payments.

Kickbacks and illegal payments.

26 USC 276.

## TAX RETURNS BY POLITICAL COMMITTEES

SEC. 407. Section 6012(a) of the Internal Revenue Code of 1954 (relating to persons required to make returns of income) is amended by adding at the end thereof the following new sentence: "The Secretary or his delegate shall, by regulation, exempt from the requirement of making returns under this section any political committee (as defined in section 301(d) of the Federal Election Campaign Act of 1971) having no gross income for the taxable year."

26 USC 6012.

Ante, p. 1272.

## PRESIDENTIAL PRIMARY MATCHING PAYMENT ACCOUNT

SEC. 408. (a) The analysis of subtitles at the beginning of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

"Subtitle H. Financing of Presidential election campaigns."

(b) The analysis of chapters at the beginning of subtitle H of such Code is amended by striking out the item relating to chapter 96 and inserting in lieu thereof the following:

"Chapter 96. Presidential Primary Matching Payment Account."

(c) Subtitle H of such Code is amended by striking out chapter 96, relating to Presidential Election Campaign Fund Advisory Board, and inserting in lieu thereof the following new chapter:

26 USC 9021.

### "CHAPTER 96—PRESIDENTIAL PRIMARY MATCHING PAYMENT ACCOUNT

"Sec. 9031. Short title.

"Sec. 9032. Definitions.

"Sec. 9033. Eligibility for payments.

"Sec. 9034. Entitlement of eligible candidates to payments.

"Sec. 9035. Qualified campaign expense limitation.

"Sec. 9036. Certification by Commission.

"Sec. 9037. Payments to eligible candidates.

"Sec. 9038. Examinations and audits; repayments.

"Sec. 9039. Reports to Congress; regulations.

"Sec. 9040. Participation by Commission in judicial proceedings.

"Sec. 9041. Judicial review.

"Sec. 9042. Criminal penalties.

#### "SEC. 9031. SHORT TITLE.

"This chapter may be cited as the 'Presidential Primary Matching Payment Account Act'.

#### "SEC. 9032. DEFINITIONS.

"FOR PURPOSES OF THIS CHAPTER—

"(1) The term 'authorized committee' means, with respect to the candidates of a political party for President and Vice President of the United States, any political committee which is authorized in writing by such candidates to incur expenses to further the election of such candidates. Such authorization shall be addressed to the chairman of such political committee, and a copy of such authorization shall be filed by such candidates with the Commission. Any withdrawal of any authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.

"(2) The term 'candidate' means an individual who seeks nomination for election to be President of the United States. For purposes of this paragraph, an individual shall be considered to

Presidential Primary Matching Payment Account Act.



seek nomination for election if he (A) takes the action necessary under the law of a State to qualify himself for nomination for election, (B) receives contributions or incurs qualified campaign expenses, or (C) gives his consent for any other person to receive contributions or to incur qualified campaign expenses on his behalf.

"(3) The term 'Commission' means the Federal Election Commission established by section 310(a)(1) of the Federal Election Campaign Act of 1971.

"(4) Except as provided by section 9034(a), the term 'contribution'—

"(A) means a gift, subscription, loan, advance, or deposit of money, or anything of value, the payment of which was made on or after the beginning of the calendar year immediately preceding the calendar year of the presidential election with respect to which such gift, subscription, loan, advance, or deposit of money, or anything of value, is made, for the purpose of influencing the result of a primary election,

"(B) means a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose,

"(C) means funds received by a political committee which are transferred to that committee from another committee, and

"(D) means the payment by any person other than a candidate, or his authorized committee, of compensation for the personal services of another person which are rendered to the candidate or committee without charge, but

"(E) does not include—

"(i) except as provided in subparagraph (D), the value of personal services rendered to or for the benefit of a candidate by an individual who receives no compensation for rendering such service to or for the benefit of the candidate, or

"(ii) payments under section 9037.

"(5) The term 'matching payment account' means the Presidential Primary Matching Payment Account established under section 9037(a).

"(6) The term 'matching payment period' means the period beginning with the beginning of the calendar year in which a general election for the office of President of the United States will be held and ending on the date on which the national convention of the party whose nomination a candidate seeks nominates its candidate for the office of President of the United States, or, in the case of a party which does not make such nomination by national convention, ending on the earlier of (A) the date such party nominates its candidate for the office of President of the United States, or (B) the last day of the last national convention held by a major party during such calendar year.

"(7) The term 'primary election' means an election, including a runoff election or a nominating convention or caucus held by a political party, for the selection of delegates to a national nominating convention of a political party, or for the expression of a preference for the nomination of persons for election to the office of President of the United States.

"(8) The term 'political committee' means any individual, committee, association, or organization (whether or not incorporated) which accepts contributions or incurs qualified campaign expenses for the purpose of influencing, or attempting to influence, the

Ante, p. 1280.

Post, p. 1299.

Post, p. 1300.

nomination of any person for election to the office of President of the United States.

"(9) The term 'qualified campaign expense' means a purchase, payment, distribution, loan, advance, deposit, or gift of money or of anything of value—

"(A) incurred by a candidate, or by his authorized committee, in connection with his campaign for nomination for election, and

"(B) neither the incurring nor payment of which constitutes a violation of any law of the United States or of the State in which the expense is incurred or paid.

For purposes of this paragraph, an expense is incurred by a candidate or by an authorized committee if it is incurred by a person specifically authorized in writing by the candidate or committee, as the case may be, to incur such expense on behalf of the candidate or the committee.

"(10) The term 'State' means each State of the United States and the District of Columbia.

**"SEC. 9033. ELIGIBILITY FOR PAYMENTS.**

"(a) **CONDITIONS.**—To be eligible to receive payments under section 9037, a candidate shall, in writing—

"(1) agree to obtain and furnish to the Commission any evidence it may request of qualified campaign expenses,

"(2) agree to keep and furnish to the Commission any records, books, and other information it may request, and

"(3) agree to an audit and examination by the Commission under section 9038 and to pay any amounts required to be paid under such section.

"(b) **EXPENSE LIMITATION; DECLARATION OF INTENT; MINIMUM CONTRIBUTIONS.**—To be eligible to receive payments under section 9037, a candidate shall certify to the Commission that—

"(1) the candidate and his authorized committees will not incur qualified campaign expenses in excess of the limitation on such expenses under section 9035,

"(2) the candidate is seeking nomination by a political party for election to the office of President of the United States,

"(3) the candidate has received matching contributions which in the aggregate, exceed \$5,000 in contributions from residents of each of at least 20 States, and

"(4) the aggregate of contributions certified with respect to any person under paragraph (3) does not exceed \$250.

**"SEC. 9034. ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS.**

"(a) **IN GENERAL.**—Every candidate who is eligible to receive payments under section 9033 is entitled to payments under section 9037 in an amount equal to the amount of each contribution received by such candidate on or after the beginning of the calendar year immediately preceding the calendar year of the presidential election with respect to which such candidate is seeking nomination, or by his authorized committees, disregarding any amount of contributions from any person to the extent that the total of the amounts contributed by such person on or after the beginning of such preceding calendar year exceeds \$250. For purposes of this subsection and section 9033(b), the term 'contribution' means a gift of money made by a written instrument which identifies the person making the contribution by full name and mailing address, but does not include a subscription, loan, advance, or deposit of money, or anything of value or anything described in subparagraph (B), (C), or (D) of section 9032(4).

Post, p. 1300.

"Contribution."

"(b) LIMITATIONS.—The total amount of payments to which a candidate is entitled under subsection (a) shall not exceed 50 percent of the expenditure limitation applicable under section 608(c)(1)(A) of title 18, United States Code.

**"SEC. 9035. QUALIFIED CAMPAIGN EXPENSE LIMITATION.**

"No candidate shall knowingly incur qualified campaign expenses in excess of the expenditure limitation applicable under section 608(c)(1)(A) of title 18, United States Code.

**"SEC. 9036. CERTIFICATION BY COMMISSION.**

"(a) INITIAL CERTIFICATIONS.—Not later than 10 days after a candidate establishes his eligibility under section 9033 to receive payments under section 9037, the Commission shall certify to the Secretary for payment to such candidate under section 9037 payment in full of amounts to which such candidate is entitled under section 9034. The Commission shall make such additional certifications as may be necessary to permit candidates to receive payments for contributions under section 9037.

"(b) FINALITY OF DETERMINATIONS.—Initial certifications by the Commission under subsection (a), and all determinations made by it under this chapter, are final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 9038 and judicial review under section 9041.

**"SEC. 9037. PAYMENTS TO ELIGIBLE CANDIDATES.**

"(a) ESTABLISHMENT OF ACCOUNT.—The Secretary shall maintain in the Presidential Election Campaign Fund established by section 9006(a), in addition to any account which he maintains under such section, a separate account to be known as the Presidential Primary Matching Payment Account. The Secretary shall deposit into the matching payment account, for use by the candidate of any political party who is eligible to receive payments under section 9033, the amount available after the Secretary determines that amounts for payments under section 9006(c) and for payments under section 9008(b)(3) are available for such payments.

"(b) PAYMENTS FROM THE MATCHING PAYMENT ACCOUNT.—Upon receipt of a certification from the Commission under section 9036, but not before the beginning of the matching payment period, the Secretary or his delegate shall promptly transfer the amount certified by the Commission from the matching payment account to the candidate. In making such transfers to candidates of the same political party, the Secretary or his delegate shall seek to achieve an equitable distribution of funds available under subsection (a), and the Secretary or his delegate shall take into account, in seeking to achieve an equitable distribution, the sequence in which such certifications are received.

**"SEC. 9038. EXAMINATIONS AND AUDITS; REPAYMENTS.**

"(a) EXAMINATIONS AND AUDITS.—After each matching payment period, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees who received payments under section 9037.

**"(b) REPAYMENTS.—**

"(1) If the Commission determines that any portion of the payments made to a candidate from the matching payment account was in excess of the aggregate amount of payments to which such candidate was entitled under section 9034, it shall notify the candidate, and the candidate shall pay to the Secretary or his delegate an amount equal to the amount of excess payments.

"(2) If the Commission determines that any amount of any payment made to a candidate from the matching payment account was used for any purpose other than—

"(A) to defray the qualified campaign expenses with respect to which such payment was made, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses,

it shall notify such candidate of the amount so used, and the candidate shall pay to the Secretary or his delegate an amount equal to such amount.

"(3) Amounts received by a candidate from the matching payment account may be retained for the liquidation of all obligations to pay qualified campaign expenses incurred for a period not exceeding 6 months after the end of the matching payment period. After all obligations have been liquidated, that portion of any unexpended balance remaining in the candidate's accounts which bears the same ratio to the total unexpended balance as the total amount received from the matching payment account bears to the total of all deposits made into the candidate's accounts shall be promptly repaid to the matching payment account.

"(c) NOTIFICATION.—No notification shall be made by the Commission under subsection (b) with respect to a matching payment period more than 3 years after the end of such period.

"(d) DEPOSIT OF REPAYMENTS.—All payments received by the Secretary or his delegate under subsection (b) shall be deposited by him in the matching payment account.

**"SEC. 9039. REPORTS TO CONGRESS; REGULATIONS.**

"(a) REPORTS.—The Commission shall, as soon as practicable after each matching payment period, submit a full report to the Senate and House of Representatives setting forth—

"(1) the qualified campaign expenses (shown in such detail as the Commission determines necessary) incurred by the candidates of each political party and their authorized committees,

"(2) the amounts certified by it under section 9036 for payment to each eligible candidate, and

"(3) the amount of payments, if any, required from candidates under section 9038, and the reasons for each payment required. Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) REGULATIONS, ETC.—The Commission is authorized to prescribe rules and regulations in accordance with the provisions of subsection (c), to conduct examinations and audits (in addition to the examinations and audits required by section 9038(a)), to conduct investigations, and to require the keeping and submission of any books, records, and information, which it determines to be necessary to carry out its responsibilities under this chapter.

**"(c) REVIEW OF REGULATIONS.—**

"(1) The Commission, before prescribing any rule or regulation under subsection (b), shall transmit a statement with respect to such rule or regulation to the Senate and to the House of Representatives, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

"(2) For purposes of this subsection, the term 'rule or regulation'



"(2) If either such House does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 30 legislative days after receipt of such statement, then the Commission may prescribe such rule or regulation. The Commission may not prescribe any rule or regulation which is disapproved by either such House under this paragraph.

"(3) For purposes of this subsection, the term 'legislative days' does not include any calendar day on which both Houses of the Congress are not in session.

**"SEC. 9040. PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS.**

"(a) **APPEARANCE BY COUNSEL.**—The Commission is authorized to appear in and defend against any action instituted under this section, either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) **RECOVERY OF CERTAIN PAYMENTS.**—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary or his delegate as a result of an examination and audit made pursuant to section 9038.

"(c) **INJUNCTIVE RELIEF.**—The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for such injunctive relief as is appropriate to implement any provision of this chapter.

"(d) **APPEAL.**—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

**"SEC. 9041. JUDICIAL REVIEW.**

"(a) **REVIEW OF AGENCY ACTION BY THE COMMISSION.**—Any agency action by the Commission made under the provisions of this chapter shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within 30 days after the agency action by the Commission for which review is sought.

"(b) **REVIEW PROCEDURES.**—The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551(13) of title 5, United States Code, by the Commission.

**"SEC. 9042. CRIMINAL PENALTIES.**

"(a) **EXCESS CAMPAIGN EXPENSES.**—Any person who violates the provisions of section 9035 shall be fined not more than \$25,000, or imprisoned not more than 5 years, or both. Any officer or member of any political committee who knowingly consents to any expenditure in violation of the provisions of section 9035 shall be fined not more than \$25,000, or imprisoned not more than 5 years, or both.

"(b) **UNLAWFUL USE OF PAYMENTS.**—

"(1) It is unlawful for any person who receives any payment under section 9037, or to whom any portion of any such payment is transferred, knowingly and willfully to use, or authorize the use of, such payment or such portion for any purpose other than—

"(A) to defray qualified campaign expenses, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both.

"(c) **FALSE STATEMENTS, ETC.**—

"(1) It is unlawful for any person knowingly and willfully—  
 "(A) to furnish any false, fictitious, or fraudulent evidence, books, or information to the Commission under this chapter, or to include in any evidence, books, or information so furnished any misrepresentation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Commission or an examination and audit by the Commission under this chapter, or

"(B) to fail to furnish to the Commission any records, books, or information requested by it for purposes of this chapter.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both.

"(d) **KICKBACKS AND ILLEGAL PAYMENTS.**—

"(1) It is unlawful for any person knowingly and willfully to give or accept any kickback or any illegal payment in connection with any qualified campaign expense of a candidate, or his authorized committees, who receives payments under section 9037.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both.

"(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickback or illegal payment in connection with any qualified campaign expense of a candidate or his authorized committees shall pay to the Secretary for deposit in the matching payment account, an amount equal to 125 percent of the kickback or payment received."

**REVIEW OF REGULATIONS**

SEC. 409. (a) Section 9009 of the Internal Revenue Code of 1954 26 USC 9009. (relating to reports to Congress; regulations) is amended by adding at the end thereof the following new subsection:

"(c) **REVIEW OF REGULATIONS.**—

"(1) The Commission, before prescribing any rule or regulation under subsection (b), shall transmit a statement with respect to such rule or regulation to the Senate and to the House of Representatives, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

"(2) If either such House does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 30 legislative days after receipt of such statement, then the Commission may prescribe such rule or regulation. The Commission may not prescribe any rule or regulation which is disapproved by either such House under this paragraph.

"(3) For purposes of this subsection, the term 'legislative days' "Legislative days."

does not include any calendar day on which both Houses of the Congress are not in session.”

26 USC 9009.

(b) Section 9009(b) of such Code (relating to regulations, etc.) is amended by inserting “in accordance with the provisions of subsection (c)” immediately after “regulations”.

EFFECTIVE DATES

2 USC 431 note.

SEC. 410. (a) Except as provided by subsection (b) and subsection (c), the foregoing provisions of this Act shall become effective January 1, 1975.

Ante, p. 1272.

(b) Section 104 and the amendment made by section 301 shall become effective on the date of the enactment of this Act.

Ante, pp. 1291-1294, 1297, 1303.

(c) (1) The amendments made by sections 403(a), 404, 405, 406, 408, and 409 shall apply with respect to taxable years beginning after December 31, 1974.

Ante, p. 1297.

(2) The amendment made by section 407 shall apply with respect to taxable years beginning after December 31, 1971.

Approved October 15, 1974.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 93-1239 accompanying H.R. 16090 (Comm. on House Administration) and No. 93-1438 (Comm. of Conference).

SENATE REPORTS: No. 93-689 (Comm. on Rules and Administration) and No. 93-1237 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 120 (1974):

Mar. 26, 27, 29, Apr. 1-5, 8-11, considered and passed Senate.

Aug. 7, 8, considered and passed House, amended, in lieu of H.R. 16090.

Oct. 8, Senate agreed to conference report.

Oct. 10, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 10, No. 42:

Oct. 15, Presidential statement.





Public Law 94-283  
 94th Congress, S. 3065  
 May 11, 1976

## An Act

To amend the Federal Election Campaign Act of 1971 to provide that members of the Federal Election Commission shall be appointed by the President, by and with the advice and consent of the Senate, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Election Campaign Act Amendments of 1976".

### TITLE I—AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971

#### FEDERAL ELECTION COMMISSION MEMBERSHIP

SEC. 101. (a) (1) The second sentence of section 309(a) (1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(a) (1)), as redesignated by section 105 (hereinafter in this Act referred to as the "Act"), is amended to read as follows: "The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives, ex officio and without the right to vote, and 6 members appointed by the President of the United States, by and with the advice and consent of the Senate."

(2) The last sentence of section 309(a) (1) of the Act (2 U.S.C. 437c(a) (1)), as redesignated by section 105, is amended to read as follows: "No more than 3 members of the Commission appointed under this paragraph may be affiliated with the same political party."

(b) Section 309(a) (2) of the Act (2 U.S.C. 437c(a) (2)), as redesignated by section 105, is amended to read as follows:

"(2) (A) Members of the Commission shall serve for terms of 6 years, except that of the members first appointed—

"(i) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1977;

"(ii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1979; and

"(iii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1981.

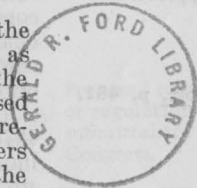
"(B) A member of the Commission may serve on the Commission after the expiration of his term until his successor has taken office as a member of the Commission.

"(C) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds.

"(D) Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment."

(c) (1) Section 309(a) (3) of the Act (2 U.S.C. 437c(a) (3)), as redesignated by section 105, is amended by adding at the end thereof

Federal Election Campaign Act Amendments of 1976. 2 USC 431 note.



Limitation.

Term.

Vacancies.

Conflict of interest.

the following new sentences: "Members of the Commission shall not engage in any other business, vocation, or employment. Any individual who is engaging in any other business, vocation, or employment at the time such individual begins to serve as a member of the Commission shall terminate or liquidate such activity no later than 1 year after beginning to serve as such a member."

(2) Section 309(b) of the Act (2 U.S.C. 437c(b)), as redesignated by section 105, is amended to read as follows:

"(b) (1) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to, this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954. The Commission shall have exclusive primary jurisdiction with respect to the civil enforcement of such provisions.

"(2) Nothing in this Act shall be construed to limit, restrict, or diminish any investigatory, informational, oversight, supervisory, or disciplinary authority or function of the Congress or any committee of the Congress with respect to elections for Federal office."

(3) The first sentence of section 309(c) of the Act (2 U.S.C. 437c(c)), as redesignated by section 105, is amended by inserting immediately before the period at the end thereof the following: "except that the affirmative vote of 4 members of the Commission shall be required in order for the Commission to establish guidelines for compliance with the provisions of this Act or with chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or for the Commission to take any action in accordance with paragraph (6), (7), (8), or (10) of section 310(a)".

(d) The last sentence of section 309(f) (1) of the Act (2 U.S.C. 437c(f) (1)), as redesignated by section 105, is amended by inserting immediately before the period the following: "without regard to the provisions of title 5, United States Code, governing appointments in the competitive service"

(e) (1) The President shall appoint members of the Federal Election Commission under section 309(a) of the Act (2 U.S.C. 437c(a)), as redesignated by section 105 and as amended by this section, as soon as practicable after the date of the enactment of this Act.

(2) The first appointments made by the President under section 309(a) of the Act (2 U.S.C. 437c(a)), as redesignated by section 105 and as amended by this section, shall not be considered to be appointments to fill the unexpired terms of members serving on the Federal Election Commission on the date of the enactment of this Act.

(3) Members serving on the Federal Election Commission on the date of the enactment of this Act may continue to serve as such members until new members are appointed and qualified under section 309(a) of the Act (2 U.S.C. 437c(a)), as redesignated by section 105 and as amended by this section, except that until appointed and qualified under this Act, members serving on such Commission on such date of enactment may, beginning on March 23, 1976, exercise only such powers and functions as may be consistent with the determinations of the Supreme Court of the United States in Buckley et al. against Valeo, Secretary of the United States Senate, et al. (numbered 75-436, 75-437) January 30, 1976.

(f) The provisions of section 309(a) (3) of the Act (2 U.S.C. 437c(a) (3)), as redesignated by section 105, which prohibit any individual from being appointed as a member of the Federal Election Commission who is, at the time of his appointment, an elected or appointed officer or employee of the executive, legislative, or judicial branch of the Federal Government, shall not apply in the case of any individual

26 USC 9001, 9031. Jurisdiction.

Guidelines, approval.

Post, p. 481.

Presidential appointments, 2 USC 437c note.

serving as a member of such Commission on the date of the enactment of this Act.

(g) (1) All personnel, liabilities, contracts, property, and records determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Federal Election Commission under title III of the Act as such title existed on January 1, 1976, or under any other provision of law, are transferred to such Commission as constituted under the amendments made by this Act to the Federal Election Campaign Act of 1971.

(2) (A) Except as provided in subparagraph (B), personnel engaged in functions transferred under paragraph (1) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions.

(B) The transfer of personnel pursuant to paragraph (1) shall be without reduction in classification or compensation for 1 year after such transfer.

(3) All laws relating to the functions transferred under this Act shall, insofar as such laws are applicable and not amended by this Act, remain in full force and effect. All orders, determinations, rules, and opinions made, issued, or granted by the Federal Election Commission before its reconstitution under the amendments made by this Act which are in effect at the time of the transfer provided by paragraph (1), and which are consistent with the amendments made by this Act, shall continue in effect to the same extent as if such transfer had not occurred. Any rule or regulation proposed by such Commission before the date of the enactment of this Act shall be prescribed by such Commission only if, after such date of enactment, the rule or regulation is submitted to the Senate or the House of Representatives, as the case may be, in accordance with the provisions of section 315(c) of the Act (as redesignated by section 105), and it is not disapproved by the appropriate House of the Congress.

(4) The provisions of this Act shall not affect any proceeding pending before the Federal Election Commission on the date of the enactment of this Act.

(5) No suit, action, or other proceeding commenced by or against the Federal Election Commission or any officer or employee thereof acting in his official capacity shall abate by reason of the transfer made under paragraph (1). The court before which such suit, action, or other proceeding is pending may, on motion or supplemental petition filed at any time within 12 months after the date of the enactment of this Act, allow such suit, action, or other proceeding to be maintained against the Federal Election Commission if the party making the motion or filing the petition shows a necessity for the survival of the suit, action, or other proceeding to obtain a settlement of the question involved.

(6) Any reference in any other Federal law to the Federal Election Commission, or to any member or employee thereof, as such Commission existed under the Federal Election Campaign Act of 1971 before its amendment by this Act shall be held and considered to refer to the Federal Election Commission, or the members or employees thereof, as such Commission exists under the Federal Election Campaign Act of 1971 as amended by this Act.

Transfer of functions.

2 USC 431.

2 USC 431 note.

Savings provision.

Proposed rules or regulations, submittal to Congress.

2 USC 437h.

2 USC 431 note.



CHANGES IN DEFINITIONS

SEC. 102. (a) Section 301(a)(2) of the Act (2 U.S.C. 431(a)(2)) is amended by striking out "held to" and inserting in lieu thereof "which has authority to".

(b) Section 301(e)(2) of the Act (2 U.S.C. 431(e)(2)) is amended by inserting "written" immediately before "contract" and by striking out "expressed or implied".

(c) Section 301(e)(4) of the Act (2 U.S.C. 431(e)(4)) is amended by inserting after "purpose" the following: "except that this paragraph shall not apply in the case of legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), other than services attributable to activities which directly further the election of a designated candidate or candidates to Federal office, nor shall this paragraph apply in the case of legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of insuring compliance with the provisions of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954 (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), but amounts paid or incurred for such legal or accounting services shall be reported in accordance with the requirements of section 304(b)".

(d) Section 301(e)(5) of the Act (2 U.S.C. 431(e)(5)) is amended—

- (1) by striking out "or" at the end of clause (E), and
- (2) by inserting after clause (F) the following new clauses:

"(G) a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business, but such loans—

"(i) shall be reported in accordance with the requirements of section 304(b); and

"(ii) shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors; or

"(H) a gift, subscription, loan, advance, or deposit of money or anything of value to a national committee of a political party or a State committee of a political party which is specifically designated for the purpose of defraying any cost incurred with respect to the construction or purchase of any office facility which is not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office, except that any such gift, subscription, loan, advance, or deposit of money or anything of value, and any such cost, shall be reported in accordance with section 304(b); or

"(I) any honorarium (within the meaning of section 328);"

(e) Section 301(e)(5) of the Act (2 U.S.C. 431(e)(5)), as amended by subsection (d), is amended by striking out "individual" where it appears after clause (I) and inserting in lieu thereof "person".

(f) Section 301(f)(4) of the Act (2 U.S.C. 431(f)(4)) is amended—

- (1) by inserting before the semicolon in clause (C) the following: "except that the costs incurred by a membership organization, including a labor organization, or by a corporation, directly

attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate) shall, if those costs exceed \$2,000 per election, be reported to the Commission";

- (2) by striking out "or" at the end of clause (F) and at the end of clause (G); and

- (3) by inserting immediately after clause (H) the following new clauses:

"(I) any costs incurred by a candidate in connection with the solicitation of contributions by such candidate, except that this clause shall not apply with respect to costs incurred by a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 320(b), but all such costs shall be reported in accordance with section 304(b);

"(J) the payment, by any person other than a candidate or political committee, of compensation for legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), other than services attributable to activities which directly further the election of a designated candidate or candidates to Federal office, or the payment for legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of insuring compliance with the provisions of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954 (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), but amounts paid or incurred for such legal or accounting services shall be reported under section 304(b); or

"(K) a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business, but such loan shall be reported in accordance with section 304(b);"

(g) Section 301 of the Act (2 U.S.C. 431) is amended—

- (1) by striking out "and" at the end of paragraph (m);
- (2) by striking out the period at the end of paragraph (n) and inserting in lieu thereof a semicolon; and
- (3) by adding at the end thereof the following new paragraphs:

"(o) 'Act' means the Federal Election Campaign Act of 1971 as amended by the Federal Election Campaign Act Amendments of 1974 and the Federal Election Campaign Act Amendments of 1976;

"(p) 'independent expenditure' means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate or any authorized committee or agent of such candidate and which is not made in concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; and

"(q) 'clearly identified' means that (1) the name of the candidate appears; (2) a photograph or drawing of the candidate appears; or (3) the identity of the candidate is apparent by unambiguous reference."

Post, p. 487,  
2 USC 434.

26 USC 9001,  
9031.

Definitions.

2 USC 431  
note.

26 USC 9001,  
9031.

2 USC 434.

Post, p. 494.

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 103. (a) Section 302(b) of the Act (2 U.S.C. 432(b)) is amended by striking out "\$10" and inserting in lieu thereof "\$50".

(b) Section 302(c) (2) of the Act (2 U.S.C. 432(c) (2)) is amended by striking out "\$10" and inserting in lieu thereof "\$50".

(c) Section 302 of the Act (2 U.S.C. 432) is amended by striking out subsection (e) and by redesignating subsection (f) as subsection (e).

(d) Section 302(e) (1) of the Act, as redesignated by subsection (c), is amended by adding at the end thereof the following new sentence: "Any occasional, isolated, or incidental support of a candidate shall not be construed as support of such candidate for purposes of the preceding sentence."

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 104. (a) Section 304(a) (1) of the Act (2 U.S.C. 434(a) (1)) is amended by adding at the end of subparagraph (C) the following new sentence: "In any year in which a candidate is not on the ballot for election to Federal office, such candidate and his authorized committees shall only be required to file such reports not later than the tenth day following the close of any calendar quarter in which the candidate and his authorized committees received contributions or made expenditures, or both, the total amount of which, taken together, exceed \$5,000, and such reports shall be complete as of the close of such calendar quarter; except that any such report required to be filed after December 31 of any calendar year with respect to which a report is required to be filed under subparagraph (B) shall be filed as provided in such subparagraph."

(b) Section 304(a) (2) of the Act (2 U.S.C. 434(a) (2)) is amended to read as follows:

"(2) Each treasurer of a political committee authorized by a candidate to raise contributions or make expenditures on his behalf, other than the candidate's principal campaign committee, shall file the reports required under this section with the candidate's principal campaign committee."

(c) Section 304(b) of the Act (2 U.S.C. 434(b)) is amended—

(1) by striking out "and" at the end of paragraph (12);

(2) by redesignating paragraph (13) as paragraph (14);

(3) by inserting immediately after paragraph (12) the following new paragraph:

"(13) in the case of an independent expenditure in excess of \$100 by a political committee, other than an authorized committee of a candidate, expressly advocating the election or defeat of a clearly identified candidate, through a separate schedule (A) any information required by paragraph (9) stated in a manner which indicates whether the independent expenditure involved is in support of, or in opposition to, a candidate; and (B) under penalty of perjury, a certification whether such independent expenditure is made in cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; and"; and

(4) by adding at the end thereof the following new sentence: "When committee treasurers and candidates show that best efforts have been used to obtain and submit the information required by this subsection, they shall be deemed to be in compliance with this subsection."

(d) Section 304(e) of the Act (2 U.S.C. 434(e)) is amended to read as follows:

"(e) (1) Every person (other than a political committee or candidate) who makes contributions or independent expenditures expressly advocating the election or defeat of a clearly identified candidate, other than by contribution to a political committee or candidate, in an aggregate amount in excess of \$100 during a calendar year shall file with the Commission, on a form prepared by the Commission, a statement containing the information required of a person who makes a contribution in excess of \$100 to a candidate or political committee and the information required of a candidate or political committee receiving such a contribution.

"(2) Statements required by this subsection shall be filed on the dates on which reports by political committees are filed. Such statements shall include (A) the information required by subsection (b) (9), stated in a manner indicating whether the contribution or independent expenditure is in support of, or opposition to, the candidate; and (B) under penalty of perjury, a certification whether such independent expenditure is made in cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate. Any independent expenditure, including those described in subsection (b) (13), of \$1,000 or more made after the fifteenth day, but more than 24 hours, before any election shall be reported within 24 hours of such independent expenditure.

"(3) The Commission shall be responsible for expeditiously preparing indices which set forth, on a candidate-by-candidate basis, all expenditures separately, including those reported under subsection (b) (13), made with respect to each candidate, as reported under this subsection, and for periodically issuing such indices on a timely pre-election basis."

REPORTS BY CERTAIN PERSONS

SEC. 105. Title III of the Act (2 U.S.C. 431 et seq.) is amended by striking out section 308 thereof (2 U.S.C. 437a) and by redesignating section 309 through section 321 as section 308 through section 320, respectively.

CAMPAIGN DEPOSITORIES

SEC. 106. The second sentence of section 308(a) (1) of the Act (2 U.S.C. 437b(a) (1)), as redesignated by section 105, is amended by striking out "a checking account" and inserting in lieu thereof the following: "a single checking account and such other accounts as the committee determines to maintain at its discretion".

POWERS OF COMMISSION

SEC. 107. (a) Section 310(a) of the Act (2 U.S.C. 437d(a)), as redesignated by section 105, is amended—

(1) in paragraph (8) thereof, by inserting "develop such prescribed forms and to" immediately before "make", and by inserting immediately after "Act" the following: "and chapter 95 and chapter 96 of the Internal Revenue Code of 1954";

(2) in paragraph (9) thereof, by striking out "and sections 608" and all that follows through "States Code;" and inserting in lieu thereof "and chapter 95 and chapter 96 of the Internal Revenue Code of 1954; and"; and

(3) by striking out paragraph (10) and redesignating paragraph (11) as paragraph (10).

Statements.

Filing.  
Certification.

Indices of  
expenditures.

2 USC 437b-  
439c, 441.

26 USC 9001,  
9031.



(b)(1) Section 310(a)(6) of the Act (2 U.S.C. 437d(a)(6)), as redesignated by section 105, is amended to read as follows:

“(6) to initiate (through civil actions for injunctive, declaratory, or other appropriate relief), defend (in the case of any civil action brought under section 313(a)(9)), or appeal any civil action in the name of the Commission for the purpose of enforcing the provisions of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954, through its general counsel;”.

(2) Section 310 of the Act (2 U.S.C. 437d), as redesignated by section 105, is amended by adding at the end thereof the following new subsection:

“(e) Except as provided in section 313(a)(9), the power of the Commission to initiate civil actions under subsection (a)(6) shall be the exclusive civil remedy for the enforcement of the provisions of this Act.”.

ADVISORY OPINIONS

SEC. 108. (a) Section 312(a) of the Act and section 312(b) of the Act (2 U.S.C. 437f(a), 437f(b)), as redesignated by section 105, are amended to read as follows:

“SEC. 312. (a) The Commission shall render an advisory opinion, in writing, within a reasonable time in response to a written request by any individual holding Federal office, any candidate for Federal office, any political committee, or the national committee of any political party concerning the application of a general rule of law stated in the Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or a general rule of law prescribed as a rule or regulation by the Commission, to a specific factual situation. Any such general rule of law not stated in the Act or in chapter 95 or chapter 96 of the Internal Revenue Code of 1954 may be initially proposed by the Commission only as a rule or regulation pursuant to the procedures established by section 315(c). No opinion of an advisory nature may be issued by the Commission or any of its employees except in accordance with the provisions of this section.

“(b)(1) Notwithstanding any other provision of law, any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of paragraph (2) and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction provided by this Act or by chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

“(2) Any advisory opinion rendered by the Commission under subsection (a) may be relied upon by (A) any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered; and (B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.”.

(b) The Commission shall, no later than 90 days after the date of the enactment of this Act, conform the advisory opinions issued before such date of enactment to the requirements established by section 312(a) of the Act, as amended by subsection (a) of this section. The provisions of section 312(b) of the Act, as amended by subsection (a) of this section, shall apply with respect to all advisory opinions issued before the date of the enactment of this Act as conformed to meet the requirements of section 312(a) of the Act, as amended by subsection (a) of this section.

ENFORCEMENT

SEC. 109. Section 313 of the Act (2 U.S.C. 437g), as redesignated by section 105, is amended to read as follows:

“ENFORCEMENT

“SEC. 313. (a)(1) Any person who believes a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has occurred may file a complaint with the Commission. Such complaint shall be in writing, shall be signed and sworn to by the person filing such complaint, and shall be notarized. Any person filing such a complaint shall be subject to the provisions of section 1001 of title 18, United States Code. The Commission may not conduct any investigation under this section, or take any other action under this section, solely on the basis of a complaint of a person whose identity is not disclosed to the Commission.

“(2) The Commission, upon receiving a complaint under paragraph (1), and if it has reason to believe that any person has committed a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or, if the Commission, on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, has reason to believe that such a violation has occurred, shall notify the person involved of such alleged violation and shall make an investigation of such alleged violation in accordance with the provisions of this section.

“(3)(A) Any investigation under paragraph (2) shall be conducted expeditiously and shall include an investigation, conducted in accordance with the provisions of this section, of reports and statements filed by any complainant under this title, if such complainant is a candidate.

“(B) Any notification or investigation made under paragraph (2) shall not be made public by the Commission or by any person without the written consent of the person receiving such notification or the person with respect to whom such investigation is made.

“(4) The Commission shall afford any person who receives notice of an alleged violation under paragraph (2) a reasonable opportunity to demonstrate that no action should be taken against such person by the Commission under this Act.

“(5)(A) If the Commission determines that there is reasonable cause to believe that any person has committed or is about to commit a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall make every endeavor for a period of not less than 30 days to correct or prevent such violation by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with the person involved, except that, if the Commission has reasonable cause to believe that—

“(i) any person has failed to file a report required to be filed under section 304(a)(1)(C) for the calendar quarter occurring immediately before the date of a general election;

“(ii) any person has failed to file a report required to be filed no later than 10 days before an election; or

“(iii) on the basis of a complaint filed less than 45 days but more than 10 days before an election, any person has committed a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954;

the Commission shall make every effort, for a period of not less than one-half the number of days between the date upon which the Commission determines there is reasonable cause to believe such a violation

Post, p. 483.

26 USC 9001, 9031.

Post, p. 486.

2 USC 437f note.

Complaints, filing. 26 USC 9001, 9031.

Ante, p. 480.

has occurred and the date of the election involved, to correct or prevent such violation by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with the person involved. A conciliation agreement, unless violated, shall constitute a complete bar to any further action by the Commission, including the bringing of a civil proceeding under subparagraph (B).

Civil action.

“(B) If the Commission is unable to correct or prevent any such violation by such informal methods, the Commission may, if the Commission determines there is probable cause to believe that a violation has occurred or is about to occur, institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order, including a civil penalty which does not exceed the greater of \$5,000 or an amount equal to the amount of any contribution or expenditure involved in such violation, in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business.

Penalty.

“(C) In any civil action instituted by the Commission under subparagraph (B), the court may grant a permanent or temporary injunction, restraining order, or other order, including a civil penalty which does not exceed the greater of \$5,000 or an amount equal to the amount of any contribution or expenditure involved in such violation, upon a proper showing that the person involved has engaged or is about to engage in a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

Penalty.

26 USC 9001, 9031. Violations, referral to Attorney General. Post, p. 494.

“(D) If the Commission determines that there is probable cause to believe that a knowing and willful violation subject to and as defined in section 329, or a knowing and willful violation of a provision of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has occurred or is about to occur, it may refer such apparent violation to the Attorney General of the United States without regard to any limitations set forth in subparagraph (A).

Penalty.

“(6) (A) If the Commission believes that there is clear and convincing proof that a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, has been committed, a conciliation agreement entered into by the Commission under paragraph (5) (A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which shall not exceed the greater of (i) \$10,000; or (ii) an amount equal to 200 percent of the amount of any contribution or expenditure involved in such violation.

Penalty.

“(B) If the Commission believes that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (5) (A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of (i) \$5,000; or (ii) an amount equal to the amount of the contribution or expenditure involved in such violation.

“(C) The Commission shall make available to the public (i) the results of any conciliation attempt, including any conciliation agreement entered into by the Commission; and (ii) any determination by the Commission that no violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has occurred.

“(7) In any civil action for relief instituted by the Commission under paragraph (5), if the court determines that the Commission has established through clear and convincing proof that the person involved in such civil action has committed a knowing and willful

violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court may impose a civil penalty of not more than the greater of (A) \$10,000; or (B) an amount equal to 200 percent of the contribution or expenditure involved in such violation. In any case in which such person has entered into a conciliation agreement with the Commission under paragraph (5) (A), the Commission may institute a civil action for relief under paragraph (5) if it believes that such person has violated any provision of such conciliation agreement. In order for the Commission to obtain relief in any such civil action, it shall be sufficient for the Commission to establish that such person has violated, in whole or in part, any requirement of such conciliation agreement.

26 USC 9001, 9031.

“(8) In any action brought under paragraph (5) or paragraph (7), subpoenas for witnesses who are required to attend a United States district court may run into any other district.

Subpenas.

“(9) (A) Any party aggrieved by an order of the Commission dismissing a complaint filed by such party under paragraph (1), or by a failure on the part of the Commission to act on such complaint in accordance with the provisions of this section within 90 days after the filing of such complaint, may file a petition with the United States District Court for the District of Columbia.

Petitions, filing.

“(B) The filing of any petition under subparagraph (A) shall be made—

“(i) in the case of the dismissal of a complaint by the Commission, no later than 60 days after such dismissal; or

“(ii) in the case of a failure on the part of the Commission to act on such complaint, no later than 60 days after the 90-day period specified in subparagraph (A).

“(C) In any proceeding under this paragraph the court may declare that the dismissal of the complaint or the action, or the failure to act, is contrary to law and may direct the Commission to proceed in conformity with such declaration within 30 days, failing which the complainant may bring in his own name a civil action to remedy the violation involved in the original complaint.

“(10) The judgment of the district court may be appealed to the court of appeals and the judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

Appeals.

“(11) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection or under section 314).

“(12) If the Commission determines after an investigation that any person has violated an order of the court entered in a proceeding brought under paragraph (5) it may petition the court for an order to adjudicate such person in civil contempt, except that if it believes the violation to be knowing and willful it may petition the court for an order to adjudicate such person in criminal contempt.

“(b) In any case in which the Commission refers an apparent violation to the Attorney General, the Attorney General shall respond by report to the Commission with respect to any action taken by the Attorney General regarding such apparent violation. Each report shall be transmitted no later than 60 days after the date the Commission refers any apparent violation, and at the close of every 30-day period thereafter until there is final disposition of such apparent

Report to the Commission.



Reports.

violation. The Commission may from time to time prepare and publish reports on the status of such referrals.

Fines.

"(c) Any member of the Commission, any employee of the Commission, or any other person who violates the provisions of subsection (a) (3) (B) shall be fined not more than \$2,000. Any such member, employee, or other person who knowingly and willfully violates the provisions of subsection (a) (3) (B) shall be fined not more than \$5,000."

DUTIES OF COMMISSION

Index of reports and statements.

SEC. 110. (a) (1) Section 315(a) (6) of the Act (2 U.S.C. 438(a) (6)), as redesignated by section 105, is amended by inserting immediately before the semicolon at the end thereof the following: "and to compile and maintain a separate cumulative index of reports and statements filed with it by political committees supporting more than one candidate, which shall include a listing of the date of the registration of any such political committee and the date upon which any such political committee qualifies to make expenditures under section 320(a) (2), and which shall be revised on the same basis and at the same time as the other cumulative indices required under this paragraph".

Post, p. 487.

(2) Section 315(a) (8) of the Act (2 U.S.C. 438(a) (8)), as redesignated by section 105, is amended by inserting immediately before the semicolon at the end thereof the following: "and to give priority to auditing and field investigating of the verification for, and the receipt and use of, any payments received by a candidate under chapter 95 or chapter 96 of the Internal Revenue Code of 1954".

26 USC 9001, 9031.

(b) Section 315(c) of the Act (2 U.S.C. 438(c)), as redesignated by section 105, is amended—

(1) by inserting immediately after the second sentence of paragraph (2) the following new sentences: "Whenever a committee of the House of Representatives reports any resolution relating to any such rule or regulation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to."; and

(2) by adding the following new paragraph at the end thereof:

"(5) For purposes of this subsection, the term 'rule or regulation' means a provision or series of interrelated provisions stating a single separable rule of law."

"Rule or regulation."

ADDITIONAL ENFORCEMENT AUTHORITY

Repeal.

SEC. 111. Section 407 of the Act (2 U.S.C. 456) is repealed.

CONTRIBUTION AND EXPENDITURE LIMITATIONS; OTHER LIMITATIONS

SEC. 112. Title III of the Act (2 U.S.C. 431-441) is amended—

(1) by striking out section 320 (2 U.S.C. 441), as redesignated by section 105; and

(2) by inserting immediately after section 319 (2 U.S.C. 439c), as redesignated by section 105, the following new sections:

90 STAT. 486

"LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

"SEC. 320. (a) (1) No person shall make contributions—

2 USC 441a.

"(A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000;

"(B) to the political committees established and maintained by a national political party, which are not the authorized political committees of any candidate, in any calendar year which, in the aggregate, exceed \$20,000; or

"(C) to any other political committee in any calendar year which, in the aggregate, exceed \$5,000.

"(2) No multicandidate political committee shall make contributions—

"(A) to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$5,000;

"(B) to the political committees established and maintained by a national political party, which are not the authorized political committees of any candidate, in any calendar year, which, in the aggregate, exceed \$15,000; or

"(C) to any other political committee in any calendar year which, in the aggregate, exceed \$5,000.

"(3) No individual shall make contributions aggregating more than \$25,000 in any calendar year. For purposes of this paragraph, any contribution made to a candidate in a year other than the calendar year in which the election is held with respect to which such contribution is made, is considered to be made during the calendar year in which such election is held.

"(4) The limitations on contributions contained in paragraphs (1) and (2) do not apply to transfers between and among political committees which are national, State, district, or local committees (including any subordinate committee thereof) of the same political party. For purposes of paragraph (2), the term 'multicandidate political committee' means a political committee which has been registered under section 303 for a period of not less than 6 months, which has received contributions from more than 50 persons, and, except for any State political party organization, has made contributions to 5 or more candidates for Federal office.

"Multicandidate political committee." 2 USC 433.

"(5) For purposes of the limitations provided by paragraph (1) and paragraph (2), all contributions made by political committees established or financed or maintained or controlled by any corporation, labor organization, or any other person, including any parent, subsidiary, branch, division, department, or local unit of such corporation, labor organization, or any other person, or by any group of such persons, shall be considered to have been made by a single political committee, except that (A) nothing in this sentence shall limit transfers between political committees of funds raised through joint fund raising efforts; (B) for purposes of the limitations provided by paragraph (1) and paragraph (2) all contributions made by a single political committee established or financed or maintained or controlled by a national committee of a political party and by a single political committee established or financed or maintained or controlled by the State committee of a political party shall not be considered to have been made by a single political committee; and (C) nothing in this section shall limit the transfer of funds between the principal cam-

90 STAT. 487

26 USC 9001,  
9031.

paigned committee of a candidate seeking nomination or election to a Federal office and the principal campaign committee of that candidate for nomination or election to another Federal office if (i) such transfer is not made when the candidate is actively seeking nomination or election to both such offices; (ii) the limitations contained in this Act on contributions by persons are not exceeded by such transfer; and (iii) the candidate has not elected to receive any funds under chapter 95 or chapter 96 of the Internal Revenue Code of 1954. In any case in which a corporation and any of its subsidiaries, branches, divisions, departments, or local units, or a labor organization and any of its subsidiaries, branches, divisions, departments, or local units establish or finance or maintain or control more than one separate segregated fund, all such separate segregated funds shall be treated as a single separate segregated fund for purposes of the limitations provided by paragraph (1) and paragraph (2).

"(6) The limitations on contributions to a candidate imposed by paragraphs (1) and (2) of this subsection shall apply separately with respect to each election, except that all elections held in any calendar year for the office of President of the United States (except a general election for such office) shall be considered to be one election.

"(7) For purposes of this subsection—

"(A) contributions to a named candidate made to any political committee authorized by such candidate to accept contributions on his behalf shall be considered to be contributions made to such candidate;

"(B) (i) expenditures made by any person in cooperation, consultation, or concert, with, or at the request or suggestion of, a candidate, his authorized political committees, or their agents, shall be considered to be a contribution to such candidate;

"(ii) the financing by any person of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign materials prepared by the candidate, his campaign committees, or their authorized agents shall be considered to be an expenditure for purposes of this paragraph; and

"(C) contributions made to or for the benefit of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be contributions made to or for the benefit of the candidate of such party for election to the office of President of the United States.

"(8) For purposes of the limitations imposed by this section, all contributions made by a person, either directly or indirectly, on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate. The intermediary or conduit shall report the original source and the intended recipient of such contribution to the Commission and to the intended recipient.

"(b) (1) No candidate for the office of President of the United States who is eligible under section 9003 of the Internal Revenue Code of 1954 (relating to condition for eligibility for payments) or under section 9033 of the Internal Revenue Code of 1954 (relating to eligibility for payments) to receive payments from the Secretary of the Treasury may make expenditures in excess of—

"(A) \$10,000,000, in the case of a campaign for nomination for election to such office, except the aggregate of expenditures under this subparagraph in any one State shall not exceed the greater

26 USC 9003.  
26 USC 9033.

of 16 cents multiplied by the voting age population of the State (as certified under subsection (e)), or \$200,000; or

"(B) \$20,000,000 in the case of a campaign for election to such office.

"(2) For purposes of this subsection—

"(A) expenditures made by or on behalf of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be expenditures made by or on behalf of the candidate of such party for election to the office of President of the United States; and

"(B) an expenditure is made on behalf of a candidate, including a vice presidential candidate, if it is made by—

"(i) an authorized committee or any other agent of the candidate for purposes of making any expenditure; or

"(ii) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate, to make the expenditure.

"(c) (1) At the beginning of each calendar year (commencing in 1976), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Commission and publish in the Federal Register the percent difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. Each limitation established by subsection (b) and subsection (d) shall be increased by such percent difference. Each amount so increased shall be the amount in effect for such calendar year.

"(2) For purposes of paragraph (1)—

"(A) the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics; and

"(B) the term 'base period' means the calendar year 1974.

"(d) (1) Notwithstanding any other provision of law with respect to limitations on expenditures or limitations on contributions, the national committee of a political party and a State committee of a political party, including any subordinate committee of a State committee, may make expenditures in connection with the general election campaign of candidates for Federal office, subject to the limitations contained in paragraphs (2) and (3) of this subsection.

"(2) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds an amount equal to 2 cents multiplied by the voting age population of the United States (as certified under subsection (e)). Any expenditure under this paragraph shall be in addition to any expenditure by a national committee of a political party serving as the principal campaign committee of a candidate for the office of President of the United States.

"(3) The national committee of a political party, or a State committee of a political party, including any subordinate committee of a State committee, may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with such party which exceeds—

"(A) in the case of a candidate for election to the office of Senator, or of Representative from a State which is entitled to only one Representative, the greater of—

Publication in  
Federal Reg-  
ister.

"Price index."

"Base period."



Voting age population estimates, certification and publication in Federal Register. "Voting age population."

Rules.

2 USC 441b.

"Labor organization."

"(i) 2 cents multiplied by the voting age population of the State (as certified under subsection (e)); or

"(ii) \$20,000; and

"(B) in the case of a candidate for election to the office of Representative, Delegate, or Resident Commissioner in any other State, \$10,000.

"(e) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, 18 years of age or older.

"(f) No candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of this section. No officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or knowingly make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under this section.

"(g) The Commission shall prescribe rules under which any expenditure by a candidate for presidential nominations for use in 2 or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(h) Notwithstanding any other provision of this Act, amounts totaling not more than \$17,500 may be contributed to a candidate for nomination for election, or for election, to the United States Senate during the year in which an election is held in which he is such a candidate, by the Republican or Democratic Senatorial Campaign Committee, or the national committee of a political party, or any combination of such committees.

"CONTRIBUTIONS OR EXPENDITURES BY NATIONAL BANKS, CORPORATIONS, OR LABOR ORGANIZATIONS

"SEC. 321. (a) It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any corporation whatever, or any labor organization, to make a contribution or expenditure in connection with any election at which presidential and vice presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to, Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section, or any officer or any director of any corporation or any national bank or any officer of any labor organization to consent to any contribution or expenditure by the corporation, national bank, or labor organization, as the case may be, prohibited by this section.

"(b) (1) For the purposes of this section the term 'labor organization' means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and

"Contribution or expenditure."

which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

"(2) For purposes of this section and section 12(h) of the Public Utility Holding Company Act (15 U.S.C. 791(h)), the term 'contribution or expenditure' shall include any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business) to any candidate, campaign committee, or political party or organization, in connection with any election to any of the offices referred to in this section, but shall not include (A) communications by a corporation to its stockholders and executive or administrative personnel and their families or by a labor organization to its members and their families on any subject; (B) nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and executive or administrative personnel and their families, or by a labor organization aimed at its members and their families; and (C) the establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock.

"(3) It shall be unlawful—

"(A) for such a fund to make a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination, or financial reprisal; or by dues, fees, or other moneys required as a condition of membership in a labor organization or as a condition of employment, or by moneys obtained in any commercial transaction;

"(B) for any person soliciting an employee for a contribution to such a fund to fail to inform such employee of the political purposes of such fund at the time of such solicitation; and

"(C) for any person soliciting an employee for a contribution to such a fund to fail to inform such employee, at the time of such solicitation, of his right to refuse to so contribute without any reprisal.

"(4) (A) Except as provided in subparagraphs (B), (C), and (D), it shall be unlawful—

"(i) for a corporation, or a separate segregated fund established by a corporation, to solicit contributions to such a fund from any person other than its stockholders and their families and its executive or administrative personnel and their families, and

"(ii) for a labor organization, or a separate segregated fund established by a labor organization, to solicit contributions to such a fund from any person other than its members and their families.

"(B) it shall not be unlawful under this section for a corporation, a labor organization, or a separate segregated fund established by such corporation or such labor organization, to make 2 written solicitations for contributions during the calendar year from any stockholder, executive or administrative personnel, or employee of a corporation or the families of such persons. A solicitation under this subparagraph may be made only by mail addressed to stockholders, executive or administrative personnel, or employees at their residence and shall be

so designed that the corporation, labor organization, or separate segregated fund conducting such solicitation cannot determine who makes a contribution of \$50 or less as a result of such solicitation and who does not make such a contribution.

"(C) This paragraph shall not prevent a membership organization, cooperative, or corporation without capital stock, or a separate segregated fund established by a membership organization, cooperative, or corporation without capital stock, from soliciting contributions to such a fund from members of such organization, cooperative, or corporation without capital stock.

"(D) This paragraph shall not prevent a trade association or a separate segregated fund established by a trade association from soliciting contributions from the stockholders and executive or administrative personnel of the member corporations of such trade association and the families of such stockholders or personnel to the extent that such solicitation of such stockholders and personnel, and their families, has been separately and specifically approved by the member corporation involved, and such member corporation does not approve any such solicitation by more than one such trade association in any calendar year.

"(5) Notwithstanding any other law, any method of soliciting voluntary contributions or of facilitating the making of voluntary contributions to a separate segregated fund established by a corporation, permitted by law to corporations with regard to stockholders and executive or administrative personnel, shall also be permitted to labor organizations with regard to their members.

"(6) Any corporation, including its subsidiaries, branches, divisions, and affiliates, that utilizes a method of soliciting voluntary contributions or facilitating the making of voluntary contributions, shall make available such method, on written request and at a cost sufficient only to reimburse the corporation for the expenses incurred thereby, to a labor organization representing any members working for such corporation, its subsidiaries, branches, divisions, and affiliates.

"(7) For purposes of this section, the term 'executive or administrative personnel' means individuals employed by a corporation who are paid on a salary, rather than hourly, basis and who have policymaking, managerial, professional, or supervisory responsibilities.

"Executive or administrative personnel."

"CONTRIBUTIONS BY GOVERNMENT CONTRACTORS

2 USC 441c.

"Sec. 322. (a) It shall be unlawful for any person—

"(1) who enters into any contract with the United States or any department or agency thereof either for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof or for selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, at any time between the commencement of negotiations for and the later of (A) the completion of performance under; or (B) the termination of negotiations for, such contract or furnishing of material, supplies, equipment, land, or buildings, directly or indirectly to make any contribution of money or other things of value, or to promise expressly or impliedly to make any such contribution to any political party, committee, or candidate for public office or to any person for any political purpose or use; or

"(2) knowingly to solicit any such contribution from any such person for any such purpose during any such period.

"(b) This section does not prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, any separate segregated fund by any corporation, labor organization, membership organization, cooperative, or corporation without capital stock for the purpose of influencing the nomination for election, or election, of any person to Federal office, unless the provisions of section 321 prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, such fund. Each specific prohibition, allowance, and duty applicable to a corporation, labor organization, or separate segregated fund under section 321 applies to a corporation, labor organization, or separate segregated fund to which this subsection applies.

"(c) For purposes of this section, the term 'labor organization' has the meaning given it by section 321 (b) (1).

"PUBLICATION OR DISTRIBUTION OF POLITICAL STATEMENTS

"Sec. 323. Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public political advertising, such communication—

2 USC 441d.

"(1) if authorized by a candidate, his authorized political committees, or their agents, shall clearly and conspicuously, in accordance with regulations prescribed by the Commission, state that the communication has been authorized; or

"(2) if not authorized by a candidate, his authorized political committees, or their agents, shall clearly and conspicuously, in accordance with regulations prescribed by the Commission, state that the communication is not authorized by any candidate, and state the name of the person who made or financed the expenditure for the communication, including, in the case of a political committee, the name of any affiliated or connected organization required to be disclosed under section 303 (b) (2).

2 USC 433.

"CONTRIBUTIONS BY FOREIGN NATIONALS

"Sec. 324. (a) It shall be unlawful for a foreign national directly or through any other person to make any contribution of money or other thing of value, or to promise expressly or impliedly to make any such contribution, in connection with an election to any political office or in connection with any primary election, convention, or caucus held to select candidates for any political office; or for any person to solicit, accept, or receive any such contribution from a foreign national.

2 USC 441e.

"(b) As used in this section, the term 'foreign national' means—

"Foreign national."

"(1) a foreign principal, as such term is defined by section 1 (b) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 (b)), except that the term 'foreign national' shall not include any individual who is a citizen of the United States; or

"(2) an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, as defined by section 101 (a) (20) of the Immigration and Nationality Act (8 U.S.C. 1101 (a) (20)).



"PROHIBITION OF CONTRIBUTIONS IN NAME OF ANOTHER

2 USC 441f. "SEC. 325. No person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person.

"LIMITATION ON CONTRIBUTION OF CURRENCY

2 USC 441g. "SEC. 326. No person shall make contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate, exceed \$100, with respect to any campaign of such candidate for nomination for election, or for election, to Federal office.

"FRAUDULENT MISREPRESENTATION OF CAMPAIGN AUTHORITY

2 USC 441h. "SEC. 327. No person who is a candidate for Federal office or an employee or agent of such a candidate shall—

"(1) fraudulently misrepresent himself or any committee or organization under his control as speaking or writing or otherwise acting for or on behalf of any other candidate or political party or employee or agent thereof on a matter which is damaging to such other candidate or political party or employee or agent thereof; or

"(2) willfully and knowingly participate in or conspire to participate in any plan, scheme, or design to violate paragraph (1).

"ACCEPTANCE OF EXCESSIVE HONORARIUMS

2 USC 441i. "SEC. 328. No person while an elected or appointed officer or employee of any branch of the Federal Government shall accept—

"(1) any honorarium of more than \$2,000 (excluding amounts accepted for actual travel and subsistence expenses for such person and his spouse or an aide to such person, and excluding amounts paid or incurred for any agents' fees or commissions) for any appearance, speech, or article; or

"(2) honorariums (not prohibited by paragraph (1) of this section) aggregating more than \$25,000 in any calendar year.

"PENALTY FOR VIOLATIONS

2 USC 441j. "SEC. 329. (a) Any person, following the date of the enactment of this section, who knowingly and willfully commits a violation of any provision or provisions of this Act which involves the making, receiving, or reporting of any contribution or expenditure having a value in the aggregate of \$1,000 or more during a calendar year shall be fined in an amount which does not exceed the greater of \$25,000 or 300 percent of the amount of any contribution or expenditure involved in such violation, imprisoned for not more than 1 year, or both. In the case of a knowing and willful violation of section 321 (b) (3), including such a violation of the provisions of such section as applicable through section 322 (b), of section 325, or of section 326, the penalties set forth in this section shall apply to a violation involving an amount having a value in the aggregate of \$250 or more during a calendar year. In the case of a knowing and willful violation of section 327, the penalties set forth in this section shall apply without regard to whether the making, receiving, or reporting of a contribution or expenditure of \$1,000 or more is involved.

"(b) A defendant in any criminal action brought for the violation of a provision of this Act, or of a provision of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, may introduce as evidence of his lack of knowledge of or intent to commit the offense for which the action was brought a conciliation agreement entered into between the defendant and the Commission under section 313 which specifically deals with the act or failure to act constituting such offense and which is still in effect.

"(c) In any criminal action brought for a violation of a provision of this Act, or of a provision of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court before which such action is brought shall take into account, in weighing the seriousness of the offense and in considering the appropriateness of the penalty to be imposed if the defendant is found guilty, whether—

"(1) the specific act or failure to act which constitutes the offense for which the action was brought is the subject of a conciliation agreement entered into between the defendant and the Commission under section 313;

"(2) the conciliation agreement is in effect; and

"(3) the defendant is, with respect to the violation involved, in compliance with the conciliation agreement."

AUTHORIZATION OF APPROPRIATIONS

SEC. 113. Section 319 of the Act (2 U.S.C. 439c), as redesignated by section 105, is amended by adding at the end thereof the following sentence: "There are authorized to be appropriated to the Commission \$6,000,000 for the fiscal year ending June 30, 1976, \$1,500,000 for the period beginning July 1, 1976, and ending September 30, 1976, and \$6,000,000 for the fiscal year ending September 30, 1977."

SAVINGS PROVISION

SEC. 114. Except as otherwise provided by this Act, the repeal by this Act of any section or penalty shall not have the effect of releasing or extinguishing any penalty, forfeiture, or liability incurred under such section or penalty, and such section or penalty shall be treated as remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of any penalty, forfeiture, or liability.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 115. (a) Section 306(d) of the Act (2 U.S.C. 436(d)) is amended by inserting immediately after "304(a)(1)(C)," the following: "304(c),"

(b) Section 310(a)(7) of the Act (2 U.S.C. 437d(a)(7)), as redesignated by section 105, is amended by striking out "313" and inserting in lieu thereof "312".

(c) (1) Section 9002(3) of the Internal Revenue Code of 1954 (defining Commission) is amended by striking out "310(a)(1)" and inserting in lieu thereof "309(a)(1)".

(2) Section 9032(3) of the Internal Revenue Code of 1954 (defining Commission) is amended by striking out "310(a)(1)" and inserting in lieu thereof "309(a)(1)".

(d) (1) Section 301(e)(5)(F) of the Act (2 U.S.C. 431(e)(5)(F)) is amended by striking out "the last paragraph of section 610 of title 18, United States Code" and inserting in lieu thereof "section 321(b)".

26 USC 9001, 9031.

Ante, p. 483.

2 USC 441 note.

26 USC 9002.

26 USC 9032.

(2) Section 301(f)(4)(H) of the Act (2 U.S.C. 431(f)(4)(H)) is amended by striking out "the last paragraph of section 610 of title 18, United States Code" and inserting in lieu thereof "section 321(b)".

(e) Section 314(a) of the Act (2 U.S.C. 437h(a)), as redesignated by section 105, is amended by striking out "or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code" in the first sentence of such subsection and by striking out "or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code," in the second sentence of such subsection.

(f)(1) Section 406(a) of the Act (2 U.S.C. 455(a)) is amended by striking out "or section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code".

(2) Section 406(b) of the Act (2 U.S.C. 455(b)) is amended by striking out "or section 608, 610, 611, or 613 of title 18, United States Code".

(g) Section 591 of title 18, United States Code, as amended by section 202(c), is amended—

(1) by striking out "608(c) of this title" in paragraph (f)(4)(I) and inserting in lieu thereof "section 320(b) of the Federal Election Campaign Act of 1971";

(2) by striking out "by section 608(b)(2) of this title" in paragraph (f)(4)(j) and inserting in lieu thereof "under section 320(a)(2) of the Federal Election Campaign Act of 1971"; and

(3) by striking out "310(a)" in paragraph (k) and inserting in lieu thereof "309(a)".

(h) Section 301(n) of the Act (2 U.S.C. 431(n)) is amended by striking out "302(f)(1)" and inserting in lieu thereof "302(e)(1)".

(i) The third sentence of section 308(a)(1) of the Act (2 U.S.C. 437b(a)(1)), as redesignated by section 105, is amended by striking out "97" and inserting in lieu thereof "96".

## TITLE II—AMENDMENTS TO TITLE 18, UNITED STATES CODE

### REPEAL OF CERTAIN PROVISIONS

SEC. 201. (a) Chapter 29 of title 18, United States Code, is amended by striking out sections 608, 610, 611, 612, 613, 614, 615, 616, and 617.

(b) The table of sections for chapter 29 of title 18, United States Code, is amended by striking out the items relating to sections 608, 610, 611, 612, 613, 614, 615, 616, and 617.

### CHANGES IN DEFINITIONS

SEC. 202. (a) Section 591 of title 18, United States Code, is amended by striking out "602, 608, 610, 611, 614, 615, and 617" and inserting in lieu thereof "and 602".

(b) Section 591(e)(4) of title 18, United States Code, is amended by inserting immediately before the semicolon the following: "except that this paragraph shall not apply in the case of legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), other than services attributable to activities which directly further the

election of a designated candidate or candidates to Federal office, nor shall this paragraph apply in the case of legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with the provisions of the Federal Election Campaign Act of 1971 or chapter 95 or chapter 96 of the Internal Revenue Code of 1954 (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), but amounts paid or incurred for such legal or accounting services shall be reported in accordance with the requirements of section 304(b) of the Federal Election Campaign Act of 1971".

(c) Section 591(f)(4) of title 18, United States Code, is amended—

(1) by redesignating clause (F) through clause (I) as clause (G) through clause (J), respectively; and

(2) by inserting immediately after clause (E) the following new clause:

"(F) the payment, by any person other than a candidate or political committee, of compensation for legal or accounting services rendered to or on behalf of the national committee of a political party (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), other than services attributable to activities which directly further the election of a designated candidate or candidates to Federal office, or the payment for legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with the provisions of the Federal Election Campaign Act of 1971 or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 (unless the person paying for such services is a person other than the regular employer of the individual rendering such services), but amounts paid or incurred for such legal or accounting services shall be reported under section 304(b) of the Federal Election Campaign Act of 1971;"

## TITLE III—AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

### ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS

SEC. 301. (a) Section 9004 of the Internal Revenue Code of 1954 (relating to entitlement of eligible candidates to payments) is amended by adding at the end thereof the following new subsections:

"(d) EXPENDITURES FROM PERSONAL FUNDS.—In order to be eligible to receive any payment under section 9006, the candidate of a major, minor, or new party in an election for the office of President shall certify to the Commission, under penalty of perjury, that such candidate will not knowingly make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for election to the office of President in excess of, in the aggregate, \$50,000. For purposes of this subsection, expenditures from personal funds made by a candidate of a major, minor, or new party for the office of Vice President shall be considered to be expenditures by the candidate of such party for the office of President.

2 USC 431  
note.  
26 USC 9001,  
9031.

Ante, p. 480.

26 USC 9004.

26 USC 9006.



"(e) DEFINITION OF IMMEDIATE FAMILY.—For purposes of subsection (d), the term 'immediate family' means a candidate's spouse, and any child, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate, and the spouses of such persons."

(b) For purposes of applying section 9004(d) of the Internal Revenue Code of 1954, as added by subsection (a), expenditures made by an individual after January 29, 1976, and before the date of the enactment of this Act shall not be taken into account.

Effective date.  
26 USC 9004  
note.  
26 USC 9004.

PAYMENTS TO ELIGIBLE CANDIDATES; INSUFFICIENT AMOUNTS IN FUND

26 USC 9006.

SEC. 302. (a) Section 9006 of the Internal Revenue Code of 1954 (relating to payments to eligible candidates) is amended by striking out subsection (b) thereof and by redesignating subsection (c) and subsection (d) as subsection (b) and subsection (c), respectively.

(b) Section 9006(c) of the Internal Revenue Code of 1954 (relating to insufficient amounts in fund), as redesignated by subsection (a), is amended by adding at the end thereof the following new sentence: "In any case in which the Secretary or his delegate determines that there are insufficient moneys in the fund to make payments under subsection (b), section 9008(b)(3), and section 9037(b), moneys shall not be made available from any other source for the purpose of making such payments."

26 USC 9008,  
9037.

PROVISION OF LEGAL OR ACCOUNTING SERVICES

SEC. 303. Section 9008(d) of the Internal Revenue Code of 1954 (relating to limitation of expenditures) is amended by adding at the end thereof the following new paragraph:

Compensation.

"(4) PROVISION OF LEGAL OR ACCOUNTING SERVICES.—For purposes of this section, the payment, by any person other than the national committee of a political party (unless the person paying for such services is a person other than the regular employer of the individual rendering such services) of compensation to any individual for legal or accounting services rendered to or on behalf of the national committee of a political party shall not be treated as an expenditure made by or on behalf of such committee with respect to its limitations on presidential nominating convention expenses."

REVIEW OF REGULATIONS

26 USC 9009.

SEC. 304. (a) Section 9009(c) of the Internal Revenue Code of 1954 (relating to review of regulations) is amended—

(1) in paragraph (2) thereof, by inserting immediately after the first sentence thereof the following new sentences: "Whenever a committee of the House of Representatives reports any resolution relating to any such rule or regulation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to."; and

(2) by adding at the end thereof the following new paragraph: "(4) For purposes of this subsection, the term 'rule or regulation' means a provision or series of interrelated provisions stating a single separable rule of law."

"Rule or  
regulation."

(b) Section 9039(c) of the Internal Revenue Code of 1954 (relating to review of regulations) is amended—

(1) in paragraph (2) thereof, by inserting immediately after the first sentence thereof the following new sentences: "Whenever a committee of the House of Representatives reports any resolution relating to any such rule or regulation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to."; and

(2) by adding at the end thereof the following new paragraph:

"(4) For purposes of this subsection, the term 'rule or regulation' means a provision or series of interrelated provisions stating a single separable rule of law."

"Rule or  
regulation."

QUALIFIED CAMPAIGN EXPENSE LIMITATION

SEC. 305. (a) Section 9035 of the Internal Revenue Code of 1954 (relating to qualified campaign expense limitation) is amended—

(1) in the heading thereof, by striking out "LIMITATION" and inserting in lieu thereof "LIMITATIONS";

(2) by inserting "(a) EXPENDITURE LIMITATIONS.—" immediately before "No candidate";

(3) by inserting immediately after "States Code" the following: "and no candidate shall knowingly make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for nomination for election to the office of President in excess of, in the aggregate, \$50,000"; and

(4) by adding at the end thereof the following new subsection:

"(b) DEFINITION OF IMMEDIATE FAMILY.—For purposes of this section, the term 'immediate family' means a candidate's spouse, and any child, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate, and the spouses of such persons."

"Immediate  
family."

(b) The table of sections for chapter 96 of the Internal Revenue Code of 1954 is amended by striking out the item relating to section 9035 and inserting in lieu thereof the following new item:

"Sec. 9035. Qualified campaign expense limitations."

26 USC 9031.

(c) Section 9033(b)(1) of the Internal Revenue Code of 1954 (relating to expense limitation; declaration of intent; minimum contributions) is amended by striking out "limitation" and inserting in lieu thereof "limitations".

26 USC 9033.

(d) For purposes of applying section 9035(a) of the Internal Revenue Code of 1954, as amended by subsection (a), expenditures made by an individual after January 29, 1976, and before the date of the enactment of this Act shall not be taken into account.

Effective date.  
26 USC 9035  
note.  
26 USC 9035.

RETURN OF FEDERAL MATCHING PAYMENTS

SEC. 306. (a) (1) Section 9002(2) of the Internal Revenue Code of 1954 (defining candidate) is amended by adding at the end thereof the

26 USC 9002.

following new sentence: "The term 'candidate' shall not include any individual who has ceased actively to seek election to the office of President of the United States or to the office of Vice President of the United States, in more than one State."

26 USC 9003. (2) Section 9003 of the Internal Revenue Code of 1954 (relating to condition for eligibility for payments) is amended by adding at the end thereof the following new subsection:

"(d) WITHDRAWAL BY CANDIDATE.—In any case in which an individual ceases to be a candidate as a result of the operation of the last sentence of section 9002(2), such individual—

26 USC 9002.

"(1) shall no longer be eligible to receive any payments under section 9006, except that such individual shall be eligible to receive payments under such section to defray qualified campaign expenses incurred while actively seeking election to the office of President of the United States or to the office of Vice President of the United States in more than one State; and

Ante, p. 498.

"(2) shall pay to the Secretary or his delegate, as soon as practicable after the date upon which such individual ceases to be a candidate, an amount equal to the amount of payments received by such individual under section 9006 which are not used to defray qualified campaign expenses."

26 USC 9032.

(b)(1) Section 9032(2) of the Internal Revenue Code of 1954 (defining candidate) is amended by adding at the end thereof the following new sentence: "The term 'candidate' shall not include any individual who is not actively conducting campaigns in more than one State in connection with seeking nomination for election to be President of the United States."

26 USC 9033.

(2) Section 9033 of the Internal Revenue Code of 1954 (relating to eligibility for payments) is amended by adding at the end thereof the following new subsection:

"(c) TERMINATION OF PAYMENTS.—

26 USC 9037.

"(1) GENERAL RULE.—Except as provided by paragraph (2), no payment shall be made to any individual under section 9037—

"(A) if such individual ceases to be a candidate as a result of the operation of the last sentence of section 9032(2); or

"(B) more than 30 days after the date of the second consecutive primary election in which such individual receives less than 10 percent of the number of votes cast for all candidates of the same party for the same office in such primary election, if such individual permitted or authorized the appearance of his name on the ballot, unless such individual certifies to the Commission that he will not be an active candidate in the primary involved.

"(2) QUALIFIED CAMPAIGN EXPENSES; PAYMENTS TO SECRETARY.—Any candidate who is ineligible under paragraph (1) to receive any payments under section 9037 shall be eligible to continue to receive payments under section 9037 to defray qualified campaign expenses incurred before the date upon which such candidate becomes ineligible under paragraph (1).

"(3) CALCULATION OF VOTING PERCENTAGE.—For purposes of paragraph (1) (B), if the primary elections involved are held in

more than one State on the same date, a candidate shall be treated as receiving that percentage of the votes on such date which he received in the primary election conducted on such date in which he received the greatest percentage vote.

"(4) REESTABLISHMENT OF ELIGIBILITY.—

"(A) In any case in which an individual is ineligible to receive payments under section 9037 as a result of the operation of paragraph (1) (A), the Commission may subsequently determine that such individual is a candidate upon a finding that such individual is actively seeking election to the office of President of the United States in more than one State. The Commission shall make such determination without requiring such individual to reestablish his eligibility to receive payments under subsection (a).

26 USC 9037.

Determination by Commission.

"(B) Notwithstanding the provisions of paragraph (1) (B), a candidate whose payments have been terminated under paragraph (1) (B) may again receive payments (including amounts he would have received but for paragraph (1) (B)) if he receives 20 percent or more of the total number of votes cast for candidates of the same party in a primary election held after the date on which the election was held which was the basis for terminating payments to him."

(c) The amendments made by this section shall take effect on the date of the enactment of this Act.

Effective date. 26 USC 9002 note.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 307. (a) Section 9008(b) (5) of the Internal Revenue Code of 1954 (relating to adjustment of entitlements) is amended—

26 USC 9008.

(1) by striking out "section 608(c) and section 608(f) of title 18, United States Code," and inserting in lieu thereof "section 320(b) and section 320(d) of the Federal Election Campaign Act of 1971"; and

26 USC 439c.

(2) by striking out "section 608(d) of such title" and inserting in lieu thereof "section 320(c) of such Act".

(b) Section 9034(b) of the Internal Revenue Code of 1954 (relating to limitations) is amended by striking out "section 608(c) (1) (A) of title 18, United States Code," and inserting in lieu thereof "section 320(b) (1) (A) of the Federal Election Campaign Act of 1971".

26 USC 9034.

(c) Section 9035(a) of the Internal Revenue Code of 1954 (relating to expenditure limitations), as redesignated by section 305(a), is amended by striking out "section 608(c) (1) (A) of title 18, United States Code" and inserting in lieu thereof "section 320(b) (1) (A) of the Federal Election Campaign Act of 1971".

26 USC 9035.

(d) Section 9004(a) (1) of the Internal Revenue Code of 1954 (relating to entitlements of eligible candidates to payments) is amended by striking out "608(c) (1) (B) of title 18, United States Code" and inserting in lieu thereof "320(b) (1) (B) of the Federal Election Campaign Act of 1971".

26 USC 9004.



- 26 USC 9007. (e) Section 9007(b)(3) of the Internal Revenue Code of 1954 (relating to repayments) is amended by striking out "9006(d)" and inserting in lieu thereof "9006(c)".
- 26 USC 9012. (f) Section 9012(b)(1) of the Internal Revenue Code of 1954 (relating to contributions) is amended by striking out "9006(d)" and inserting in lieu thereof "9006(c)".

Approved May 11, 1976.

---

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 94-917 accompanying H. R. 12406 (Comm. on House Administration) and No. 94-1057 (Comm. of Conference).

SENATE REPORT No. 94-677 (Comm. on Rules and Administration).

CONGRESSIONAL RECORD, Vol 122 (1976):

Mar. 15-18, 23, 24, considered and passed Senate.

Apr. 1, considered and passed House, amended, in lieu of H. R. 12406.

May 3, House agreed to conference report.

May 4, Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 12, No. 20:

May 11, Presidential statement.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 15, 1976

Time:

FOR ACTION:

cc (for information):

Max Friedersdorf

Jack Marsh

Jerry Jones

Dave Gergen

Mike Duval

Foster Chanock

Tim Austin

FROM THE STAFF SECRETARY

DUE: Date: Saturday, April 17

Time: 10 A.M.

SUBJECT:

Phil Buchen memo 4/14/76 re  
Reconstitution of the Federal  
Election Commission (FEC)



ACTION REQUESTED:

\_\_\_ For Necessary Action

\_\_\_ For Your Recommendations

\_\_\_ Prepare Agenda and Brief

\_\_\_ Draft Reply

X For Your Comments

\_\_\_ Draft Remarks

REMARKS:

April 15, 1976

Jim, I suggest that the Buchen memo go in and that the President may wish to respond by alerting Buchen, Marsh and Lynn that he expects the Enrolled Bill memo to be ready for him immediately after the bill is passed and sent down here. All the analyses should be completed ahead of time so the President can make his decision without any delay.

Mike

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor  
For the President



THE WHITE HOUSE

WASHINGTON

April 14, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: PHILIP W. BUCHEN *P.*

SUBJECT: Reconstitution of the Federal  
Election Commission (FEC)



Yesterday, the House-Senate Conference Committee agreed in principle to a bill that reconstitutes the FEC by providing for six members appointed by you and confirmed by the Senate. The Conference will next meet on April 27 to approve the final bill and report. Based on drafts and colloquies during the Conference, the following are the major provisions of the bill:

1. New contribution limitations. The bill continues the present limits of \$1,000 per election on contributions by individuals to federal candidates and \$25,000 total per calendar year. Under the bill, an individual may give up to \$20,000 in any calendar year to the political committees established and maintained by a national political party. An individual may only give \$5,000 to any other political committee. Under the present law, the only limit on contributions to political committees not related to individual candidates is \$25,000 per year. The bill continues the present \$5,000 limit on contributions by multi-candidate committees to candidates for federal office, but establishes, for the first time, limits on the amounts which multi-candidate committees can transfer to the political committees of the parties (\$15,000) or to any other political committee (\$5,000). A special exemption is provided for transfers between political committees of the national, state or local parties.

The bill also allows the Republican or Democratic Senatorial Campaign Committee or the national committee of a political party, or any combination thereof, to give up to \$17,500 per election to a candidate for the Senate. Under the old law, each committee could give only \$5,000 and thus a maximum total of \$10,000. However, Hays resisted attempts to give this same right to the Congressional campaign committees.

2. The Packwood Amendment. The bill also includes a modified version of the Packwood Amendment which for the first time requires corporations, labor organizations, and other membership organizations issuing communications to their stockholders, employees or members to report the cost of such communications to the extent they relate to clearly identifiable candidates. The threshold for reporting is \$2,000 per election, regardless of the number of candidates involved. The costs applicable to candidates only incidentally referenced in a regular newsletter are not required to be reported. However, the costs of a special election issue or a reprint of an editorial endorsing a candidate would have to be disclosed. Thus, the costs of phone banks and other special efforts used by unions to influence elections would be disclosed, even though they are not considered to be campaign contributions.

3. Independence of the FEC. The bill limits the FEC's authority to grant new advisory opinions to those relating to specific factual situations and when it is not necessary to state a general rule of law. The FEC is given 90 days from enactment to reduce its old advisory opinions to regulations which are then subject to a one-House veto. Wayne Hays' intent is to control the decisions rendered by the Commission. Although the item veto remains in the law, it has been modified to permit the disapproval of only an entire subject under regulation, and not individual words or paragraphs of regulations.

One Republican member of the Commission has indicated that these limitations on advisory opinions are not as objectionable as thought because the Commission would issue regulations in any event to implement the criminal provisions of the old law which would be transferred





from Title 18 to Title 2 of the United States Code. Additionally, the 90-day period given to the Commission will mean that the regulations based on advisory opinions will most likely be submitted in late July. With the lengthy recesses we can expect this summer for the conventions and campaigns, Hays will have relatively little opportunity to get the House to veto any of the old advisory opinions. While persons may continue to rely on the advisory opinions, they do so at the risk that if vetoed by one House, they may be required to reverse earlier actions at great expense to their committee or campaign. This will have a chilling effect on candidates and their reliance on advisory opinions, and on the Commission and its ability to effectively and independently enforce the election laws.

4. Revision of SUNPAC. The bill revises the FEC's SUNPAC decision which had permitted unlimited solicitation by corporations of all its employees for contributions to a corporate political action committee. The bill permits corporations to instead solicit on an unlimited basis only executive officers and administrative personnel who are defined in the act to be salaried employees who have either policy making, managerial, professional, or supervisory responsibilities. The final version of the bill does not prohibit solicitations of an employee by his superior, but does prohibit the use of coercion or threat of job reprisal. Corporations and labor organizations will also be able to solicit all employees and shareholders twice a year. This solicitation must be conducted in a manner that neither the corporation nor labor union will be able to determine who makes a contribution of \$50 or less as a result of such solicitation. This will require corporations to use banks or trustee arrangements for this purpose. This provision was designed to prevent the corporation from being able to use a check-off for non-executive employees. Only one trade association per corporation is allowed to solicit the executive personnel of a member corporation. The act also provides that whenever a check-off is used by a corporation for its PAC, then it must also be made available to the union at cost. Unless the corporation first establishes a check-off, the union may not demand it.

Most of the concerns of corporations have thus been resolved with the exception of whether a corporation must provide the union with a list of non-union employees for the purpose of permitting the unions to solicit all employees twice a year. The corporations are afraid that the employee's listing could be used to organize non-union plants and divisions of corporations. The statute

is silent on this point, but it is anticipated that unfavorable legislative history will be included in the Conference Report. It is quite possible that the corporations would prevail if this were taken to court. Corporations remain opposed to the SUNPAC revisions, although at this stage their objections are based more on emotion than on an analysis of the bill.

Note: The foregoing are only preliminary comments, and, after we see the exact text of the amendments and the complete Conference Report, we will provide a revised analysis.





FEDERAL ELECTION LAW AMENDMENTS

Q. Mr. President, will you sign the compromise worked out by the conference committee?

A. As you know, we have not seen the specific language because the conference committee has not yet adopted their report. I am advised by my attorneys that the conference report will make (insert number) of changes in the current law. These changes were the process of intense political and partisan debate within the Congress and will have a profound effect on the electoral process.

As I said in my statement, the integrity of our election process is a keystone to this Nation's strength. We must consider such changes very seriously because in the final analysis, the election laws must be scrupulously fair or they will not be accepted by the American people.

I continue to feel that the simple extension with the technical constitutional change mandated by the Supreme Court is the wisest course for the Nation at this point midway through a Presidential election year.

Obviously, I will consider any bill that Congress ultimately does send me, even if it contains changes, but I would caution the members of Congress against playing politics with the Nation's election laws.

M. D.

4/21/76

THE WHITE HOUSE

WASHINGTON

April 21, 1976

MEMORANDUM FOR: DICK CHENEY  
FROM: MIKE DUVAL *Mike*  
SUBJECT: FEC STATEMENT



I believe that the networks are likely to link the President's departure tomorrow for the campaign trail with the problems facing other candidates because of the hangup on the FEC law. The story will probably be that the President and Congress are thwarting the campaign efforts of challengers in an unfair manner. I think we should plan on that kind of coverage, and I suspect that you might even see footage of Air Force One and the helicopter departure with voice over speculation along the lines of the Sunday Broder story.

For this reason, I think the President should say something positive on this subject tomorrow. I think it's important that he get out in front with his position. (See attached draft statement at Tab A.)

At this point, I don't think the President should take a firm position as to whether or not he will sign the compromise worked out by the conferees. If he decides not to sign it, there obviously should be some work done to line up Congressional support, and thus a firm statement tomorrow probably would not give Marsh and Friedersdorf time to make the necessary calls. If he decides to sign it, I still don't think he should say anything because ambiguity in this area will give conferees with our point of view a last chance to try to squeeze out some additional changes.

Also attached following the draft statement is a Q&A (see Tab B) to cover the obvious follow-up question.

cc: Foster Chanock  
Jim Connor  
Dave Gergen  
Jerry Jones



Federal Election Commission Statement

The people of this country rightfully demanded -- and received -- federal election reform. Although the new law is not perfect, it did provide for federal campaign funding administered by the Federal Election Commission. The Supreme Court on            ruled that there had to be a technical change in the law in order for it to be constitutional. Congress was given fifty-one days to make the simple correction.

Immediately following the Supreme Court decision, I urged Congress to very quickly enact the technical change as an interim solution to some of the problems created by the election law so that it could continue to operate through the 1976 election. This is the simple and fair thing to do.

Our Constitution and two hundred years of experience under it establishes clearly that the strength of this country is inextricably linked to the integrity of our election process. The laws under which all candidates must operate must be clearly understood by the candidates and perceived as fair by the American people. Nothing is more intolerable than changing the ground rules in the middle of an election, especially when they are tampered with by incumbent politicians in the heat of a political campaign.

Clear, impartial and fair campaign laws are a national imperative. The current law is not perfect, but if it is amended to correct the constitutional defect identified by the Supreme Court, it will suffice to guide the Nation through the November elections. At that time, the Nation's elected leaders can make whatever long-term changes are appropriate and do so in a manner that the American people will accept as being in the national interest.

Accordingly, I again ask the Congress to pass this simple extension with the technical change mandated by the Supreme Court immediately upon their return next week. All candidates need the funds which are being held up by the Congressional inaction. It is appropriate that the candidates get the full benefit of the new law so that they can continue to campaign and the people can render their judgments.



FEDERAL ELECTION LAW AMENDMENTS

Q. Mr. President, will you sign the compromise worked out by the conference committee?

A. As you know, we have not seen the specific language because the conference committee has not yet adopted their report. I am advised by my attorneys that the conference report will make (insert number) of changes in the current law. These changes were the process of intense political and partisan debate within the Congress and will have a profound effect on the electoral process.

As I said in my statement, the integrity of our election process is a keystone to this Nation's strength. We must consider such changes very seriously because in the final analysis, the election laws must be scrupulously fair or they will not be accepted by the American people.

I continue to feel that the simple extension with the technical constitutional change mandated by the Supreme Court is the wisest course for the Nation at this point midway through a Presidential election year.

Obviously, I will consider any bill that Congress ultimately does send me, even if it contains changes, but I would caution the members of Congress against playing politics with the Nation's election laws.

M. D.

4/21/76

S. 3065 -- THE FEDERAL ELECTION  
CAMPAIGN ACT AMENDMENTS OF 1976



I. The Bill does not:

A. Prohibit corporate executives from soliciting contributions to its PAC.

B. Require that corporations give unions a political checkoff when the corporation does not use a political checkoff for its own PAC.

C. Prohibit corporations from sponsoring truly non-partisan registration and get-out-the-vote campaigns for all of its employees.

D. Require that corporations provide stockholders and employees' list directly to the unions.

II. The Bill does:

A. Expand the current statutory language of 18 U.S.C. 610 to permit corporations to solicit stockholders and executive or administrative personnel (salaried and having policy making, managerial, professional, or supervisory responsibilities but excluding first-line supervisors such as foremen and straw bosses), and their families. The legislative history indicates that this definition of management results in a class of employees roughly the same as nonexempt employees under the Fair Labor Standards Act.

B. Permit the use of corporate funds for nonpartisan registration or get-out-the-vote campaigns to the same extent corporations may do so now.

C. Permit a political checkoff plan for management employees provided the corporation does so at cost for union employees and their PAC on request.



D. Allow only one trade association PAC to solicit a corporation's shareholders or management employees. (Sources on the Hill indicate that the FEC was about to issue an opinion that trade associations using funds derived from corporations to solicit employees or member corporations are in violation of the corporate contribution provisions of current law.) The legislative history indicates that a separate corporation which is a subsidiary of a parent organization may select a trade association different from that used by the parent organization.

E. A corporation to solicit twice a year by mail, at residence addresses, any employee beyond those which are shareholders or management employees, if the solicitation is designed to keep anonymous the identity of contributors of less than \$50. An independent third party or trustee must be used to receive such contributions. If a corporation uses this twice a year solicitation, it must make available at cost to the union its lists of addressees for shareholders and employees. However, if a corporation does not wish to make these lists available to the union, it may select an independent third party to do the mailing for itself and the union. This mailing for the union can only deal with fundraising matters, and cannot be used to advocate other matters such as the advantages of joining a union. Where there are several labor organizations representing employees of a corporation, these unions, as a group, shall have no greater right to make solicitations than a single union would.

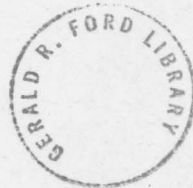
F. Not restrict the use of dues funds to communicate on any subject with, and solicit voluntary contributions on an unlimited basis from, union members and their families (such a restriction would likely be unconstitutional); but for the first time unions must report costs over \$2,000 per election of communications which advocate the election or defeat of a clearly identified candidate. Corporations must report expenditures for communications with stockholders and management employees on an identical basis.

G. Provide for the nonproliferation of PAC's by treating all political committees established by a single international union and any of its local or by a corporation in any of its affiliates or subsidiaries, as a single political committee for the purpose of

applying the contribution limitation -- \$5,000 to candidates, \$15,000 to the political parties. Similarly, all of the political committees established by the AFL-CIO and its state and local central bodies (COPE'S), or by the Chamber of Commerce and its state and local chambers are considered a single political committee for this purpose. Since more international unions now have several PAC's, e.g., Communication Workers of America, than do large corporations, this provision will likely have its most immediate effect on unions rather than corporations. In addition, it does not prohibit corporations from establishing more than one PAC, but instead it treats them as a single PAC for the purpose of applying limits on the contributions they may make.

H. Limit to \$5,000 per calendar year the maximum contribution an individual may make to a corporate PAC. Current law places a \$25,000 per calendar year limit on contributions which may be divided among PAC's, candidates and parties, any way the donor wishes. However, since corporations can establish several PAC's, this \$5,000 limitation is not as great as it seems.

I. Limit to \$5,000 per election the amount a PAC may contribute to a candidate (same as present law), or to \$15,000 per a calendar year to a political party. (The RNC advises that although there is no limit under present law on contribution from PAC's, this limitation will have virtually no effect on its ability to raise funds.)





THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 22, 1976

Time:

FOR ACTION:

cc (for information):

MAX Friedersdorf  
Jack Marsh  
Jerry Jones  
Dave Gergen  
FROM THE STAFF SECRETARY

Jim Lynn  
Mike Duval  
Foster Chanock  
Tim Austin

*H-  
file*

DUE: Date:

Saturday, Apr. 24

Time:

10 A.M.

SUBJECT:

Phil Buchen Memorandum  
4/22/76 re Conference Bill to amend the  
Federal Campaign Laws

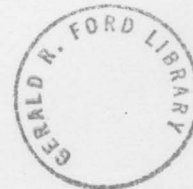
*No Comment  
I told  
Connor.*

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

The Original of this memorandum is being sent to the President today. Your comments are needed definitely by early Saturday morning or before in order that an additional memorandum is prepared for the President by the first thing Monday morning. Thank you.



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor  
For the President

THE WHITE HOUSE

WASHINGTON

April 22, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: PHILIP W. BUCHEN *P.*

SUBJECT: Conference Bill to amend the  
Federal Campaign Laws



I. Background

Attached at Tab A is a memorandum from Counsel of the President Ford Committee to Jim Connor of April 7, 1976 which reports the situation after the House and Senate had each passed separate and conflicting bills to make numerous amendments to the Federal Campaign Laws.

Attached at Tab B is a memorandum to you from me of April 14, 1976 which explains the major provisions of the bill as agreed to by the House-Senate Conference Committee. A comparison with Tab A shows that the Conference resulted generally in overcoming the worst features of each of the separate bills.

Counsel for the PFC and our office have since analyzed the draft conference report at length, and we have received comments from, and consulted with, Congressman Wiggins, minority staff of the Congress who worked on the legislation, representatives of business, and others.

The general consensus is that there are only two groups of provisions in the Conference Bill which cause any substantial concern, namely those which bear on the rule-making independence of the Commission and those which affect the campaign efforts by or for Corporations and Unions and their respective Political Action Committees (PAC's). These provisions are analyzed and evaluated in detail at parts II and III of this memorandum.



The changes made in contribution limitations as discussed in paragraph 1 of Tab B are not regarded as objectionable. The changes made in the enforcement provisions are generally regarded as an improvement over existing law. The new disclosure requirements for expenditures over \$2,000 per election by Unions in communicating to members in favor of, or in opposition to, clearly identifiable candidates (as described in paragraph 2 of Tab B) are looked upon as a real plus. Raising the minimum contribution which must be reported, from over \$10 per contributor to over \$50, and requiring anonymity for contributions of \$50 or less if they are solicited for PAC's by Corporations or Unions from persons outside of the usual groups to which they appeal could conceivably open the way to undetectable evasions of the law; but this is not regarded as a very serious objection.

## II. Independence of Commission

A. Rules and Regulations -- The present law mandates that the Commission promulgate rules and regulations to carry out the administrative and judicial duties of the Commission. The law also provides that either House of Congress may disapprove the regulations within thirty (30) legislative days.

The Conference bill, on the other hand, provides that all regulations proposed to date by the Commission must be resubmitted to the Congress for review and will now be subject to a one-house vote, either section by section or in toto, within 30 legislative days. The bill expands the existing veto power of the Congress by providing that a regulation "...means a provision or series of inter-related provisions stating a single separable rule of law." The Conference Report indicates that this section is intended to permit disapproval of discrete, self-contained sections or subdivisions of proposed regulations but is not intended to permit the rewriting of regulations by piecemeal changes.

B. Advisory Opinions -- The present law permits the Commission to issue Advisory Opinions (AO's) with respect to whether any specific transaction or activity would constitute a violation of the election laws. The Conference Bill states that the Commission may only

issue an opinion concerning the application to a specific factual situation of a general rule of law stated in the Act or in the regulations.

The FEC General Counsel has informally indicated that the Commission is likely to avoid ruling on potentially controversial questions until regulations have been promulgated and not vetoed by Congress. Also, existing Advisory Opinions, which must be revised or incorporated in regulations if they do not conform to the Conference Bill, have an uncertain status. While this condition will not continue in the future when comprehensive regulations are in place, it does introduce further uncertainty into the present campaign.

The basic problem of allowing a one-house veto of Commission regulations is a carryover from the existing law, and you have already stated your view that such a veto provision is unconstitutional, as the Office of Legal Counsel at the Department of Justice has advised. Yet, the Conference Bill extends the degree and selectivity of Congressional control over Commission opinions and policies and thus further weakens the Commission's independence from Congress after the Supreme Court had ruled that the FEC must be an independently constituted Commission. This is especially critical for Republicans when the Congress is dominated by the opposite party, and at a time when the Commission members have felt sharp criticism from Congress.

Under these circumstances, you may not be in good position to rely on the lack of Commission independence as a ground for vetoing the Conference Bill, especially since the original Act, which you did sign, had the objectionable feature of a one-house Congressional veto over Commission regulations and when a Court challenge of the veto provision may ultimately correct the situation.

Notwithstanding these very realistic objections, the Bill's adverse effects on the independence of the Commission is likely the most acceptable basis for explaining a veto.

### III. Effect on Corporations and Unions

#### A. Provisions regarding Corporations and their PAC's

The Conference Bill provides that a corporation may:



1. Use corporate funds to communicate on any subject with, and solicit voluntary contributions for their PAC's on an unlimited basis from, its shareholders and its executive or administrative personnel -- salaried and having policymaking, managerial, professional, or supervisory responsibilities -- and their families (hereinafter called "management employees").
2. Use corporate funds for a non-partisan registration or get-out-the-vote campaign aimed at its shareholders or management employees;
3. Use a payroll check-off plan for purposes of collecting permitted contributions for its PAC but must then make a similar plan available to unions for their PAC's at cost;
4. Allow only one trade association PAC to solicit the corporation's shareholders or management employees; and
5. Make solicitations twice a year by mail, at residence addresses, to any employee beyond those who are shareholders or management employees, if the solicitation is designed to keep anonymous the identity of contributors of less than \$50.

B. Provisions regarding Unions and their PAC's

The Conference Bill provides that a union may:

1. Use dues funds to communicate on any subject with, and solicit voluntary contributions on an unlimited basis from, its members and their families; but for the first time unions must report costs, over \$2,000 per election, of communications advocating the election or defeat of a clearly identified candidate;
2. Use dues funds for non-partisan registration or get-out-the-vote drives aimed at its members and their families;
3. Use at cost a payroll check-off plan or any other method of raising voluntary contributions from its members for its PAC that is permitted by law to corporations, if it is used by the corporation

or if the corporation has agreed to such use. (When a political check-off plan or other method is used in just one unit of a corporation, no matter how many units it has, any union with members in any other unit of the corporation may demand it from the corporation at cost with respect to its members. It is believed that COPE would then also be entitled to this check-off or other method at cost. This provision changes the effect of the National Labor Relations Act in permitting the use of check-offs other than for Union dues.); and

4. Make solicitations twice a year by mail, at residence addresses, to any shareholder or employee beyond those who are members of that union and their families, if the solicitation is designed to keep anonymous the identity of contributors of less than \$50.

C. Provisions regarding both Corporations and Unions and their PAC's

The Conference Bill also provides:

1. That unions, corporations and membership organizations must report the costs directly attributable to any communication expressly advocating the election or defeat of a clearly identified candidate (other than a regular communication primarily devoted to other subjects not relating to election matters) to the extent they exceed, in the aggregate, \$2,000 per election; and

2. For the non-proliferation of PAC's by treating all political committees established by a single international union and any of its locals, or by a corporation and any of its affiliates or subsidiaries, as a single political committee for the purpose of applying the contribution limitation -- \$5,000 to candidates, \$15,000 to the political parties. (Similarly, all of the political committees established by the AFL-CIO and its state and local central bodies (COPE's), or by the Chamber of Commerce and its state and local chambers, are considered a single political committee for this purpose.)





D. Industry Objections

Industry opposition to these provisions is generally based on its effects on labor-management relations and on the relative advantages provided labor. In particular, they assert the following:

- (a) Corporate PAC's will be less effective than they are under current law because of the limitations imposed on classes of employees eligible for unlimited solicitation, the reduction to one trade association per corporation, and the overall chilling effect of the Bill.
- (b) Lack of clarity in the statute and colloquies in conference suggest that corporations may have to provide the names and addresses of all non-union employees to unions. (If so, this would allow unions to gain access to employees in situations where they presently cannot, and thus use such information for purposes unrelated to the election law, e.g., organizing non-union employees);
- (c) The breakdown between executive and administrative personnel and other employees will further the "us-them" mentality in the corporate organization;
- (d) The definition of "executive or administrative personnel" is imprecise and will be difficult for corporations to interpret and may, because of the legislative history, exclude first-line supervisors, such as foremen and "straw" bosses, even though many are management employees for most other purposes under the labor laws;
- (e) Corporations are prohibited from conducting non-partisan registration and get-out-the-vote campaigns directed at their rank and file employees, which may be unconstitutional. (This could affect existing programs in some corporations, such as Sears' "Good Citizenship Program");
- (f) The twice-a-year solicitation by mail for non-management employees is virtually useless because personal contact or follow-up is usually

needed, and a check-off is not permitted since, among other reasons, anonymity of contributors cannot be assured; and

(g) The Bill bars unlimited solicitations by unions and management of all non-union and non-management workers, which may be unconstitutional.

#### E. Evaluation of Industry Objections

The only industry arguments which appear to warrant significant concern are (1) that corporations may have to make names and addresses of non-union employees available to the unions and (2) that their PAC's will be less effective than under the present interpretation of the current law. The statutory language generally supports the view that names and addresses need not be turned over to unions because they are not a "method of soliciting voluntary contributions or facilitating the making of voluntary contributions." (The "method" being the total process of mailing to a group of employees, which the Corporation can provide a union at cost without turning over the names and addresses separately for whatever use the union might make of them that is not related to the purpose of the campaign laws.) However, in the only related Conference discussion, Chairman Hays took the opposite view with respect to shareholders lists. Thus, this question is likely to be decided by the FEC in the form of either an advisory opinion or a regulation. How independent from Congress a Commission reconstituted by this Bill will be could determine the result, although a straight party split of the Commission's six members would prevent any decision. An unfavorable FEC opinion or regulation would most certainly be appealed to the Courts.

Although the Conference Bill reduces the potential subjects for unlimited solicitation of political contributions to corporate PAC's, so as to eliminate non-management employees who are not also shareholders, the bulk of such contributions would likely come in any event from shareholders and management employees because of their greater resources and their community of interest. Union members would not likely be a fruitful source for contributions to corporate PAC's and would be more costly to solicit by any means than the returns could justify. As for non-union and





non-management employees, even if twice-a-year mail solicitations do not appear a promising method, they will not be good sources for union solicitation either. Balancing or partially off-setting the relative advantages of unions are the non-proliferation provisions which will affect unions more than they will corporations. Likewise, unions will be affected more by reporting requirements for their costs of campaigning in favor of candidates by communications with their members, because this activity is much more common to unions than it is to corporations.

April 7, 1976

MEMORANDUM

TO: Jim Connor

FROM: Bob Visser *RV*  
Tim Ryan *TR*

RE: Federal Election Campaign Act Amendments of 1976

The proposed amendments to the Federal Election Campaign Act passed by the Senate and House have now been sent to conference. At this juncture, it is our opinion that the Senate bill is far superior to the Hays bill recently passed by the House. However, even the Senate bill contains a number of major provisions which require revision and/or clarification in the legislative history. Accordingly, we would still recommend that the President consider vetoing this bill unless the following action is taken by the Conference and no additional objectionable provisions are included:

I. Independence of the Commission.

The most important aspect of any revision of Federal election campaign laws is, in our opinion, to insure the independence of the Federal Election Commission. In this regard, removal of the "one house veto" provisions from each of the bills is essential. However, the Congressional Campaign Committee staff has advised us that to expect any such accommodation by Chairman Hays is unrealistic.

The House amendments provide that the appropriate body of Congress may disapprove, in whole or in part, a proposed rule, regulation or advisory opinion reduced to regulation form, within thirty legislative days. On the other hand, the Senate bill provides for the "one house veto" for Commission regulations; there is no provision for an item veto or review of Advisory Opinions. The Senate version also changes the period for Congressional disapproval from thirty legislative days to thirty calendar days or fifteen legislative days.

Recommendation

If the Senate provision which essentially represents



the status quo comes out of Conference, it is acceptable although it would probably provoke further litigation. The House version would be totally unacceptable and would most likely be an independent basis on which to base a veto recommendation.

## II. Political Action Committees.

A number of issues are presented within the general category of PAC's. We have continuously taken the position that the law must provide equal opportunity for political activity by corporation and unions. No longer will this field be preempted by COPE. Accordingly, we have concentrated on the structure of PAC's and limitations incumbent therein, and on the importance of the issue of non-proliferation.

Notwithstanding the fact that the relevant statutory provisions are ambiguous, we have been assured that both the House amendments and the Senate bill provide for the non-proliferation of all political action committees (PAC's). In particular, all qualified corporate and union PAC's will be limited to a \$5,000 aggregate contribution per Federal candidate per election, even though there may exist more than one PAC within the corporate or union structure. In order to support this interpretation, the following statement submitted by Chairman Hays into the House Report will also be placed in the Conference Report:

"All of the political committees set up by a single corporation and its subsidiaries would be treated as a single political committee for the purposes of H.R. 12406's contribution limitations;

All of the political committees set up by a single international union and its local unions would be treated as a single political committee for the purposes of H.R. 12406's contribution limitations;

All of the political committees set up by the AFL-CIO and all its State and local central bodies would be treated as a single political committee for the purposes of H.R. 12406's contribution limitations;

All the political committees established by the Chamber of Commerce and its State and local Chambers would be treated as a single political committee for the purposes of H.R. 12406's contribution limitations."

If this clarifying language is unacceptable, a complete reevaluation of our strategy, vis-a-vis this bill, will be necessary.

The general provisions on PAC's in each of the bills would restrict solicitations by Corporate PAC's to stockholders, executive (Senate-administrative) personnel and their families. The Senate bill, however, provides that two written solicitations per year to stockholders, officers, employees and their families may be made by a corporation or union or its respective PAC. In addition, the Senate bill states that any method of soliciting voluntary contributions or of facilitating the making of voluntary contributions which is utilized by a corporation must be made available to the unions. The Republican Conferees will attempt to limit this facilitation to a check-off provision which is supposedly what the Democrats and Unions desire. Such a limitation would also diminish the opportunity for misuse of this provision by Unions, e.g., as a tool in labor relations.

Other ancillary provisions, for example, the definition of employees with regard to the restriction regarding solicitation of subordinates and the availability of stockholder lists, must be clarified so that the opportunity for corporate solicitations is not jeopardized.

#### Recommendation

The Senate version with clarifying statements in the Report regarding non-proliferation of PAC's and the solicitation of subordinate employees with safeguards against coercion would most likely be acceptable to us.

#### III. Packwood Amendment.

The Packwood Amendment which passed in the Senate would require a corporation or union to report all expenditures over \$1,000 for communications with stockholders, members or their respective families which expressly advocate the election of a Federal candidate. At present, there is no reporting requirement. Thus, the provision would be most helpful in closing a major loophole benefiting unions in the present law. Since disclosure is the most important aspect of the campaign election law, this provision would effectively close the circle so that all politically-related expenditures for Federal candidates would be reported to the Federal Election Commission.





However, we understand that such a reporting requirement would, as a practical matter, be too expensive and burdensome for unions to effectively comply and, accordingly, stands little chance of surviving in Conference.

#### Recommendation

Although a very important provision, the absence of this section in a final bill would not of itself support a veto recommendation. However, it is an important issue which is readily understandable by the public.

#### IV. Limitations on Contributions and Expenditures.

Both the House and Senate provisions retain the \$1,000 individual contribution limitation. The House version, however, provides that no person may make contributions to any political committee which exceeds \$1,000 per calendar year. The Senate version, on the other hand, provides that a person may contribute \$25,000 per calendar year to any political committee maintained by a political party but that they may not make contributions to any other political committee exceeding \$5,000 in a calendar year. As a result of prior revisions of the House bill with regard to the contribution limitations, we believe that this aspect of the bill is negotiable and that Chairman Hay would be willing to accede to the limitations set forth in the Senate bill.

The House version maintains the current \$5,000 maximum contribution by qualified political committees to a candidate and also sets forth a new limitation of \$5,000 for contributions by a political committee to any other political committee in a calendar year. The existing law does not cover transfers between committees. The Senate version, on the other hand, would maintain the contribution restrictions on multi-candidate political committees at \$5,000 to any one candidate per election but allow such political committees to contribute up to \$25,000 per year to any other political committee maintained by a political party and contribute up to \$10,000 to any other political committee in any calendar year. Finally, the Senate bill provides that the Republican or Democratic Senatorial Campaign Committees may contribute another \$20,000 to candidates for the Senate.

#### Recommendation

We believe that the Senate bill's language with regard to contributions and expenditures by political committees is highly

preferable. Although the Senate version would place certain restrictions on transfers by a political committee to certain other political committees, we believe that the limits set forth in the Senate version are reasonable and would be acceptable.

V. Miscellaneous Provisions.

In addition to the above issues, there are numerous other minor changes and suggestions that we are directly conveying to counsel for the Congressional Campaign Committee staff who will be working with the minority members of the Conference Committee. Although certain of the minor revisions are important in terms of the particular provision involved, none are of fundamental importance to the President's decision regarding the election law amendments.



THE WHITE HOUSE

WASHINGTON

April 14, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: PHILIP W. BUCHEN *P.*

SUBJECT: Reconstitution of the Federal  
Election Commission (FEC)

Yesterday, the House-Senate Conference Committee agreed in principle to a bill that reconstitutes the FEC by providing for six members appointed by you and confirmed by the Senate. The Conference will next meet on April 27 to approve the final bill and report. Based on drafts and colloquies during the Conference, the following are the major provisions of the bill:

1. New contribution limitations. The bill continues the present limits of \$1,000 per election on contributions by individuals to federal candidates and \$25,000 total per calendar year. Under the bill, an individual may give up to \$20,000 in any calendar year to the political committees established and maintained by a national political party. An individual may only give \$5,000 to any other political committee. Under the present law, the only limit on contributions to political committees not related to individual candidates is \$25,000 per year. The bill continues the present \$5,000 limit on contributions by multi-candidate committees to candidates for federal office, but establishes, for the first time, limits on the amounts which multi-candidate committees can transfer to the political committees of the parties (\$15,000) or to any other political committee (\$5,000). A special exemption is provided for transfers between political committees of the national, state or local parties.



The bill also allows the Republican or Democratic Senatorial Campaign Committee or the national committee of a political party, or any combination thereof, to give up to \$17,500 per election to a candidate for the Senate. Under the old law, each committee could give only \$5,000 and thus a maximum total of \$10,000. However, Hays resisted attempts to give this same right to the Congressional campaign committees.

2. The Packwood Amendment. The bill also includes a modified version of the Packwood Amendment which for the first time requires corporations, labor organizations, and other membership organizations issuing communications to their stockholders, employees or members to report the cost of such communications to the extent they relate to clearly identifiable candidates. The threshold for reporting is \$2,000 per election, regardless of the number of candidates involved. The costs applicable to candidates only incidentally referenced in a regular newsletter are not required to be reported. However, the costs of a special election issue or a reprint of an editorial endorsing a candidate would have to be disclosed. Thus, the costs of phone banks and other special efforts used by unions to influence elections would be disclosed, even though they are not considered to be campaign contributions.

3. Independence of the FEC. The bill limits the FEC's authority to grant new advisory opinions to those relating to specific factual situations and when it is not necessary to state a general rule of law. The FEC is given 90 days from enactment to reduce its old advisory opinions to regulations which are then subject to a one-House veto. Wayne Hays' intent is to control the decisions rendered by the Commission. Although the item veto remains in the law, it has been modified to permit the disapproval of only an entire subject under regulation, and not individual words or paragraphs of regulations.

One Republican member of the Commission has indicated that these limitations on advisory opinions are not as objectionable as thought because the Commission would issue regulations in any event to implement the criminal provisions of the old law which would be transferred



from Title 18 to Title 2 of the United States Code. Additionally, the 90-day period given to the Commission will mean that the regulations based on advisory opinions will most likely be submitted in late July. With the lengthy recesses we can expect this summer for the conventions and campaigns, Hays will have relatively little opportunity to get the House to veto any of the old advisory opinions. While persons may continue to rely on the advisory opinions, they do so at the risk that if vetoed by one House, they may be required to reverse earlier actions at great expense to their committee or campaign. This will have a chilling effect on candidates and their reliance on advisory opinions, and on the Commission and its ability to effectively and independently enforce the election laws.

4. Revision of SUNPAC. The bill revises the FEC's SUNPAC decision which had permitted unlimited solicitation by corporations of all its employees for contributions to a corporate political action committee. The bill permits corporations to instead solicit on an unlimited basis only executive officers and administrative personnel who are defined in the act to be salaried employees who have either policy making, managerial, professional, or supervisory responsibilities. The final version of the bill does not prohibit solicitations of an employee by his superior, but does prohibit the use of coercion or threat of job reprisal. Corporations and labor organizations will also be able to solicit all employees and shareholders twice a year. This solicitation must be conducted in a manner that neither the corporation nor labor union will be able to determine who makes a contribution of \$50 or less as a result of such solicitation. This will require corporations to use banks or trustee arrangements for this purpose. This provision was designed to prevent the corporation from being able to use a check-off for non-executive employees. Only one trade association per corporation is allowed to solicit the executive personnel of a member corporation. The act also provides that whenever a check-off is used by a corporation for its PAC, then it must also be made available to the union at cost. Unless the corporation first establishes a check-off, the union may not demand it.

Most of the concerns of corporations have thus been resolved with the exception of whether a corporation must provide the union with a list of non-union employees for the purpose of permitting the unions to solicit all employees twice a year. The corporations are afraid that the employee's listing could be used to organize non-union plants and divisions of corporations. The statute

is silent on this point, but it is anticipated that unfavorable legislative history will be included in the Conference Report. It is quite possible that the corporations would prevail if this were taken to court. Corporations remain opposed to the SUNPAC revisions, although at this stage their objections are based more on emotion than on an analysis of the bill.

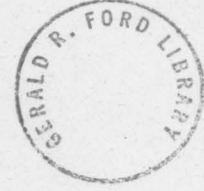
Note: The foregoing are only preliminary comments, and, after we see the exact text of the amendments and the complete Conference Report, we will provide a revised analysis.



THE WHITE HOUSE  
WASHINGTON

*Gergen*

April 26, 1976



MEMORANDUM FOR: DICK CHENEY  
FROM: MIKE DUVAL  
FOSTER CHANOCK  
DAVE GERGEN  
SUBJECT: FEC DECISION

*Mike*

The President's actions should be guided by the following objectives:

1. The President will seek a solution that is in the national interest (which means rapid reestablishment of the FEC).
2. The President will act responsibly in the long-term interest of the GOP.
3. The President is not waffling in order to hurt his opponent financially.

We recommend the following process be utilized to develop our position and implementation plan. The following meetings are recommended:

- A. Staff and Political Advisers. This meeting should be held this afternoon, as quickly as possible, for the purpose of developing fundamental strategy. Present should be:

Rog Morton  
Stu Spencer  
Bob Visser

Dick Cheney  
Phil Buchen  
Jack Marsh  
Max Friedersdorf  
Jim Cannon/Dave Gergen

Bryce Harlow

B. Congressional and Party Meeting. The following should be in attendance:

Rog Morton  
Dick Cheney  
Phil Buchen

Mary Louise Smith

Reagan representative

House and Senate GOP Leadership



C. Implementation Meeting.

Dick Cheney  
Ron Nessen  
Jack Marsh/Max Friedersdorf  
Morton/Spencer  
Gergen/Jones/Duval/Connor  
Hartmann/Orben

The following are some key principles which we suggest be kept in mind as we go through this decision process:

- If the President continues to waffle on this subject, through tomorrow noon, we are going to begin to see the "lack of leadership problem" in addition to the substantive FEC problem.
- There really is no way to come out in favor of a veto and peg it on the "need to save the long-term interest of the Republican Party" unless Mary Louise Smith is out in front of us.
- If the President decides to go the veto route, it might be a very good strategy to take a positive step to alleviate the Reagan financial problems via-a-vis our campaign. This could be done by offering to loan him money, joining the law suit, and/or seeking remedial near-term legislation which would permit the money to be disbursed without structural changes in the Commission.
- We should have the Counsel's Office immediately research how the President can move to challenge the one-House veto provision of the bill if he decides to sign it. Some immediate action, such as directing the Attorney General to file suit, might undercut the adverse party reaction to the bill.



- Friedersdorf should check with the conferees to see if any changes can still be made in the conference report.

N.B. Harlow called Gergen last night and urged the President to stick to his guns. The President has said repeatedly that he will not accept any bill which changes the rules in mid-stream. Having said that, he clearly should not do so now. It would be a sign of grave weakness. Furthermore, Harlow believes that this is one of the singularly important issues where a President must make a decision based more on the long-term needs of the Republic than on his own immediate interest. Harlow recognizes the appearance problem of a President starving out his opponents, and suggests that if there is any legal means of disgorging the money, the President should signal his intention to do so at the same time he declares his intention to veto the bill.



THE WHITE HOUSE

WASHINGTON

April 26, 1976



MEMORANDUM FOR: DICK CHENEY  
FROM: MIKE DUVAL  
FOSTER CHANOCK  
DAVE GERGEN  
SUBJECT: FEC DECISION

*Mike*

The President's actions should be guided by the following objectives:

1. The President will seek a solution that is in the national interest (which means rapid reestablishment of the FEC).
2. The President will act responsibly in the long-term interest of the GOP.
3. The President is not waffling in order to hurt his opponent financially.

We recommend the following process be utilized to develop our position and implementation plan. The following meetings are recommended:

- A. Staff and Political Advisers. This meeting should be held this afternoon, as quickly as possible, for the purpose of developing fundamental strategy. Present should be:

Rog Morton  
Stu Spencer  
Bob Visser

Dick Cheney  
Phil Buchen  
Jack Marsh  
Max Friedersdorf  
Jim Cannon/Dave Gergen

Bryce Harlow

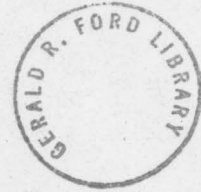
B. Congressional and Party Meeting. The following should be in attendance:

Rog Morton  
Dick Cheney  
Phil Buchen

Mary Louise Smith

Reagan representative

House and Senate GOP Leadership



C. Implementation Meeting.

Dick Cheney  
Ron Nessen  
Jack Marsh/Max Friedersdorf  
Morton/Spencer  
Gergen/Jones/Duval/Connor  
Hartmann/Orben

The following are some key principles which we suggest be kept in mind as we go through this decision process:

- If the President continues to waffle on this subject, through tomorrow noon, we are going to begin to see the "lack of leadership problem" in addition to the substantive FEC problem.
- There really is no way to come out in favor of a veto and peg it on the "need to save the long-term interest of the Republican Party" unless Mary Louise Smith is out in front of us.
- If the President decides to go the veto route, it might be a very good strategy to take a positive step to alleviate the Reagan financial problems via-a-vis our campaign. This could be done by offering to loan him money, joining the law suit, and/or seeking remedial near-term legislation which would permit the money to be disbursed without structural changes in the Commission.
- We should have the Counsel's Office immediately research how the President can move to challenge the one-House veto provision of the bill if he decides to sign it. Some immediate action, such as directing the Attorney General to file suit, might undercut the adverse party reaction to the bill.



- Friedersdorf should check with the conferees to see if any changes can still be made in the conference report.

N.B. Harlow called Gergen last night and urged the President to stick to his guns. The President has said repeatedly that he will not accept any bill which changes the rules in mid-stream. Having said that, he clearly should not do so now. It would be a sign of grave weakness. Furthermore, Harlow believes that this is one of the singularly important issues where a President must make a decision based more on the long-term needs of the Republic than on his own immediate interest. Harlow recognizes the appearance problem of a President starving out his opponents, and suggests that if there is any legal means of disgorging the money, the President should signal his intention to do so at the same time he declares his intention to veto the bill.

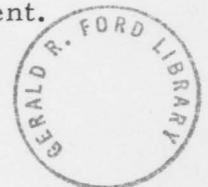
FEC Legislation Statement

Restate the President's position on the issue including date of his  
original request, the recommendation that we have a simple re-  
constitution of the Commission, that we avoid changing the rules  
in the middle of the game.

Next hit the Congress on the fact that it has been 70+ days and two  
Congressional vacations and we still don't have a bill. That instead  
of a simple bill reconstituting the Commission to take care of  
Supreme Court objections, they have delayed for weeks taking  
action while trying to fundamentally alter the Campaign Reform  
Act and jeopardizing the conduct of this year's Presidential  
campaign.

Because the President does not yet have the final version of the  
legislation passed by the Congress and approved by the Conferees,  
he cannot take an irrevocable position to sign or veto the legislation.

Clearly, however, the sponsors of the legislation can improve  
the likelihood of Presidential approval of the bill by eliminating  
objectionable provisions and moving back closer to what was  
required by the Courts and recommended by the President.



THE WHITE HOUSE

WASHINGTON

April 26, 1976

MEMORANDUM FOR: DICK CHENEY  
FROM: MIKE DUVAL  
FOSTER CHANOCK  
DAVE GERGEN  
SUBJECT: FEC DECISION



The President's actions should be guided by the following objectives:

1. The President will seek a solution that is in the national interest (which means rapid reestablishment of the FEC).
2. The President will act responsibly in the long-term interest of the GOP.
3. The President is not waffling in order to hurt his opponent financially.

We recommend the following process be utilized to develop our position and implementation plan. The following meetings are recommended:

- A. Staff and Political Advisers. This meeting should be held this afternoon, as quickly as possible, for the purpose of developing fundamental strategy. Present should be:

Rog Morton  
Stu Spencer  
Bob Visser

⋆ Dick Cheney  
Phil Buchen  
Jack Marsh  
Max Friedersdorf  
Jim Cannon/Dave Gergen

Bryce Harlow



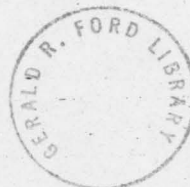
B. Congressional and Party Meeting. The following should be in attendance:

Rog Morton  
Dick Cheney  
Phil Buchen

Mary Louise Smith

Reagan representative

House and Senate GOP Leadership



C. Implementation Meeting.

Dick Cheney  
Ron Nessen  
Jack Marsh/Max Friedersdorf  
Morton/Spencer  
Gergen/Jones/Duval/Connor  
Hartmann/Orben

The following are some key principles which we suggest be kept in mind as we go through this decision process:

- If the President continues to waffle on this subject, through tomorrow noon, we are going to begin to see the "lack of leadership problem" in addition to the substantive FEC problem.
- There really is no way to come out in favor of a veto and peg it on the "need to save the long-term interest of the Republican Party" unless Mary Louise Smith is out in front of us.
- If the President decides to go the veto route, it might be a very good strategy to take a positive step to alleviate the Reagan financial problems via-a-vis our campaign. This could be done by offering to loan him money, joining the law suit, and/or seeking remedial near-term legislation which would permit the money to be disbursed without structural changes in the Commission.
- We should have the Counsel's Office immediately research how the President can move to challenge the one-House veto provision of the bill if he decides to sign it. Some immediate action, such as directing the Attorney General to file suit, might undercut the adverse party reaction to the bill.

- Friedersdorf should check with the conferees to see if any changes can still be made in the conference report.

N.B. Harlow called Gergen last night and urged the President to stick to his guns. The President has said repeatedly that he will not accept any bill which changes the rules in mid-stream. Having said that, he clearly should not do so now. It would be a sign of grave weakness. Furthermore, Harlow believes that this is one of the singularly important issues where a President must make a decision based more on the long-term needs of the Republic than on his own immediate interest. Harlow recognizes the appearance problem of a President starving out his opponents, and suggests that if there is any legal means of disgorging the money, the President should signal his intention to do so at the same time he declares his intention to veto the bill.

April 27, 1976

Office of the White House Press Secretary

---

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT



On October 15, 1974, I signed into law the Federal Election Campaign Act Amendments of 1974 which made far-reaching changes in the laws affecting Federal elections in election campaign practices. This law created the Federal Election Commission to administer and enforce a comprehensive regulatory scheme for Federal campaigns.

On January 30, 1976, the United States Supreme Court ruled that certain features of the new law were unconstitutional. The Court allowed a total of 50 days to "afford Congress an opportunity to reconstitute the Commission by law".

On February 16th, I submitted legislation to reconstitute the Commission and urged Congress to enact quickly this required change so it could continue to operate through the 1976 election. This is the simple and fair thing to do.

Instead, Congress has already spent over 70 days in its attempt to amend the existing law in many unnecessary areas.

Because of this delay, campaigns which were planned in accordance with the funding and regulatory provisions of the election law now lack funds and lack ground rules. The complex changes in the draft conference bill can only introduce added uncertainty in the law, and thus create confusion for the candidates in the present campaigns and jeopardize the conduct of this year's Presidential election.

Accordingly, I again urge the Congress to immediately pass the simple corrections mandated by the Supreme Court and proposed by me. The American people want and deserve an independent and effective Election Commission. There must be a fair and clear law on the books to guide the campaigns. All Presidential candidates need the funds which are blocked by the Congressional inaction.

A Congressional conference committee is still working on the details of the Federal Election Commission legislation. This legislation could have a major impact on how Presidential elections are conducted in this country. This is not a subject



that any President can treat lightly, and I will not commit myself to sign or veto until the Congress completes definitive action on the bill.

There is no question that the Congressional conferees can adopt a bill which I can quickly sign into law. They should avoid objectionable and highly controversial provisions by moving towards simple reconstitution suggested by the Supreme Court and proposed by me in February.

# # #



April 27, 1976

Office of the White House Press Secretary

---

THE WHITE HOUSE

## STATEMENT BY THE PRESIDENT



On October 15, 1974, I signed into law the Federal Election Campaign Act Amendments of 1974 which made far-reaching changes in the laws affecting Federal elections in election campaign practices. This law created the Federal Election Commission to administer and enforce a comprehensive regulatory scheme for Federal campaigns.

On January 30, 1976, the United States Supreme Court ruled that certain features of the new law were unconstitutional. The Court allowed a total of 50 days to "afford Congress an opportunity to reconstitute the Commission by law".

On February 16th, I submitted legislation to reconstitute the Commission and urged Congress to enact quickly this required change so it could continue to operate through the 1976 election. This is the simple and fair thing to do.

Instead, Congress has already spent over 70 days in its attempt to amend the existing law in many unnecessary areas.

Because of this delay, campaigns which were planned in accordance with the funding and regulatory provisions of the election law now lack funds and lack ground rules. The complex changes in the draft conference bill can only introduce added uncertainty in the law, and thus create confusion for the candidates in the present campaigns and jeopardize the conduct of this year's Presidential election.

Accordingly, I again urge the Congress to immediately pass the simple corrections mandated by the Supreme Court and proposed by me. The American people want and deserve an independent and effective Election Commission. There must be a fair and clear law on the books to guide the campaigns. All Presidential candidates need the funds which are blocked by the Congressional inaction.

A Congressional conference committee is still working on the details of the Federal Election Commission legislation. This legislation could have a major impact on how Presidential elections are conducted in this country. This is not a subject

that any President can treat lightly, and I will not commit myself to sign or veto until the Congress completes definitive action on the bill.

*There*  
This is no question that the Congressional conferees can adopt a bill which I can quickly sign into law. They should avoid objectionable and highly controversial provisions by moving towards simple reconstitution suggested by the Supreme Court and proposed by me in February.

# # #





FEC STATEMENT

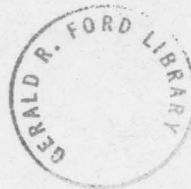
*Signed off  
by the President*

On October 15, 1974, I signed into law the Federal Election Campaign Act Amendments of 1974 which made far-reaching changes in the laws affecting Federal elections in election campaign practices. This law created the Federal Election Commission to administer and enforce a comprehensive regulatory scheme for Federal campaigns.

On January 30, 1976, the United States Supreme Court ruled that certain features of the new law were unconstitutional. The Court allowed a total of 50 days to "afford Congress an opportunity to reconstitute the Commission by law".

On February 16th, I submitted legislation to reconstitute the Commission and urged Congress to enact quickly this required change so it could continue to operate through the 1976 election. This is the simple and fair thing to do.

Instead, Congress has already spent over 70 days ~~and two vacations~~ in its attempts to amend the existing law in many unnecessary areas.



Because of this delay, campaigns which were planned in accordance with the funding and regulatory provisions of the election law now lack funds and lack ground rules. The complex changes in the draft conference bill can only introduce added uncertainty in the law, and thus create confusion for the candidates in the present campaigns and jeopardize the conduct of this year's Presidential election.

Accordingly, I again urge the Congress to immediately pass the simple corrections mandated by the Supreme Court and proposed by me. The American people want and deserve an independent and effective Election Commission. There must be a fair and clear law on the books to guide the campaigns. All Presidential candidates need the funds which are blocked by the Congressional inaction.

A Congressional conference committee is still working on the details of the Federal Election Commission legislation.

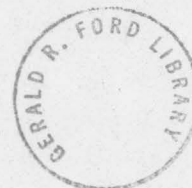
This legislation <sup>could</sup> ~~is likely to~~ have a major impact on how Presidential elections are conducted in this country. This

is not a subject that any President can treat lightly, and

I will not commit myself to sign or veto ~~the bill~~ until I

~~see the specific language~~ <sup>the Congress complete definitive action on the bill</sup>

There is no question that the Congressional conferees can adopt a bill which I can quickly sign into law. They should avoid objectionable and highly controversial provisions by moving towards simple reconstitution suggested by the



Supreme Court and proposed by me in February.

~~I urge the Congress to act quickly. The people of this country will not stand by while incumbent politicians fiddle around with the electoral process.~~

*Handwritten:*  
The  
1-28



Supreme Court and proposed by me in February.

~~I urge the Congress to act quickly. The people of this~~

~~country will not stand behind incumbent politicians fiddle~~

~~away with the process.~~

25  
—  
Fried  
Roberts

FEC STATEMENT



On October 15, 1974, I signed into law the Federal Election Campaign Act Amendments of 1974 which made far-reaching changes in the laws affecting Federal elections in election campaign practices. This law created the Federal Election Commission to administer and enforce a comprehensive regulatory scheme for Federal campaigns.

On January 30, 1976, the United States Supreme Court ruled that certain features of the new law were unconstitutional. The Court allowed a total of 50 days to "afford Congress an opportunity to reconstitute the Commission by law".

On February 16th, I submitted legislation to reconstitute the Commission and urged Congress to enact quickly this required change so it could continue to operate through the 1976 election. This is the simple and fair thing to do.

Instead, Congress has already spent over 70 days and two vacations in its attempts to amend the existing law in many unnecessary areas.

Because of this delay, campaigns which were planned in accordance with the funding and regulatory provisions of the election law now lack funds and lack ground rules. The complex changes in the draft conference bill can only introduce added uncertainty in the law, and thus create confusion for the candidates in the present campaigns and jeopardize the conduct of this year's Presidential election.

Accordingly, I again urge the Congress to immediately pass the simple corrections mandated by the Supreme Court and proposed by me. The American people want and deserve an independent and effective Election Commission. There must be a fair and clear law on the books to guide the campaigns. All Presidential candidates need the funds which are blocked by the Congressional inaction.

A Congressional conference committee is still working on the details of the Federal Election Commission legislation. This legislation is likely to have a major impact on how Presidential elections are conducted in this country. This is not a subject that any President can treat lightly, and I will not commit myself to sign or veto the bill until I see the specific language.

There is no question that the Congressional conferees can adopt a bill which I can quickly sign into law. They should avoid objectionable and highly controversial provisions by moving towards simple reconstitution suggested by the



Supreme Court and proposed by me in February.

I urge the Congress to act quickly. The people of this country will not stand by while incumbent politicians fiddle around with the electoral process.



APRIL 27, 1976

Office of the White House Press Secretary  
(Shreveport, Louisiana)

*file*

-----  
THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

On October 15, 1974, I signed into law the Federal Election Campaign Act Amendments of 1974, which made far-reaching changes in the laws affecting Federal elections in election campaign practices. This law created the Federal Election Commission to administer and enforce a comprehensive regulatory scheme for Federal campaigns.

On January 30, 1976, the United States Supreme Court ruled that certain features of the new law were unconstitutional. The Court allowed a total of 50 days to "afford Congress an opportunity to reconstitute the Commission by law."

On February 16, I submitted legislation to reconstitute the Commission and urged Congress to enact quickly this required change so it could continue to operate through the 1976 election. This is the simple and fair thing to do.

Instead, Congress has already spent over 70 days in its attempt to amend the existing law in many unnecessary areas.

Because of this delay, campaigns which were planned in accordance with the funding and regulatory provisions of the election law, now lack funds and lack ground rules. The complex changes in the draft conference bill can only introduce added uncertainty in the law and thus create confusion for the candidates in the present campaigns and jeopardize the conduct of this year's Presidential election.

Accordingly, I again urge the Congress to immediately pass the simple corrections mandated by the Supreme Court and proposed by me. The American people want and deserve an independent and effective Election Commission. There must be a fair and clear law on the books to guide the campaigns. All Presidential candidates need the funds which are blocked by the Congressional inaction.

A Congressional conferees committee is still working on the details of the Federal Election Commission legislation. This legislation could have a major impact on how Presidential elections are conducted in this country. This is not a subject that any President can treat lightly, and I will not commit myself to sign or veto until the Congress completes definitive action on the bill.

There is no question that the Congressional conferees can adopt a bill which I can quickly sign into law. They should avoid objectionable and highly controversial provisions by moving toward simple reconstitution suggested by the Supreme Court and proposed by me in February.

# # #



EMBARGOED FOR RELEASE  
UNTIL 3 P.M., E.D.T.  
TUESDAY, APRIL 27, 1976

APRIL 27, 1976

*file  
FEC*

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

On October 15, 1974, I signed into law the Federal Election Campaign Act Amendments of 1974 which made far-reaching changes in the laws affecting Federal elections in election campaign practices. This law created the Federal Election Commission to administer and enforce a comprehensive regulatory scheme for Federal campaigns.

On January 30, 1976, the United States Supreme Court ruled that certain features of the new law were unconstitutional. The Court allowed a total of 50 days to "afford Congress an opportunity to reconstitute the Commission by law."

On February 16th, I submitted legislation to reconstitute the Commission and urged Congress to enact quickly this required change so it could continue to operate through the 1976 election. This is the simple and fair thing to do.

Instead, Congress has already spent over 70 days in its attempt to amend the existing law in many unnecessary areas.

Because of this delay, campaigns which were planned in accordance with the funding and regulatory provisions of the election law now lack funds and lack ground rules. The complex changes in the draft conference bill can only introduce added uncertainty in the law, and thus create confusion for the candidates in the present campaigns and jeopardize the conduct of this year's Presidential election.

Accordingly, I again urge the Congress to immediately pass the simple corrections mandated by the Supreme Court and proposed by me. The American people want and deserve an independent and effective Election Commission. There must be a fair and clear law on the books to guide the campaigns. All Presidential candidates need the funds which are blocked by the Congressional inaction.

A Congressional conference committee is still working on the details of the Federal Election Commission legislation. This legislation could have a major impact on how Presidential elections are conducted in this country. This is not a subject that any President can treat lightly, and I will not commit myself to sign or veto until the Congress completes definitive action on the bill.

There is no question that the Congressional conferees can adopt a bill which I can quickly sign into law. They should avoid objectionable and highly controversial provisions by moving towards simple reconstitution suggested by the Supreme Court and proposed by me in February.

# # #





April 29, 1976

file  
FEC

Outline of the Major Deficiencies  
in the Final Conference Agreement on  
S.3065 -- the Pending Federal  
Election Campaign Act Amendments



1. Goes far beyond the simple FEC extension recommended by the President.
2. Goes far beyond any requirement of the Supreme Court's recent Buckley decision. (A simple extension of the FEC meets the Supreme Court's directives.)
3. Nullifies the supposed independence of the FEC, by giving either House of Congress the right to veto -- in whole, or in part -- whatever the Commission decides.
4. Encourages secret, anonymous giving in cash up to \$50 at a time -- with no practical restriction on how often, or with whose money, a person could make such anonymous cash gifts.
5. Does nothing to restrict a labor union's present license to spend unlimited union funds contacting union members for partisan purposes -- e.g., phone brigades; drive members to polls; leaflets, newsletters, etc. Unions would have to report some, but not all, of the money so spent -- but there is still no limit on the actual amounts they could spend.

(The strongest single force behind the National Democratic Party has for years been the political muscle of the big unions. The law is already tilted heavily in the unions' favor, even without these pending changes. To approve these changes now would expand and lock in for years this imbalance -- in favor of Democrats, and against Republicans!)

6. Severely restricts corporate non-partisan communications, registration and get-out-and vote campaigns. First, they are improperly limited to shareholders, executive and "managerial" people. Then -- if a corporation should want to go beyond those three categories, to include its regular work force as well -- it may do so only in concert with some "neutral" organization (such as the League of Women Voters, Common Cause, perhaps Rotary, etc.) which does not support candidates. Bizarre as well as unconstitutional.
  
7. Restricts a corporate employer to two written solicitations a year to rank-and-file employees, with no oral solicitations permitted. Clearly unconstitutional abridgements of free speech.
  
8. Makes a major intrusion into labor-management matters that are covered by Taft-Hartley. The final statutory language of S. 3065 empowers a union to get from an employer a list of names and addresses for all his employees\* (including unorganized rank and file workers). The Conference Report carries language saying that if an employer doesn't want to give such a list to a union, then he must retain "an independent mailing service" -- and that service must then be used to send out the union's materials and the company's solicitations as well. The Conference Report goes on to say the conferees intend that such lists be used only for political solicitation; however, no penalty is provided for using the lists for other purposes.
  
9. In similar fashion, the final Conference Bill requires release of stockholder\* lists -- if unions request them -- but if a corporation does not wish to give them direct to the union, then provision must be made via "an independent mailing service" to get the union's material to the stockholders.

-----

\*These two requirements attach automatically where a corporation (1) has any union contract, and (2) in any way "facilitates" the making of any employee political contributions.

THE WHITE HOUSE  
WASHINGTON

May 4, 1976

MEMORANDUM FOR: DICK CHENEY  
FROM: MIKE DUVAL  
SUBJECT: FEC DECISION ANNOUNCEMENT

*Mike*



I recommend the following plan if the President decides to sign the FEC bill:

Wednesday

- Nessen announces that bill under intensive review by the President; President meets with Attorney General on constitutional issue -- Nessen briefs.
- Mary Louise Smith issues a statement urging the President to sign the bill because:
  1. It is best bet to protect long-term GOP interests; and
  2. We need firm ground rules for 1976 election -- no return to dirty tricks.

Thursday

- President signs on-camera in Oval Office and makes brief statement; followed by Q&As (perhaps limited to FEC).
- Issue written statement which explains the President's decision in detail.
- Pre-notifications and briefings:

Friedersdorf - Congressional  
Seidman/Baroody - Business  
Morton - Political  
Nessen - Press

Agree (set up) \_\_\_\_\_ See me \_\_\_\_\_

*cc: Connor, Jones, Gergen, Chanock*



*file  
FEC Tuesday.*

Conference substitute

The conference substitute is the same as the House amendment except as follows:

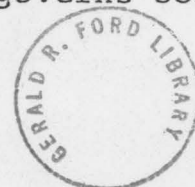
✓ 1. The conference substitute follows the Senate bill in applying the definition of the term "contribution or expenditure" contained in section 321 to section 791(h) of the Public Utility Holding Company Act.

2. The conference substitute follows the Senate bill in using the term "executive or administrative personnel" throughout section 321 rather than "executive officer". The conference substitute defines that term to mean an employee who is paid on a salary, rather than hourly, basis and who has policy-making, managerial, professional or supervisory responsibilities. The term "executive or administrative personnel" is intended to include the individuals who run the corporation's business, such as officers, other executives, and plant, division and section managers, as well as individuals following the recognized professions, such as lawyers and engineers, who have not chosen to separate themselves from management by choosing a bargaining representative; but is not intended to include professionals who are members of a labor organization, or foremen who have direct supervision over hourly employees, or other lower level supervisors such as "strawbosses".

3. The conference substitute follows the Senate bill in requiring that when a corporation <sup>*or labor organ.*</sup> solicits its executive and administrative personnel as permitted by paragraph (b) (4) (B), for a contribution to a separate segregated fund, the employees

being solicited must be informed at the time of the solicitation of the political purposes of the fund and that he may refuse to contribute.

4. The conference substitute follows the Senate bill in permitting under certain circumstances written solicitations by corporations and labor organizations of stockholders, executive or administrative personnel, members of labor organizations, and other employees (and their families) of a corporation. It is the conferees' intent that in order to assure the anonymity of those who do not wish to respond or to respond with a small contribution the mail solicitations shall be conducted so that an independent third person, who acts as fiduciary for the separate segregated fund, receives the return envelopes, keeps the necessary records, and provides the fund only with information as to the identity of individuals who make a single contribution of over \$50 or multiple contributions that aggregate more than \$100. The conference substitute follows the House amendment with regard to the solicitation by a trade association of stockholders and executive or administrative personnel (and their families) of a member corporation of such trade association. The conference substitute contains the provision of the Senate bill permitting a membership organization, cooperative, or corporation without capital stock, or a separate segregated fund established by such organizations, to solicit contributions to such a fund from members of such organization, cooperative, or corporation without capital stock. In light of the fact that Paragraph (b) (4) (D) governs solicitations



by a trade association of the stockholders and executive or administrative personnel of a member corporation, the term "membership organization" in Paragraph (b) (4) (C) is not intended to include a trade association which is made up of corporations.

The conferees' intent is also noted with regard to the following additional points:

1. Section 301(f) (4) (B) and (C), section 321(b) (2) (A) and (B), which were added to the law at different times, overlap in that both make exceptions to the term "expenditure" for internal communication and for non-partisan registration and get-out-the-vote activity. The dual reference to internal communication is intended to permit corporations to write, or call, or address their stockholders and executive or administrative personnel and their families, (and unions to reach their members and their families in the same ways) to communicate a partisan or non-partisan political message, subject only to the reporting requirement added by the conference substitute and already discussed. (The conferees agree that section 301(f) (4) (C), as amended by the conference substitute, makes reporting requirements applicable to certain communications which are not expenditures under this section but which expressly advocate the election or defeat of a clearly identified candidate.) The conferees' intent with regard to the interrelationship between Sections 301(f) (4) (B) and 321(b) (2) (B) which permit such activities as assisting eligible voters to register and to get to the polls, so long as these services are made available without regard to the voter's political preference, is



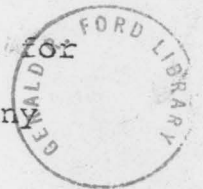
the following:

*Hybrid*

These provisions should be read together to permit corporations both to take part in non-partisan registration and get-out-the-vote activities that are not restricted to stockholders and executive or administrative personnel, if such activity is jointly sponsored by the corporation and an organization that does not endorse candidates (such as the League of Women Voters); and to permit corporations, on their own, to engage in such activities restricted to executive or administrative personnel and stockholders and their families. The same rule, of course, applies to labor organizations.

2. With regard to paragraphs 321(b)(3)(B) and (C), which provides certain protections to employees solicited by their employer, it is intended that the general rule inherent in the plan of the entire section--that unions insofar as they are employers, stand in the same shoes as corporations--shall apply. In addition, while the conference substitute permits corporations in connection with an overall solicitation of stockholders to solicit employee-stockholders, such a solicitation would, of course, have to be in conformity with the requirements of paragraphs (b)(3)(B) and (C).

3. While Paragraphs (b)(4)(B) and (b)(6), taken together, require a corporation that makes a written solicitation to provide a labor organization with members working for the corporation the information necessary to make its own mailing so long as the union repays the corporation for the added expense incurred, it is the conferees' intent that the union is entitled to utilize information so received solely for a written solicitation for contributions to the union's political fund and not for any



other purpose. Moreover, if the labor organization desires to solicit a smaller group than that chosen by the corporation, the union in making its request should so inform the corporation so that the latter, if it chooses, may provide only the names and addresses of that group. Finally, it is intended that in a situation in which there are several labor organizations, rather than one, with members at a single corporation, the unions as a group shall have no greater right to make mailings than a single union would.

4. Paragraph (b) (5), as opposed to (b) (6), merely eliminates any illegal impediment to the use by a labor organization of any method permitted by law to a corporation with regard to the solicitation of its stockholders and executive or administrative personnel, or with regard to facilitating the making of contributions by stockholders and executive and administrative personnel, and does not automatically make such methods available to unions.

5. The conference substitute does not define the term "stockholder." It is intended that in this regard the normal concepts of corporate law shall be controlling.

FEDERAL ELECTION LAW AMENDMENTS

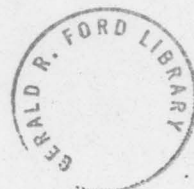
Q: Mr. President, will you sign the compromise worked out by the Conference Committee?

A: As you know, we cannot be certain as to the specific final language of the bill which will have to be submitted to both the House and Senate before it would come to me, because the Conference Committee has not yet adopted its report. I am advised by my Counsel that the Conference Report proposes over 100 changes in the current law. These changes were the result of intense political and partisan debate within the Congress and will have a substantial effect on the work of the Commission and on political campaign practices by all candidates.

The integrity of our system of nominating and electing candidates for Federal offices is a keystone to this Nation's strength. We must consider any changes in that system very seriously because in the final analysis, the election campaign laws must be scrupulously fair or they will not be accepted by the American people.

I continue to feel that the simple reconstitution of the Federal Election Commission as mandated by the Supreme Court is the wisest course for the Nation at this point midway through a Federal election year.

Obviously, I will consider any bill that Congress ultimately does send me, but I would caution the members of Congress against playing politics with the Nation's election campaign laws.





FEDERAL ELECTION LAW AMENDMENTS

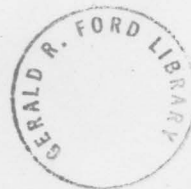
Q: Mr. President, will you sign the compromise worked out by the Conference Committee?

A: As you know, we cannot be certain as to the specific final language of the bill which will have to be submitted to both the House and Senate before it would come to me, because the Conference Committee has not yet adopted its report. I am advised by my Counsel that the Conference Report proposes over 100 changes in the current law. These changes were the result of intense political and partisan debate within the Congress and will have a substantial effect on the work of the Commission and on political campaign practices by all candidates.

The integrity of our system of nominating and electing candidates for Federal offices is a keystone to this Nation's strength. We must consider any changes in that system very seriously because in the final analysis, the election campaign laws must be scrupulously fair or they will not be accepted by the American people.

I continue to feel that the simple reconstitution of the Federal Election Commission as mandated by the Supreme Court is the wisest course for the Nation at this point midway through a Federal election year.

Obviously, I will consider any bill that Congress ultimately does send me, but I would caution the members of Congress against playing politics with the Nation's election campaign laws.



R W BYLWYFAYL

FAM-FEC: Bjt 490

FBy JOHN CHADWICK

FAssociated Press Writer

WASHINGTON (AP) - THE SENATE PASSED AND SENT TO PRESIDENT FORD ON TUESDAY A BILL THAT WOULD OPEN THE WAY FOR A RESUMPTION OF FEDERAL CAMPAIGN SUBSIDIES FOR PRESIDENTIAL CANDIDATES.

THE VOTE WAS 62 TO 29, TWO MORE THAN THE TWO-THIRDS VOTE THAT WOULD BE NEEDED TO OVERRIDE A VETO. THE HOUSE PASSED THE MEASURE MONDAY BY 291 TO 61.

A KEY PART OF THE BILL IS A RESTRUCTURING OF THE FEDERAL ELECTION COMMISSION IN COMPLIANCE WITH A SUPREME COURT DECISION SO THAT THE FEDERAL MONEY SPIGOT FOR PRESIDENTIAL CONTENDERS, CUT OFF SINCE MARCH 22, CAN BE TURNED ON AGAIN.

BUT THE BILL ALSO MAKES MANY OTHER CHANGES IN CAMPAIGN FINANCE LAW THAT OPPONENTS CONTEND WOULD UNDERMINE THE INDEPENDENCE OF THE FEC, ADD TO THE POLITICAL MUSCLE OF LABOR UNIONS, AND INCREASE THE ADVANTAGES OF INCUMBENT OFFICEHOLDERS.

FORD HAS SAID HE WILL CAREFULLY REVIEW THE LEGISLATION, A COMPROMISE OF SEPARATE BILLS PREVIOUSLY PASSED BY THE SENATE AND HOUSE, BEFORE DECIDING WHETHER TO SIGN OR VETO IT.

HE REPEATEDLY URGED CONGRESS JUST TO PASS A BILL RECONSTITUTING THE FEC TO COMPLY WITH THE SUPREME COURT'S JAN. 30 DECISION THAT ALL SIX OF THE AGENCY'S MEMBERS BE APPOINTED BY THE PRESIDENT.

THE 1974 CAMPAIGN FINANCE LAW CREATING THE FEC PROVIDED FOR APPOINTMENT OF FOUR OF THE MEMBERS BY CONGRESS. THE COURT RULED THIS WAS UNCONSTITUTIONAL BECAUSE THE COMMISSION PERFORMS EXECUTIVE FUNCTIONS.

JUST LAST WEEK, FORD ISSUED A STATEMENT PROTESTING THAT CONGRESS WAS INTRODUCING CONFUSION AND UNCERTAINTY INTO THIS YEAR'S ELECTIONS BY MAKING MANY OTHER UNNECESSARY CHANGES IN EXISTING LAW.

HE HAS RECEIVED CONFLICTING ADVICE FROM REPUBLICAN CONGRESSIONAL LEADERS ON WHETHER TO SIGN OR VETO THE BILL.

SENATE GOP LEADER HUGH SCOTT SAID HE THOUGHT THE BILL WAS THE BEST THE REPUBLICAN MINORITY COULD HOPE FOR AND ADVISED THE PRESIDENT TO SIGN IT.

BUT THE SENATE REPUBLICAN WHIP, ROBERT P. GRIFFIN, SAID HE FAVORED A VETO, AND SO DID REP. JOHN J. RHODES, THE HOUSE GOP LEADER.

RHODES CALLED THE BILL "PRO-UNION, PRO-DEMOCRATIC, AND PRO-INCUMBENT."

FORMER CALIFORNIA GOV. RONALD REAGAN, FORD'S OPPONENT FOR THE REPUBLICAN PRESIDENTIAL NOMINATION, ALSO HAS URGED A VETO.

PASSAGE WAS DELAYED 24 HOURS WHEN SEN. LOWELL WEICKER, R-CONN., BEGAN A FILIBUSTER ON THE BILL, BUT HE ENDED IT WHEN THE SENATE AGREED, 91 TO 0, TO THE PRINCIPLE OF QUICK ACTION ON A NUMBER OF SO-CALLED WATERGATE REFORMS.

MEANWHILE, THE FEC ANNOUNCED TUESDAY THAT CANDIDATES HAVE FILED NEW REQUESTS SEEKING \$1.36 MILLION IN FUNDS THAT WOULD BECOME AVAILABLE IF THE BILL BECOMES LAW.

SEN. FRANK CHURCH, D-IDAH, ONE OF THE CANDIDATES, ANNOUNCED HE WAS DROPPING PLANS TO CAMPAIGN IN THE CONNECTICUT PRIMARY, PRIMARILY BECAUSE OF THE LOGJAM OVER CAMPAIGN FUNDS.

1640-ED 05-04

