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# MEETING WITH BIPARTISAN CON-GRESSIONAL LEADERSHIP

Thursday - February 5, 1976

5:30 P.M.

The Cabinet Room

THE PRESIDENT HAS SEEN.

#### THE WHITE HOUSE

#### WASHINGTON

February 5, 1976

MEMORANDUM FOR THE PRESIDENT

FROM:

MAX L. FRIEDERSDORF

SUBJECT:

Wayne Hays/FEC

Wayne Hays has regretted the President's invitation to attend the Bipartisan Leadership meeting tonight.

Hays held a press conference this afternoon and, in essence, said:

It is impossible for the Congress to act effectively within 30 days to meet the Court's objection to the law. Therefore, Hays will support legislation giving GAO authority to certify eligibility for Presidential federal funds and checks.

Hays expressed his belief that the key to federal election campaign legislation lies with full public disclosure of campaign contributions and expenditures, and pledged, as Chairman of the House Administration Committee to act expeditiously and responsibly.

Phil Burton and Bill Steiger are meeting this afternoon with Common Cause and other outside groups, to discuss abolishing the FEC, creating a new office at Justice, GAO would receive reports and handle the auditing. The Comptroller General would certify Presidential candidates.



# THE PRESIDENT HAS SEEN.

#### THE WHITE HOUSE

#### WASHINGTON

February 5, 1976

### MEETING WITH BIPARTISAN CONGRESSIONAL LEADERSHIP

Thursday, February 5, 1976 5:30 - 6:30 p.m. (60 minutes) The Cabinet Room

From: Max L. Friedersdorf James E. Connor



# I. PURPOSE

To discuss the recent Supreme Court decision affecting the Federal Elections Commission, and to consult on future legislation.

### II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. <u>Background:</u> The Supreme Court opinion was issued on January 30th and ruled on the constitutionality of various aspects of the Federal Election Law.
- B. Participants: See Tab A
- C. Press Plan: Announce to the Press, Press photos (if requested) and White House photo.

## IV. TALKING POINTS

See Tab B

#### PARTICIPANTS

The President
The Vice President

### SENATE

Mike Mansfield \*Hugh Scott Bob Griffin Frank Moss Howard Cannon Claiborne Pell Mark Hatfield

#### HOUSE

Carl Albert
John Rhodes
John McFall
Bob Michel
Phil Burton
Bill Dickinson
Chuck Wiggins
Bill Frenzel

# STAFF

Bob Hartmann
Jack Marsh
Dick Cheney
Phil Buchen
Max Friedersdorf
Ron Nessen
Jim Connor
Jerry Jones
Dave Gergen

### REGRETS

Tip O'Neill
John Anderson
Wayne Hays
John Dent
Jim Eastland
Bob Byrd
Carl Curtis
Rog Morton

<sup>\*</sup> Hugh Scott must leave early

#### TALKING POINTS

- 1. I am glad you could all come down this afternoon to discuss the situation with regard to the Federal Election Law. I think we have a very serious problem right now and to resolve it will require us to work together as closely as possible. Let me describe the situation that we now find ourselves in and propose to you the way I think we can best get out of it. After we have done that, I would like to hear your views.
- 2. Last Friday, the Supreme Court ruled on the constitutionality of various aspects of the Federal Election Law.

The Court upheld limits on personal contributions to candidates' campaigns, full disclosure, and a spending ceiling for candidates accepting matching funds.

It held unconstitutional contribution limits to independent groups, contributions from the immediate family, a spending ceiling for those who do not accept matching funds and, finally, the composition of the FEC itself. Where does this leave us?

First, it leaves us with a defective law which no Congress has passed or would pass; and no President has signed or would sign.

The effect of this decision is to leave us with a law which ends independent advice and enforcement of the campaign laws. It leaves us with a law which invites abuse and chicanery by independent groups.

3. If we do not properly reconstitute the FEC, the Commission will be empowered only to receive reports on contributions and expenditures and conduct investigations similar to those of a Congressional committee. They will not enforce laws, certify candidates for matching funds, render advisory decisions, or issue regulations. The Justice Department can only assume the enforcement of criminal provisions. I understand that the GAO General Counsel does not feel that GAO could certify campaign expenses and thus Treasury could not issue matching funds.

- 4. In my deliberations, I have set two goals for choosing a course of action:
  - A. First, to maintain certainty and continuity in the conduct of the 1976 elections.
  - B. Second, to make fundamental improvements in the law for future elections.
- 5. We cannot make all the needed changes before this election because:
  - A. Most candidates are locked into plans consistent with the law.
  - B. We can't really know how this law will work.
  - C. Any changes now would be chaotic and subject to the political pressures of an election year.

I know some of you have had trouble with the present Commission and would like to see it abolished. As you may know, I have had some problems of my own.

6. What I propose is a reconstitution of the Commission under Constitutional procedure. But it should be reconstituted with a provision that the Act will lapse after the 1976 election.

This allows us to go through the election with continuity, and certainty. This maintains an independent commission. But by lapsing after the election, it gives us a clean slate in a non-political climate to work from experience to reform the law.

After the election, I will propose comprehensive legislation which will include an independent mechanism for enforcement and some reforms of the present deficiencies.

7. I have looked at simply reconstituting the Commission, but this, too, is inadequate. It does not address the reform of what is now a truncated and undesirable law.

This is a political year, and to attempt to change the law in a

drastic manner now would be disruptive. We owe it to the American people to follow this sensible course of action to maintain certainty in this election and quality in future elections.

8. Now, I would like to hear your views.

