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CONGRESSMAN CONABLE

Re: Possible Problem Involving  
Budget

April 29, 1976

4:00 p.m.

7/1 - 20 down  
up 20% -  
July 1  
low about circulation  
J  
Jm



THE WHITE HOUSE

WASHINGTON

JMC would like to see Cong.  
Conable after the recess.

j

225-3615

~~CONFIDENTIAL/EYES ONLY~~

THE WHITE HOUSE

WASHINGTON

March 12, 1976

MEMORANDUM FOR:

JIM CANNON/  
JIM LYNN

FROM:

MAX FRIEDERSDORF *M. 6.*

SUBJECT:

M.C. Barber Conable (R-NY)

Barber has requested three possible political problems involving the budget be brought to your attention for possible corrective measures:

1. A potential booby-trap is the scheduled big jump in second class mail rates scheduled for July. "I'm not worried about the big publishers, but when the small county weeklies, mostly Republican, get hit with this unexpected increase, they will blame the President." (The increase will be about 20%). Conable believes a subsidy approach should be considered.
2. Lake Placid - A commitment to help defray costs of the 1980 Winter Olympics is needed soon.
3. Reducing the civil defense budget from \$88 million to \$60 million was foolish because local communities are willing to put up matching funds for civil defense projects geared to natural disasters, but not nuclear. If the country is to have adequate nuclear defense, the amounts should be restored.

Conable went into great detail on each of these problems and I believe a call to Conable from both of you would be useful.

cc: Jack Marsh  
Dick Cheney

~~CONFIDENTIAL/EYES ONLY~~

Determined + Administrative Marking  
Date 8/18/80 By GA



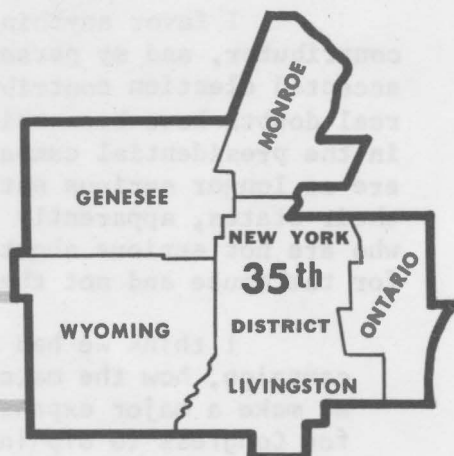
Thurs. 4 p.m. on Hill



# Washington Report

FROM YOUR CONGRESSMAN

**BARBER B. CONABLE, JR.**



No. 94-17

April 8, 1976



Dear Friends:

**THE BURDEN OF EXPLANATION** - How the ordinary legislator yearns for the extraordinary issue where he can - without study, balancing of plusses and minuses, and agonizing judgment - safely rely on a few code words to come to a quick conclusion about how to vote on a measure. The code words are always there: "reform", "emergency", "public service", "job-creating", "economic cooperation", "anti-poverty", for instance. Proponents of legislation never describe or label it in disparaging or even neutral terms. Usually the title is more descriptive of the glorious result sought than the uncertain method of seeking it. The euphoria of public service basks in these encouraging code words, but the realities still lurk in the fine print which follows.

This is by way of introducing the subject of the "election reform" bill we in the House struggled with during this past week. We have woven a sticky web in the complicated campaign law requirements which have been enacted in the backlash of Watergate, and there are those who say that so many complicated provisions have now been made criminal matters in the election law that to get a quorum after the next election Congress will have to meet in jail.



Among other developments, a bi-partisan Federal Election Commission was created to oversee federal elections, with regulatory authority and with the power to pass out the matching funds for presidential candidates which were designed to double the campaign influence of the small donor. Springing to work with a will, the FEC has issued many onerous filing and reporting regulations, horrifying some congressmen who would like to conduct their campaigns as in the past. The Supreme Court, reviewing the federal election law, found among other holdings that the FEC was improperly constituted since it was made up of officials appointed by Congress rather than by the President with confirmation by the Senate, as the Constitution requires. Since the matching funds have stopped until the FEC is properly reconstituted, and since all those presidential candidates need money, the pressure to reenact the Election Reform Act has been obvious.

All we needed to do was to provide for proper appointment of the commissioners of the FEC. The President, to reduce controversy, said he would reappoint the same people Congress had appointed in the first place. But just reconstituting the FEC was too easy.

The Committee of the House which is responsible for this type of legislation has been upset about the independence the FEC has shown in the regulations it has issued. Some members of the Committee wanted to take over the functions of the FEC themselves. Some thought the personnel should be changed. Some reformers felt that additional provisions should be put in the law, notably an extension of the public financing, matching funds device to senatorial and congressional elections. Final House action on this measure saw amendments adopted which would substantially reduce the independence of the FEC and impair the impartiality of the rules about campaign contributions. Matching funds were not provided for other than presidential candidates.

I opposed the bill on final passage, feeling that we should not change the rules in the middle of a campaign, but that we should have simply reconstituted the FEC in Constitutional form and without impaired independence. I voted against matching funds for congressional elections, even though I was one of the early co-sponsors of a bill which would have so provided at the time we first set up matching funds for presidential elections.



I favor anything which will increase the influence of the small campaign contributor, and my personal campaign practices reflect this approach. (I haven't accepted election contributions of more than \$50 from anyone since 1967.) But some real doubts have been raised by the administration of the matching funds provision in the presidential campaign of 1976. Some candidates use matching funds after they are no longer serious national candidates, to run as "favorite son" candidates in their states, apparently advancing other political ambitions. Issue-related candidates who are not serious about the Presidency at all and whose matched funds are in fact for the cause and not the candidate, show some signs of proliferating.

I think we had better study, in the light of this year's presidential campaign, how the matching funds principle is working out in practice, before we make a major expansion of the concept, inviting everybody who wants to run for Congress to dip into the Treasury to do it. I don't like to appear to be against election reform, or to be inconsistent about something like matching funds for congressional elections, which is why I am trying to carry a burden of explanation now; but it seems to me there are enough warning flags up to require a little caution as to how we proceed.

* <u>RECENT NEWS COLUMNS</u>	* <u>ANOTHER NATURAL DISASTER:</u> As a long-standing tree-
(Available upon request)	enthusiast, I have been devastated to drive around
* Don't Push the Panic Button	* our Congressional area and see how much damage was
(Social Security)	done to many kinds of trees by the ice storm which
* Current Issues in Health Care	* occurred during March. On March 19, President Ford
* Two Possible Accomplishments	declared four of our counties (excluding only
* The Burden of Explanation	Ontario) disaster areas for this reason and because
(Election Financing)	of the flooding which also came in the first week
* -----	of March. While even the government cannot replace
	a tree, this action makes available from the Small
	Business Administration reduced-interest loans to
	repair damaged property, comparable aid from the
	FHA for farmers who have suffered losses and
	financial assistance for municipalities to repair
	damaged municipal facilities, remove debris, etc. A disaster office has been set up
	in the Federal Building in Rochester.

Meanwhile, everyone watches anxiously as the water level rises on Lake Ontario. Already lawsuits have been brought in the Montreal area by homeowners who consider themselves aggrieved by the high level of the St. Lawrence River, a condition complicated by the volume of outflow above Montreal from the Ottawa River. Lake Ontario homeowners are considering similar action. Pressure on the International Joint Commission which controls these things must be intense, judging from the tension of my own contacts with them, but it's nothing compared to the concerns which high winds or heavy rains would cause at this point. Since we seem to have continuing problems of this sort, it is obvious a new look at the regulatory practices of the Commission is needed.

THE CONDITION OF TAX REFORM - I doubt that additional major tax reform legislation will clear the Ways and Means Committee this year, but that doesn't mean nothing more can happen to affect your next year's taxes. You will recall that at the end of last year the House passed the big Ways and Means bill known as "Tax Reform, Phase I". The measure extended higher standard deductions and the tax credit for individuals, raised the minimum tax on income from tax preferences, extended the investment tax credit for business and reduced taxes for small business, but limited tax shelters and certain business deductions. It went to the Senate, which has begun hearings in a flurry of statements and speculation that major changes of our bill are contemplated by the movers and shakers over there. If this happens, a conference committee (on which I will serve) will then attempt to compromise the differences in the two versions of the measure.

Some major tax changes could result, but it is difficult to predict their form until the Senate starts actually revising our bill later this month. In the meantime, Ways and Means, rather than moving to a new package of different reforms called "Phase II", as expected, is taking on a few individual tax bills of narrower scope. Included is a possible reform of estate and gift taxation, and a mechanism for a taxable alternative to the tax exempt municipal bonds, subsidized by the federal government and not mandatory for the municipality. Taxes are the central jurisdiction of the Ways and Means Committee, but we are operating at quarter speed until the Senate decides what to do with Phase I.

Sincerely,

*Barth B. Crable Jr.*

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