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President Ford Committee

1828 L STREET, N.W., SUITE 250, WASHINGTON, D.C. 20036 (202) 457-6400

ACTION

January 29, 1976

MEMORANDUM FOR: The President
FROM: Bo Callaway 
SUBJECT: Federal Election Campaign Act Amendments
of 1974

I. BACKGROUND

It is anticipated that at its session Friday morning, January 30, the Supreme Court will enter its decision on the constitutionality of the Federal Election Campaign Act Amendments of 1974. This memorandum assumes that the Court will hold at least part of the Act unconstitutional and recommends a statement to be issued by you. Our recommendation is made based on our belief that the court, if it rules any part of the Act invalid, will throw out the individual contribution limit (\$1,000) and/or the spending limitation. We anticipate that some form of reporting of contributions and auditing of expenditures will be upheld.

II. OPTIONS

The PFC considered a wide range of options including the possibility of reverting to the "old system", imposing a voluntary limitation on contributions higher than that included in the Act, and a number of options within this range. We felt, however, that one option was so compelling that it is the only one we present here.

III. RECOMMENDATION

We recommend that you issue a statement similar to that attached at Tab A. This statement indicates your commitment to the principals embodied in the law, and directs that your campaign committee act in conformity with the law just as if it were still in force. Further, it calls upon your Republican opponent to join you in taking a similar action and directs me to work with Reagan's committee to bring about such an agreement.



As a safeguard, you indicate that you would expect resolution of the matter within one week and call for a review of your position should Reagan not agree.

Acceptance of this option makes it clear to the American public that you do not believe the Supreme Court action has put us back to a system of "politics as usual", and that you are very sensitive to the abuses which potentially occur in campaigns which have neither contribution nor spending limitations. It also forces Reagan to take a position which he may not really be prepared to or wish to take.

Our best estimate is that a win in the New Hampshire primary will enable us to raise sufficient funds to carry on a campaign under the constraints of the law, including the individual contribution limitation. Further, we believe that Reagan may be in a better position to take advantage of large donations -- the \$25,000 or more category -- and might be in a position to outspend us. As a practical matter, if you and Reagan each spend the same amount, you will win.

FURTHER RECOMMENDATION

That you approve the statement contained in Tab A and the actions it directs.

Approve _____

Disapprove _____



Tab A

I believe that the Federal Election Campaign Act Amendments of 1974 reflect the desire of the American people to eliminate the excessive influence by large financial contributors on candidates for public office.

The President Ford Committee has complied with both the letter and spirit of that law.

Although the Supreme Court's action today strikes down portions of the Act, I believe that its intent should be retained.

Therefore, I am directing my finance committee to limit both individual contributions and the spending limits to the levels permitted under the 1974 law.

At the same time, I am directing my campaign chairman, Bo Callaway, to contact my Republican opponent and ask that he join me in taking similar action. Once he has agreed, we can then take immediate steps to enforce such an agreement.

I would expect we could resolve this matter within one week. If we cannot, I will review my position.

#



[1976]

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

THROUGH: RICHARD B. CHENEY

FROM: DOUGLAS P. BENNETT **DPB**

SUBJECT: Federal Elections Commission

In the event that you sign the legislation respecting the Federal Elections Commission when it is transmitted from the Congress, the following is an analysis of the sitting members of the Commission so that nomination documents may be prepared immediately.

Phil Buchen advises that the bill as it is now drafted, calls for appointments of terms of six years with the exception that the original appointees will have the following terms: two members of different political affiliations shall have terms expiring April 30, 1977; two members of different political affiliations shall have terms expiring April 30, 1979; two members of different political affiliations shall have terms expiring April 30, 1981.

In view of your earlier decision to appoint all incumbents, it is the strong recommendation of Bob Visser that the appointments be made as follows: for terms expiring in 1977, Thomas B. Curtis (R-Mo.) and Neil Staebler (D-Mich.); for terms expiring in 1979, Vernon W. Thomson (R-Wisc.) and Thomas E. Harris (D-D.C.); and for terms expiring in 1981, Joan D. Aikens (R-Pa.) and Robert O. Tiernan (D-R.I.).

In addition, Bob Visser offers the following comments respecting each Commissioner:

Thomas B. Curtis - A very loquacious man who, in getting the Commission off the ground, has proved pretty good with the gavel, but is considered weak as Chairman and Commissioner.

Neil Staebler - Again, a loquacious man whose instincts have been fairly good. He should be rated fair to good.

Joan D. Aiken - A solid Commissioner who has grown in this post more than any other Commissioner and although a non-attorney, she should receive a long term. She has gone out of her way to assist in Republican efforts.

Thomas E. Harris - A very intelligent and analytical attorney who has proved to be very fair although he does favor labor and Democratic positions. He can be dealt with. Perhaps in a technical and professional sense, the strongest of the Commissioners.

Vernon W. Thomson - Has provided no contribution of substance and relies almost entirely on his staff which is considered weak. His decisions have not generally favored Republican positions.

Robert O. Tiernan - A very smart, hard-driving man who has generally done a first class job.

I recommend the following appointments:

For terms expiring April 30, 1977:

Thomas B. Curtis

Approve _____

Disapprove _____

Neil Staebler

Approve _____

Disapprove _____

For terms expiring April 30, 1979:

Vernon Thomson

Approve _____

Disapprove _____

Thomas Harris

Approve _____

Disapprove _____

For terms expiring April 30, 1981:

Joan Aikens

Approve _____

Disapprove _____

Robert Tiernan

Approve _____

Disapprove _____

THE WHITE HOUSE

WASHINGTON

January 30, 1976

MEMORANDUM TO THE PRESIDENT

FROM: RON NESSEN

RHN

Attached find two proposed statements by the President in reaction to today's Supreme Court ruling on the Federal Election Commission.

Option 1, endorsed by Phil Buchen and Bo Calloway and others from the President Ford Committee, has you directing the PFC to voluntarily abide by the old spending ceiling and calling on Reagan and other candidates to do likewise.

Option 2, endorsed by Jerry Jones, Dave Gergen and Ron Nessen and Bryce Harlow, puts you in the position of wanting to study and receive expert opinions on the complex ruling and promises further action next week when you know the full impact of the decision.

All involved agree that some White House reaction is needed this afternoon in order to make the TV shows and morning papers along with the comments of other candidates.



Option 1

Today's decision by the Supreme Court calls for quick action by political leaders of this country as well as by candidates for high office to insure that our elections remain free from the undue influence of excessive spending.

As President, I will ask leaders of Congress to meet with me Monday to discuss legislation to reconstitute the Commission or to assure by other mechanisms enforcement of the Federal Election Act as modified by the Supreme Court's decision.

As a candidate for the Presidency, I am calling on others who seek this office to join with me in adhering to the spending limit that had been established under the 1974 law.

I am directing The President Ford Committee to limit its expenditures to that level.

~~At the same time, I am directing my campaign chairman,~~
Bo Callaway, to contact my Republican opponent and ask that he join me in taking similar action.

~~It is particularly important that our campaign committees~~
~~work together to insure voluntary compliance to this principle~~
~~during the interim period until new legislation is passed.~~

Recommended by President Ford Committee, Phil Buchen, Rogers Morton, Jim Connor.



PROPOSED STATEMENT BY THE PRESIDENT

As a candidate for the Presidency, I will of course obey both the letter and the spirit of the Campaign Financing Law as interpreted today by the Supreme Court.

The Court's decision is very lengthy -- some 227 pages with 4 separate opinions -- and it addresses a highly complex subject. It will take time to study and analyze the impact of this ruling. Under these circumstances, [I have asked the Attorney General for an advisory opinion on the new status of campaign financing laws and what steps, if any, should be taken now to ensure that our elections remain free from undue influence.] I have also asked my Counsel and the General Counsel of the President Ford Committee for their views. All of these views are to be delivered to me within the next five days.

Upon receiving these views, I will ask leaders of Congress to meet with me next week to discuss legislation to insure enforcement of the Federal Election Act as modified by the Supreme Court's decision.

Approve _____



THE WHITE HOUSE

WASHINGTON

April 23, 1976

JM

MEMORANDUM FOR THE PRESIDENT

FROM: PHILIP W. BUCHEN *P.*

SUBJECT: Suit to Order Payment of Federal Matching Funds

As you know, seven Presidential candidates -- Carter, Church, Harris, Jackson, Reagan, Udall and Wallace -- yesterday lodged pleadings with the Supreme Court arguing that the cessation of matching fund payments has severely impaired their First Amendment interests and those of the voters and taxpayers. Although the procedural situation is confused, the candidates have moved the Supreme Court for (1) leave to intervene in Buckley v. Valeo, (2) expedited consideration of their request, and (3) recall and modification of the Court's earlier judgment so as to permit the FEC to make certifications necessary for the Secretary of the Treasury to pay matching funds regardless of Congressional action on the pending FEC bill. A motion to intervene was simultaneously filed in the U.S. Court of Appeals for the District of Columbia. In addition, the DNC has lodged a memorandum with the Supreme Court as amicus in support of the candidates.

This morning, the Appeals Court issued an order deferring to the Supreme Court on the relief requested, but advising the Supreme Court that it would grant the motion to intervene if allowed to do so. The Supreme Court is in conference today and has sent for the Appeals Court's Order. While the Supreme Court could still deny leave to intervene, the Justice Department notes that the Court might feel more constrained to reach the merits of the candidates' motion for relief. Nevertheless, Justice believes that the Supreme Court will deny relief on the merits.

I will keep you advised of any further developments.

