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June 2, 1981

Dear Paul:

Thank you for your comments regarding bills which seek to limit the scope and effectiveness of political action committees.

In my view the growth of political action committees has enabled many thousands of people to increase their participation in the political process. One hallmark of such groups is that all contributions to them are, by law, entirely voluntary. This is a healthy situation. The freedom of all Americans to organize themselves voluntarily to affect the course of their government is a precious right.

In the last Congress, almost all Republicans united in vigorous opposition to the Obey-Railsback bill which would have placed new, rigid limits on the right of citizens to contribute to political candidates through political action committees. The Senate did not pass this bill, which narrowly passed the House without any committee hearings and with severely limited debate.

Because many of the supporters of this type of bill were not returned to the Congress, there seems little chance that either House would pass such legislation now.

Our Federal election law is so complex and burdensome currently that virtually every participant could be at the mercy of a selective enforcement process. It would be easy for enforcement officials to cite almost any candidate or committee for some technical infraction. That most certainly is not a healthy situation.

FEC

Our election laws need to be simplified rather than made more burdensome. Citizen participation should be encouraged rather than limited. I would surely oppose any bill similar to the Obey-Railsback proposal.

Sincerely,

RONALD REAGAN

Mr. Paul M. Weyrich
Coalitions for America
721 Second Street, N.E.,
Washington, D.C. 20002

RR/AVH/pps

Bcc: Morton Blackwell

FEC

FOURTH DRAFT

PROPOSED REVISIONS TO THE FEDERAL ELECTION LAWS

1. PARTY COMMITTEES

A. PRIMARY CHANGES

1. Exempt donations for administrative costs of party committees from definition of contribution.

2. House

Eliminate limit on spending by party committees on behalf of party candidates or modify House expenditures from \$10,000 (indexed) to 2% X Voting-Age-Population.

Senate

Retain expenditure limit but raise the minimum from \$20,000 to \$125,000 for the national and state party committees.

3. Permit party committees to engage in business activities in order to pay administrative expenses.

B. SECONDARY CHANGES

1. Include all party committees in the pins and bumper sticker and get-out-the-vote exemptions in all federal elections or remove party transfer restrictions for this provision.

2. Broadcasters must charge lowest unit rate for party committees and permit access in off-election years.

C. TECHNICAL CHANGES

1. Permit party committee expenditures in any election which may result in the election of a Representative or a Senator (i.e. Mississippi and Louisiana situations).
2. Reinstate actuality broadcasting exemption for non-election year.

2. CONTRIBUTION LIMITS

A. PRIMARY CHANGES

1. Increase party committee contribution limits to House candidates from \$5,000 per election to \$15,000 per election.
2. Increase party committee contribution limits to Senate candidates from \$17,500 per election cycle to \$30,000 per election cycle.
3. Increase annual overall limit for individuals from \$25,000 to \$50,000.
4. Increase annual contribution limit for individuals to the state party committee from \$5,000 per year to \$10,000 per year.
5. Index annual contribution limit for individuals to the national party committees annually by the consumer price index in units of \$1000.
6. Increase limit on individual contributions to candidates from \$1,000 to \$2,000 per election.

B. SECONDARY CHANGES

1. Increase PAC contribution limits to candidates from \$5,000 per election to \$10,000 per election.
2. Exempt legal and accounting expenses from definition of contribution.

3. ENFORCEMENT (PLEASE SEE APPENDIX 1)

4. RESTRUCTURING FEC

A. PRIMARY CHANGES

1. Staff Director given duties of chief operating officer.
2. Reduce size and scope of responsibilities of the General Counsel's office.

B. SECONDARY CHANGES

1. Increase disclosure functions/data entry and public information services.
2. Eliminate Clearinghouse.

4. RESTRUCTURING FEC CONT.

B. SECONDARY CHANGES CONT.

3. Eliminate ex-officio representatives.

5. REPORTS

A. PRIMARY CHANGES

1. Eliminate occupation and name of employer reporting requirement.

B. SECONDARY CHANGES

1. Eliminate filing reports with Clerk of House and Secretary of Senate.
2. Raise threshold for non-party committee contribution reporting. Currently all contributions from PACs must be reported regardless of amount.
3. Raise candidate reporting threshold from \$5,000 to \$10,000.

C. TECHNICAL CHANGES

1. Change reports to eliminate duplicate filing for calculation of interest from more than one institution.
2. Require all multi-candidate committees to file on a monthly basis.
3. Termination of a political committee's reporting requirement two years after the election year it was designated as a principal campaign committee.

6. PACS

A. PRIMARY CHANGES

1. Eliminate yearly corporate authorization for trade association pac solicitation.
2. Define solicitation to permit dissemination of information on PACs at trade association meetings.

6. PACS Cont.

A. PRIMARY CHANGES CONT.

3. Clarify what is a member of a trade association, membership organization, or cooperative PAC.
4. Permit trade association PACs which have individual members to solicit members and their families.
5. Include draft committees within definition of political committee.

B. SECONDARY CHANGES

1. Define stockholder to include any employee who has a vested beneficial right in a stock ownership plan.
2. Amend affiliation section for membership organizations.
3. Permit solicitation of other PACs by a PAC.

7. ADVISORY OPINIONS

A. PRIMARY CHANGES

1. Expedite procedure for party committees.

8. PUBLIC FINANCING OF PRESIDENTIAL ELECTIONS

A. PRIMARY CHANGES

1. Raise the limitations on what the national party committee can spend on behalf of their presidential candidate from 2¢ x voting age population to \$10 million.
2. Eliminate state expenditure limits for the primaries.
3. Raise the expenditure limitation base figure for the general election from \$20 million to _____.
4. Recordkeeping requirements for the documentation of qualified campaign expenses made subject to a 'best efforts' test.
5. Broaden definiton of qualified campaign expense.

8. PUBLIC FINANCING OF PRESIDENTIAL ELECTIONS CONT.

A. PRIMARY CHANGES CONT.

6. Require FEC to make available to all political campaign committees the reports of the auditors and the general counsel. This requirement must be fulfilled before the FEC votes on the audit. Committee must be provided an opportunity to respond before the vote.
7. Candidate has right to hearing before FEC if demand for repayment is made.
8. Require FEC to publish written audit procedures.

B. SECONDARY CHANGES

1. Raise fundraising exemption.
2. Consider how to deal with independent candidates' right to public funding.

9. MISCELLANEOUS

A. PRIMARY CHANGES

1. Best efforts rule for violation of disclaimer requirement.
2. Violation of disclaimer requirement must be knowing and willful.

B. SECONDARY CHANGES

1. Change availability of party convention funding from July 1 of the calendar year preceding the convention to January 1.

C. TECHNICAL CHANGES

1. Amend the definition of 'contribution' to prohibit a contribution from a State Government. (Wisconsin)
2. Pre-empt state election laws regarding polling for federal candidates.

ENFORCEMENT

A. ALTERNATIVE # 1

1. Move judicial enforcement of violations of the law from the General Counsel's Office to the Department of Justice.
2. Delete FEC's ability to argue cases in court (except for subpoena enforcement actions).
3. No assessment of civil penalties by FEC.
4. Conciliation agreement precludes referral to DOJ.

B. ALTERNATIVE # 2

1. Adoption by FEC of written findings of fact and conclusions of law.
2. No private causes of action permissible under any election law.
3. Require FEC to make available to respondents any information provided to FEC by complainant or third parties. This information includes written documents or testimony given at depositions.
4. Respondents may request hearings before the FEC during enforcement proceedings.
5. No admission of guilt in the conciliation agreement.
6. No assessment of civil penalties by FEC.

C. TECHNICAL CHANGES

1. Delete the requirement of § 437(h) that the Court of Appeals sit en banc when hearing election law cases rather than as a three-judge panel.

GOP Leaders In Senate Out To Kill FEC

Star
3/15

By Jack W. Germond
and Jules Witcover
Washington Star Political Editors

With President Reagan's approval, the Senate Republican leadership is laying plans for a bipartisan effort to abolish the Federal Election Commission, which oversees all congressional and presidential elections and the federal funding of qualified presidential candidates.

The idea, spurred by complaints on Capitol Hill of excessive intrusion by the FEC, was put to the president at Monday's Republican leadership meeting at the White House. Reagan was told there was strong bipartisan support for campaign accounting reform, and he said he would look with favor on scrapping the commission if backing could be produced from both sides of the aisle.

According to a ranking White House source, Reagan asked the leadership to explore the matter further and said that, meanwhile, the White House would develop its own position on the idea. And that position clearly will be that although the White House won't take the lead on the issue, Reagan is prepared to agree if a new plan can be written.

The president also made it clear, another source said, that he considers the FEC an example of the kind of intrusive bureaucracy he is committed to abolishing. His own impression of campaign headquarters, he said, has been one of too many campaign workers required to spend their time filling out forms to comply with the agency's regulations.

On the Hill, Sen. Roger Jepsen of Iowa was identified as a central figure.

See GOP LEADERS, A-3

WJR
FEC
JACK W. GERMOND & JULES WITCOVER

GOP Leaders Seek to Close Election Agency

Continued From A-1

ure in the scheme to get rid of the commission. Jepsen acknowledged through an aide that he has discussed the move with Senate GOP leaders, including Majority Leader Howard Baker and Paul Laxalt, President Reagan's closest Senate friend. Baker was said to have raised the subject at the leadership meeting. Jepsen's aide said the senator was acting out of "personal frustration" with the FEC. Such frustration often has been voiced on Capitol Hill by many other legislators required to file campaign financial data, keep exhaustive records and, in the past at least, be subject to FEC audits. But the commission has its defenders, too, among good-government groups who believe a separate, independent agency is necessary to assure clean elections.

The FEC created a stir in Congress after its creation in 1974 by conducting random audits of 1976 congressional campaign spending. The practice generated outrage on the Hill and led to threats to cut off the agency's auditing funds, and no random audits have been undertaken since then. But the commission has been an irritant, anyway, to many congressmen, senators and presidential candidates.

According to Laxalt, the FEC's functions could be taken over by the House and Senate themselves or by some other agency. The General Accounting Office, which is answerable to Congress, has been mentioned as a possibility. Laxalt said yesterday that he had discussed the possible scrapping of the FEC with James Baker, the White House chief of staff.

Baker, who was Gerald R. Ford's campaign manager in his 1976 reelection bid and campaign manager for George Bush in his bid for the GOP presidential nomination last year, expressed personal interest yesterday in the idea of abolishing the FEC. The functions of the commission could be handled by a single administrator of elections, he suggested, with the clerks of the House and Senate overseeing disclosure data. Presidential campaign funds, now authorized through the FEC, could be disbursed directly from the Treasury.

As an illustration of the FEC's excesses, Baker recalled that in Ford's 1976 campaign the agency challenged \$500 in parking tickets submitted by campaign employees who otherwise would have had to pay legitimate parking garage fees. And last year, he said, the commission challenged the cost of having a masseur in the Bush campaign entourage for about two weeks when the candidate was working 14-hour days and Baker felt his services were very beneficial.

The FEC, established to implement and oversee the federal election and campaign spending laws, is made up of six members, no more than three of whom can come from one party. All are appointed by the president. In the past, however, several appointments have become enmeshed in bitter partisan controversy.

Currently, the FEC is engaged in a fight over its budget. According to Sharon Snyder, an FEC spokesman, the agency sought about \$13 million to operate in the next fiscal year and has been knocked down to about \$9.6 million by the Reagan administration. If the agency doesn't receive at least \$11 million, Snyder says, it will have to cut much of its financial disclosure oversight. "We're certainly going to be strapped," she says.

In 1980, the FEC authorized the dispensing of \$31 million to presidential candidates in the primaries. Candidates qualify by raising \$5,000 in each of 20 states in amounts of \$250 or less. The commission cleared \$68 million more to be paid by the Treasury to President Carter and Ronald Reagan in the fall campaign and \$8.8 million for the Democratic and Republican national conventions.

In February, an FEC audit charged that the Reagan campaign owed the federal government more than \$1.3 million for overpayments in subsidies, unused surpluses and illegal expenditures in the 1980 primaries. Of that amount, \$954,000 has been repaid, leaving a balance of about \$414,000.

Included in the funds the FEC audit specified Reagan would have to repay was \$215,000 — the amount by which his campaign exceeded legal limits. The audit said Reagan had gone over the state ceiling in New Hampshire, where he won the nation's first primary, by \$137,737, or nearly 47 percent. Also, the audit found that his campaign had exceeded the \$14 million national ceiling by \$77,387.

The commission has been under fire from one source or another almost constantly since its inception. Earlier this year, even elements of the press got into the act when the FEC inquired into a public complaint that Reader's Digest had made illegal corporate campaign expenditures to "negatively influence" the 1980 presidential candidacy of Sen. Edward M. Kennedy.

The Digest, in connection with an article in the magazine, had distributed to other news media videotapes of a computer reenactment of Kennedy's 1969 accident at Chappaquiddick. The Digest sued on grounds of infringement of its First Amendment rights, but the court upheld the commission's right to inquire, on a prescribed basis.

The FEC also has been criticized for the time it takes to complete audits of presidential campaigns. The audit of Carter's in 1976 wasn't wound up, for example, until April of 1979. In all, the agency has not been everybody's favorite, so a concerted effort to kill it, which will require legislation, will not lack for sympathizers.

Preservation Copy

FEDERAL ELECTION COMMISSION PUBLIC RECORDS

REPORTING AND DISCLOSURE REQUIREMENTS

The Federal Election Campaign Act of 1971, as amended, requires detailed campaign finance reports on contributions and expenditures from candidates for Federal office and their supporting political committees, as well as individuals and committees making expenditures on behalf of a candidate. These reports are filed on a quarterly, (optional - monthly), and pre/post election basis. Once the reports are filed, they are made available for public inspection within forty-eight hours of receipt, as required by law.

REVIEWING OFFICES

Federal Election Commission Public Records Office, 1326 K Street, N.W., Washington, D.C. 20463 (open 9 a.m. to 5 p.m., Monday-Friday), provides a central ground floor facility at the FEC where all reports relating to campaign finance filed since April 7, 1972 (the effective date of the FECA), are readily available for public inspection and copying. Although candidates for the U.S. Senate and House of Representatives originally file with the Secretary of the Senate and the Clerk of the House respectively, copies of all documents are transferred to the FEC for processing and review.

Clerk of the U.S. House of Representatives Office of Records and Registration, Room 1036, Longworth House Office Building, Washington, D.C. 20515 (open from 9 to 5, Monday-Friday), offers original reports filed by candidates for the U.S. House of Representatives and their personal committees.

Secretary of the U.S. Senate Office of Public Records, 119 D Street, N.E., Washington, D.C. 20510 (open from 9 to 5, Monday-Friday), offers original reports filed by candidates for the U.S. Senate and their personal committees.

50 Secretary of State Offices. Copies of reports from candidates for Federal offices and their political committees as well as those political committees which have official addresses in that State should also be filed with their particular Secretary of State or equivalent State officer, whose office is usually located in the State Capitol. A current list of those offices with addresses and phone numbers is available from the FEC Public Records Office.

FEC PUBLIC RECORDS - WHAT IS AVAILABLE

Campaign Disclosure Documents submitted by candidates, political committees and individuals, as required by the Federal Election Campaign Act of 1971, as amended.

- ♦ Statements of Candidacy and designation of Principal Campaign Committee
- ♦ Statements of Organization of Political Committees
- ♦ Candidate Authorization of a Political Committee
- ♦ Reports of Receipts and Expenditures
- ♦ Statements of Independent Expenditures
- ♦ Communication Costs by Corporations, Labor Organizations, Membership Organizations and Trade Associations
- ♦ Office Accounts
- ♦ Debt Settlement Statements

Presidential Financial Disclosure Reports submitted by Presidential candidates as required by the Ethics in Government Act.

FEC Reports

- ♦ FEC Reports on Financial Activity and Disclosure Series (published indexes which consolidate and summarize data taken from the financial disclosure reports)
- ♦ Daily updated computer printouts of various FEC indexes, as available
- ♦ Index of Multicandidate Political Committees
- ♦ Index of all Registered Political Committees
- ♦ Index of all Federal Candidates
- ♦ Index of Political Committees and Their Sponsors
- ♦ Index of Sponsors and Their Political Committees

These indexes meet various requirements of the law which direct the FEC to publish lists and cross indexes of reports and statements.

The indexes are designed to make the mass amount of data in the statements and reports more accessible and understandable for the public. Some of these indexes may focus, for example, on selected political committees cross indexed against the candidates they support and the amount of financial support, or the total financial activity (receipts and expenditures) of a candidate or committee.

- ♦ Complete set of Advisory Opinion Requests, Advisory Opinions, Opinion Requests and comments submitted on the AORs.
- ♦ All closed compliance actions.
- ♦ Audit reports (including audits previously done by the GAO).
- ♦ Commission memoranda, agenda items, agendas, certifications for closed meetings and minutes of all Commission meetings.

HOW TO USE PUBLIC RECORDS

Reviewing Reports

The FEC Public Records Office is a library-type facility with ample work space, reference tables and a knowledgeable staff to help locate documents. Microfilm is the official record of all documents filed since 1972. They may be viewed and copied from the several reader-printers in the office. Paper copies of the more recent reports as well as Commission memorandum are also available for copy. All copies are \$.05-.10 per page. Because the reports are required to include a listing of every receipt and expenditure in excess of \$200, a simple review may involve numerous reports with many pages. For general reference, however, each report includes a summary page for that period, as well as year-to-date totals, listing amounts of total receipts, total expenditures, cash on hand, debts owed, and other breakdowns.

Copying and Ordering Reports

Copies of all statements, Commission issuances and reports on file with the FEC are available for purchase for \$.05-.10 per page. Anyone visiting the office may use the photocopy machines or the microfilm reader-printers for copying all or part of any report. The Office is open 9 a.m. to 5 p.m. Monday through Friday. Extended office hours may be announced during reporting periods. The Office is located at 1326 K Street, N.W. (523-4181). Copies are also available by writing the FEC at the following address:

PUBLIC RECORDS OFFICE
FEDERAL ELECTION COMMISSION
1326 K STREET, N.W.
WASHINGTON, D.C. 20463

or calling toll-free: 800-424-9530. All mail requests for reports should clearly identify the full name of the candidate or committee reporting, the specific report(s) and the year(s) desired. Once a request is received, a page count is done in order to compute the copy charge. The FEC indexes, for any document received after January 1, 1977, provides the number of pages included in each report to assist in a quick turnaround time for page counts. Full payment in advance is required. Checks should be made payable to the "U.S. Treasurer." If an order requires more than one-half hour of the Commission staff time, there is an additional charge of \$2.50 for each following half hour. Authentication with the Commission Seal may also be obtained for a fee of \$2.00 per document.

RESTRICTIONS ON USE OF FEC DISCLOSURE DOCUMENTS

The Federal Election Campaign Act of 1971, as amended, and Commission Regulations contain broad restrictions on the use of information in FEC disclosure documents. A person contemplating use of FECA reports for any commercial purpose or to solicit contributions of any kind should be aware of these limitations.

Title 2, United States Code, Section 438(a)(4) provides:

"... information copied from (FEC disclosure) reports and statements shall not be sold or used by any person for the purpose of soliciting contributions or for any commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee."

Commission Regulations (11 CFR §104.15) state:

"(a) Any information copied, or otherwise obtained from any report or statement, or any copy, reproduction, or publication thereof, filed with the Commission, Clerk of the House, Secretary of the Senate, or any Secretary of State or other equivalent State officer, shall not be sold or used by any person for the purpose of soliciting contributions or any commercial purpose, except that the name and address of any political committee may be used to solicit contributions from such committee."

"(b) ... 'soliciting contributions' includes soliciting any type of contribution or donation, such as political or charitable contributions."

It is therefore unlawful, for example, to use information (except the names and addresses of political committees) in disclosure reports to solicit contributions to a state or local candidate, or to a referendum campaign, or to a charity or other non-profit organization.

"(c) The use of information, which is copied or otherwise obtained from reports . . . , in newspapers, magazines, books or other similar communications is permissible as long as the principal purpose of such communication is not to communicate any contributor information listed on such reports for the purpose of soliciting contributions or for other commercial purposes."

An example of a commercial purpose would be compiling a mailing list of the names and addresses of contributors to solicit sales of a product or service, whether or not for profit.

Violations of 2 U.S.C. §438(a)(4) are punishable by payment of a civil penalty of up to \$10,000 or twice the amount of the violation, whichever is greater. (See 2 U.S.C. §437g.)

Inquiries concerning the use of disclosure documents should be addressed to the Public Records Office.

FEDERAL ELECTION COMMISSION



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FOR RELEASE: SUNDAY
MARCH 29, 1981

CONTACT: FRED EILAND
SHARON SNYDER

FEC RELEASES NEW PAC SPENDING FIGURES FOR '80 ELECTIONS

WASHINGTON - The Federal Election Commission released figures today which showed that PAC's raised \$136.7 million and spent a total of \$130.3 million during the 1979-80 election cycle.

How much of this money was spent on behalf of federal candidates is still unknown. However, preliminary data indicates that by October 15, 1980, at least \$50.7 million had been contributed to 1980 Congressional races. Presidential candidates received \$1.8 million, and \$3.2 million had been given to debt retirement committees or to future races. PAC contributions to all federal candidates through mid-October therefore totalled approximately \$55.7 million.

PAC's also spent money independently on behalf of or in opposition to federal candidates. Total dollar amounts in this category have not yet been finalized.

The FEC computerizes campaign finance information in two stages. When reports are first filed, the total receipt and expenditure information is immediately processed. Contributions by PAC's to campaigns are processed at a later date. THEREFORE, SINCE TOTAL FIGURES FOR PAC CONTRIBUTIONS TO CANDIDATES ARE NOT AVAILABLE THROUGH THE SAME TIME PERIOD AS ARE TOTAL RECEIPT AND EXPENDITURE FIGURES, PERCENTAGES CANNOT BE CALCULATED.

Preliminary figures (from January 1, 1979, through mid-October 1980) indicate that:

\$50.7 million was contributed to 1980 House and Senate races

- \$35.2 million to House candidates
- \$15.5 million to Senate candidates
- \$27.4 million to Democrats
- \$23.3 million to Republicans
- \$31.7 million to Incumbents
- \$12.5 million to Challengers
- \$ 6.5 million to Open Seat races

In the 1977-78 election cycle, PAC's raised \$80 million and spent \$77.4 million through the end of the two-year cycle. Comparison figures for contributions to federal candidates through the pre-general election period (mid-October 1978) showed at that time:

\$32 million was contributed to 1978 House and Senate races

- \$23.0 million to House candidates
- \$ 9.0 to Senate candidates
- \$18.2 million to Democrats
- \$13.7 million to Republicans
- \$19.1 million to Incumbents
- \$ 6.7 million to Challengers
- \$ 6.2 million to Open Seat races

Figures for the same time period for the 1975-76 election cycle are not available.

NOTE: In comparing the financial activity of the 2 election cycles, certain variables should be considered. First, there has been an increase in the number of PAC's in existence, and in the number of PAC's actually making contributions to candidates. Second, there has been an increase in the number of candidates to whom contributions could be made. For example, as of December 31, 1978, there were 1,653 PAC's in existence. Through October 1978, 1,360 PAC's had made contributions to candidates. By year's end 1980, there were 2,551 PAC's in existence. Through mid-October 1980, 1,997 PAC's had made contributions to candidates. A similar increase occurred in the number of candidates included in the FEC studies. There were 1,909 in 1977-78; there are 2,265 in the 1979-80 data. Any comparative analysis should consider these variables, since they could affect any conclusions made on changes in PAC financial activity over time.

INTERIM FIGURES FOR NON-PARTY RELATED POLITICAL COMMITTEES INVOLVED IN 1980 ELECTIONS

Figures in this chart are complete from January 1, 1979 through December 31, 1980.

COMMITTEE TYPE	# COMTEES	1/		TOTAL DISBURSEMENTS	ADJUSTED DISBURSEMENTS	LATEST CASH ON HAND	DEBTS	
		TOTAL RECEIPTS	ADJUSTED RECEIPTS				OWED TO	OWED BY
CORPORATION	1,249	\$ 34,197,824	\$ 34,124,977	\$ 31,857,357	\$ 31,762,107	\$ 6,415,071	\$ 99,830	\$ 292,509
LABOR ORGANIZATION	332	\$ 27,421,571	\$ 25,979,426	\$ 26,360,398	\$ 25,049,257	\$ 5,929,879	\$ 61,644	\$ 20,502
NO-COONNECTED ORG.	439	\$ 39,057,379	\$ 39,049,575	\$ 37,781,511	\$ 37,759,257	\$ 2,694,576	\$133,138	\$1,609,039
TRADE/MEMBER/HEALTH	635	\$ 35,436,244	\$ 33,712,547	\$ 33,720,564	\$ 32,090,312	\$ 5,009,553	\$458,700	\$ 390,769
COOPERATIVE	37	\$ 2,857,917	\$ 2,733,957	\$ 2,749,788	\$ 2,629,788	\$ 1,498,733	\$ 150	\$ 4,258
CORP. W/O STOCK	59	\$ 1,140,740	\$ 1,119,970	\$ 1,047,883	\$ 1,038,428	\$ 203,614	\$ 11,380	\$ 3,073
TOTAL	2,751	\$ 140,111,675	\$ 136,720,452	\$ 133,517,501	\$ 130,329,149	\$21,751,426	\$764,842	\$2,320,150

Figures in this chart are only complete through mid-October 1980.

COMMITTEE TYPE	CONTRIBUTIONS TO CANDIDATES		4/								
	# COMM	AMOUNT	BY TYPE OF CANDIDATE			BY CANDIDATE STATUS			BY PARTY AFFILIATION		
			PRESIDENTIAL	SENATE	HOUSE	INCUMBENT	CHALLENGER	OPEN SEAT	DEMOCRAT	REPUBLICAN	OTHER
CORPORATION	1,037	\$ 19,275,473 (16,816,914)	\$ 1,103,392	\$ 6,644,306 (5,856,561)	\$ 11,527,775 (10,960,353)	\$ 11,527,372 (10,064,637)	\$ 5,743,657 (4,750,833)	\$ 2,004,444 (2,001,444)	\$ 7,121,508 (6,310,207)	\$ 12,129,086 (10,497,107)	\$ 24,879 (9,600)
LABOR ORGANIZATION	225	\$ 13,746,615 (12,751,328)	\$ 315,668	\$ 4,006,049 (3,632,285)	\$ 9,424,898 (9,119,043)	\$ 9,817,234 (9,094,564)	\$ 2,379,399 (2,109,282)	\$ 1,549,982 (1,547,482)	\$ 12,828,293 (11,903,877)	\$ 903,372 (833,701)	\$ 14,750 (13,750)
NO-COONNECTED ORG.	201	\$ 4,214,766 (3,973,906)	\$ 82,802	\$ 1,618,600 (1,564,770)	\$ 2,513,364 (2,409,136)	\$ 1,325,358 (1,227,283)	\$ 2,136,455 (1,995,786)	\$ 752,953 (750,837)	\$ 1,310,796 (1,225,513)	\$ 2,865,670 (2,713,293)	\$ 38,300 (35,100)
TRADE/MEMBER/HEALTH	463	\$ 16,626,169 (15,499,522)	\$ 264,381	\$ 4,495,771 (4,010,376)	\$ 11,866,017 (11,489,146)	\$ 10,844,147 (9,993,062)	\$ 3,762,049 (3,493,337)	\$ 2,019,973 (2,013,123)	\$ 7,319,000 (6,817,585)	\$ 9,271,543 (8,666,427)	\$ 35,626 (15,510)
COOPERATIVE	27	\$ 1,475,589 (1,338,602)	\$ 42,700	\$ 386,112 (328,675)	\$ 1,046,777 (1,009,927)	\$ 1,205,701 (1,093,814)	\$ 104,790 (81,690)	\$ 165,098 (163,098)	\$ 952,286 (880,499)	\$ 523,303 (458,103)	\$ 0
CORP. W/O STOCK	44	\$ 374,967 (316,018)	\$ 38,349	\$ 102,310 (89,710)	\$ 234,308 (226,308)	\$ 297,832 (268,515)	\$ 62,060 (32,428)	\$ 15,075 (15,075)	\$ 251,006 (218,939)	\$ 122,661 (96,979)	\$ 1,300 (100)
TOTAL	1,997	\$ 55,713,579 (50,696,290)	\$ 1,847,292	\$ 17,253,148 (15,482,377)	\$ 36,613,139 (35,213,913)	\$ 35,017,644 (31,741,875)	\$14,188,410 (12,463,356)	\$ 6,507,525 (6,491,059)	\$ 29,782,889 (27,356,620)	\$ 25,815,835 (23,265,610)	\$ 114,855 (74,060)

1/ Total receipt and disbursement figures include monies transferred between affiliated committees. For that reason, they are somewhat inflated.
 2/ Adjusted receipt and disbursement figures do not include monies transferred between affiliated committees, and therefore, are more representative of actual receipts and disbursements.
 3/ The number of committees included in this report DOES NOT represent the number active as of a particular date. See NOTE other side for these figures.
 4/ Figures include contributions to all candidates, including those who did not run for office during 1979-80, and Presidential candidates. Figures in parentheses represent amount given only to candidates seeking office in 1979-80 Congressional races.

FEDERAL ELECTION COMMISSION



Press Office
 1325 K Street, N.W., Washington, D.C. 20463
 Phone: Local 523-4065 Toll Free 800-424-9530

EMBARGOED FOR RELEASE TUESDAY
 AUGUST 4, 1981

CONTACT: FRED EILAND
 SHARON SNYDER

FEC ISSUES FINAL SUMMARY DATA ON PAC GIVING

WASHINGTON -- Candidates for the U.S. Congress received a total of \$55.3 million from PAC's for their 1979-80 election campaigns, according to information released today by the Federal Election Commission.

An additional \$2 million was contributed by PAC's to Presidential candidates, and \$3.2 million was donated for other purposes, e.g., to retire debts from prior campaigns. Total PAC giving during the election cycle was therefore \$60.5 million.

The FEC's computer data shows that non-party related political committees began the election cycle with almost \$15 million cash-on-hand. They raised an additional \$137.8 million and spent \$133.2 million between January 1, 1979, and December 31, 1980.* Therefore, PAC contributions to candidates represented between 42% and 45% of all PAC spending, depending on whether you consider only contributions to 1980 Congressional races, or contributions to all federal candidates, including Presidential and past, present or future Congressional candidates.

In conjunction with money directly contributed to campaigns, PAC's spent approximately \$14 million, or 10 1/2% of their funds, on independent expenditures to promote or defeat certain candidates.

PAC's also gave several million to the political parties and to other non-candidate groups, but final figures for these contributions are still being reviewed by the FEC.

A summary of the FEC figures shows that:

***More money was contributed to House races than to Senate or Presidential campaigns.

	'80 Congressional	All Candidates
House	\$ 38.14 - 69%	\$ 39.56 - 65.4%
Senate	\$ 17.15 - 31%	\$ 18.97 - 31.4%
Presidential	\$ N/A	\$ 1.96 - 3.2%

***Incumbents received a greater percentage of the total amount contributed than did the challengers or open seat races.

Incumbents	\$ 33.79 - 61%	\$ 37.2 - 61%
Challengers	\$ 14.33 - 26%	\$ 16.1 - 27%
Open Seat Races	\$ 7.17 - 13%	\$ 7.19 - 12%

***PAC contributions were almost evenly divided between Democrats and Republicans.

Democrats	\$ 29.05 - 52.5%	\$ 31.57 - 52.2%
Republicans	\$ 26.15 - 47.3%	\$ 28.78 - 47.6%
Others	\$.09 - .2%	\$.13 - .2%

(Figures in millions of dollars)

* Figures presented in this release differ from those released March 29, 1981. This is due to amendments filed by committees and to corrections made to the FEC data base. Note in particular the increase in all activity for Corporations without Stock. One committee was removed from the Trade/Membership/Health category & was added to Corporations without Stock. This change accounts for the increased activity in this field.

In an effort to depict more clearly the cash flow for each of the six PAC categories and to examine the distribution of contributions to candidates, the FEC has produced two charts, which follow. Note that the contribution table lists all PAC contributions to all candidates (past, present and future) during 1979-80, and parenthetically shows the lesser amounts which were contributed to 1980 Congressional candidates only.

Today's release by the FEC is an interim report on the financial activity for the 1979-80 election cycle. A 4-volume study, containing more detail and itemizing each political committee, plus a list of the "Top 10 Spenders" will be issued in October of this year.

INTERIM FIGURES FOR NON-PARTY RELATED POLITICAL COMMITTEES INVOLVED IN 1980 ELECTIONS

Figures on these charts are complete from January 1, 1979 through December 31, 1980.

COMMITTEE TYPE	# CMIES	<u>1/</u>	<u>2/</u>	TOTAL DISBURSEMENTS	ADJUSTED DISBURSEMENTS	LATEST CASH ON HAND	DEBITS	
		TOTAL RECEIPTS	ADJUSTED RECEIPTS				OWED TO	OWED BY
CORPORATION	1,250	\$ 34,160,224	\$ 34,082,301	\$ 31,763,995	\$ 31,662,042	\$ 6,440,923	\$ 99,830	\$ 292,509
LABOR ORGANIZATION	331	\$ 27,185,095	\$ 25,704,513	\$ 26,409,793	\$ 25,078,812	\$ 5,929,645	\$ 61,644	\$ 20,502
NO-COONNECTED ORG.	466	\$ 40,052,161	\$ 40,043,357	\$ 38,491,785	\$ 38,469,531	\$ 2,652,381	\$143,137	\$1,643,669
TRADE/MEMBER/HEALTH	635	\$ 35,433,926	\$ 33,711,114	\$ 33,591,399	\$ 31,886,672	\$ 5,107,349	\$458,700	\$ 396,985
COOPERATIVE	36	\$ 2,936,000	\$ 2,799,000	\$ 2,818,832	\$ 2,698,832	\$ 1,497,178	\$ 150	\$ 4,258
CORP. W/O STOCK	61	\$ 1,488,859	\$ 1,488,859	\$ 1,376,996	\$ 1,366,869	\$ 333,414	\$ 11,380	\$ 3,073
TOTAL	2,779^{3/}	\$ 141,256,265	\$ 137,829,144	\$ 134,452,800	\$ 133,175,411	\$21,960,890	\$774,841	\$2,360,996

	CONTRIBUTIONS TO CANDIDATES		DETAILS OF CONTRIBUTIONS TO CANDIDATES (Data relating solely to 1980 House and Senate races shown in parentheses) ^{4/}								
	# COMM	AMOUNT	BY TYPE OF CANDIDATE			BY CANDIDATE STATUS			BY PARTY AFFILIATION		
			PRESIDENTIAL	SENATE	HOUSE	INCUMBENT	CHALLENGER	OPEN SEAT	DEMOCRAT	REPUBLICAN	OTHER
CORPORATION	1,095	\$ 21,705,016 (19,173,787)	\$ 1,138,628	\$ 7,651,555 (6,834,781)	\$ 12,914,833 (12,339,006)	\$ 12,469,265 (10,963,672)	\$ 6,863,902 (5,841,266)	\$ 2,371,849 (2,368,849)	\$ 7,776,128 (6,930,179)	\$ 13,895,421 (12,227,708)	\$ 33,467 (15,900)
LABOR ORGANIZATION	240	\$ 14,146,843 (13,120,465)	\$ 345,883	\$ 4,150,359 (3,777,969)	\$ 9,650,601 (9,342,496)	\$ 10,068,962 (9,327,770)	\$ 2,477,264 (2,194,578)	\$ 1,600,617 (1,598,117)	\$ 13,208,042 (12,247,589)	\$ 921,051 (856,126)	\$ 17,750 (16,750)
NO-COONNECTED ORG.	241	\$ 5,097,519 (4,818,881)	\$ 118,010	\$ 1,827,023 (1,773,213)	\$ 3,152,486 (3,045,668)	\$ 1,644,640 (1,535,363)	\$ 2,545,843 (2,378,598)	\$ 907,036 (904,920)	\$ 1,626,279 (1,525,014)	\$ 3,426,839 (3,252,666)	\$ 44,401 (41,201)
TRADE/MEMBER/HEALTH	490	\$ 17,237,160 (16,091,229)	\$ 274,506	\$ 4,663,658 (4,163,305)	\$ 12,298,996 (11,927,924)	\$ 11,179,693 (10,322,399)	\$ 3,995,088 (3,713,301)	\$ 2,062,379 (2,055,529)	\$ 7,557,340 (7,051,675)	\$ 9,644,244 (9,023,594)	\$ 35,576 (15,960)
COOPERATIVE	31	\$ 1,514,314 (1,381,977)	\$ 42,700	\$ 399,087 (346,400)	\$ 1,072,527 (1,035,577)	\$ 1,228,726 (1,121,589)	\$ 111,890 (88,690)	\$ 173,698 (171,698)	\$ 968,911 (901,774)	\$ 545,403 (480,203)	\$ 0
CORP. W/O STOCK	49	\$ 784,515 (707,186)	\$ 39,479	\$ 277,743 (253,293)	\$ 467,293 (453,893)	\$ 559,100 (515,583)	\$ 152,090 (118,278)	\$ 73,325 (73,325)	\$ 434,029 (392,662)	\$ 348,886 (314,124)	\$ 1,600 (400)
TOTAL	2,146	\$ 60,485,367 (55,293,525)	\$ 1,959,206	\$ 18,969,425 (17,148,961)	\$ 39,556,736 (38,144,564)	\$ 37,150,386 (33,786,376)	\$ 16,146,077 (14,334,711)	\$ 7,188,904 (7,172,438)	\$ 31,570,729 (29,048,893)	\$ 28,781,844 (26,154,421)	\$ 132,794 (90,211)

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- 2/ Adjusted receipt and disbursement figures do not include monies transferred between affiliated committees, and therefore, are more representative of actual receipts and disbursements.
- 3/ The number of committees included in this report DOES NOT represent the number active as of a particular date.
- 4/ Figures include contributions to all candidates, including those who did not run for office during 1979-80, and Presidential candidates. Figures in parentheses represent amount given only to candidates seeking office in 1979-80 Congressional races.

FEDERAL ELECTION COMMISSION



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EMBARGOED FOR RELEASE:
MONDAY - AUGUST 10, 1981

CONTACT: FRED EILAND
SHARON SNYDER

COSTS OF CAMPAIGNING INCREASE

WASHINGTON — Costs of campaigning for Congress in 1979-80 were 23% higher than in 1977-78, according to updated figures released today by the Federal Election Commission.

Commission data shows that candidates for the 97th Congress collectively spent \$45 million more on their campaigns than did their counterparts in the 1978 Congressional elections.

This does not take into account the impact of inflation or the fact that there were 356 more candidates involved in 1980 than in 1978.

During 1979-80, U.S. House and Senate candidates raised \$252 million and spent \$242 million. In 1977-78, U.S. House and Senate campaigns raised \$202 million and spent \$197 million.

For the 1979-80 election cycle, most of the money was spent by campaigns that waged successful primary elections and which were contenders in November's general election. Candidates who lost in the primaries spent less than a combined total of \$50 million.

The FEC's information also shows that PAC's contributed \$55.3 million - or 22% - of the \$252 million raised by Senate and House candidates. Again, most of the PAC contributions were made to campaigns involved in both primary and general elections. Losing primary campaigns received less than \$4 million from PAC's.

An Interim Report on Financial Activity for 1979-80 U.S. House and Senate campaigns will be published by the FEC in October. That Report will contain a detailed review of the sources of Congressional campaign funding, as well as an itemization of each House and Senate campaign.

Summary information on various categories of 1979-80 Congressional candidates appears in the attached charts.

-more-

INTERIM SUMMARY
SELECTED CAMPAIGN FINANCE ACTIVITY
1979-80 SENATE AND HOUSE ELECTIONS

FEC PRESS OFFICE

JULY 1981

CANDIDATE CATEGORY	# CANDS.	TOTAL RECEIPTS	TOTAL DISBURSEMENTS	LATEST CASH ON HAND	NON-PARTY "PAC" CONTRIBUTIONS	CORPORATE	LABOR	NON CONNECTED	TRADE/MEMBER/HEALTH	COOPERATIVES	CORP. W/O STOCK
TOTAL: SENATE & HOUSE	2265	251.9	242.2	18.8	55.3	19.2	13.1	4.8	16.1	1.4	.7
SENATE SUBTOTAL:	346	107.4	105.4	3.0	17.2	6.83	3.8	1.8	4.2	.35	.2
DEMOCRAT	137	56.0	55.0	1.8	8.32	2.13	3.4	.5	1.92	.26	.1
REPUBLICAN	143	51.0	50.0	1.2	8.83	4.70	.4	1.3	2.24	.09	.1
OTHER	66	.4	.4	—	—	—	—	0	0	0	—
HOUSE SUBTOTAL:	1919	144.5	136.8	15.8	38.1	12.34	9.3	3.0	11.9	1.04	.5
DEMOCRAT	903	72.7	68.8	8.39	20.7	4.80	8.86	1.03	5.1	.65	.3
REPUBLICAN	722	70.9	67.1	7.35	17.3	7.52	.46	1.96	6.8	.39	.2
OTHER	294	.9	.9	.01	.09	.02	.02	.04	.02	0	—
BY PARTY AFFILIATION:											
DEMOCRAT	1040	128.7	123.8	10.2	29.05	6.93	12.25	1.52	7.05	.9	.4
REPUBLICAN	865	121.9	117.1	8.6	26.14	12.23	.86	3.24	9.02	.5	.3
OTHER	360	1.3	1.3	.01	.09	.02	.02	.04	.02	0	—
BY CANDIDATE STATUS:											
INCUMBENT	444	113.7	106.3	16.3	33.8	11.0	9.33	1.5	10.3	1.12	.5
CHALLENGER	1424	93.4	92.0	1.6	14.3	5.8	2.19	2.4	3.7	.09	.1
OPEN SEAT	397	44.8	43.9	.9	7.2	2.4	1.60	.9	2.1	.17	.07

ALL CANDIDATES

FIGURES IN MILLIONS OF DOLLARS

This chart includes financial activity for ALL candidates involved in 1979-80 elections.

"—" indicates negligible amount.

INTERIM SUMMARY
SELECTED CAMPAIGN FINANCE ACTIVITY
1979-80 SENATE AND HOUSE ELECTIONS

FEC PRESS OFFICE

JULY 1981

CANDIDATE CATEGORY	CANDS.	TOTAL RECEIPTS	TOTAL DISBURSEMENTS	LATEST CASH ON HAND	NON-PARTY "PAC" CONTRIBUTIONS	CORPORATE	LABOR	NON CONNECTED	TRADE/MEMBER/HEALTH	COOPERATIVES	CORP. W/O STOCK
TOTAL: SENATE & HOUSE	1202	204.5	194.8	17.9	51.7	18.0	12.2	4.3	15.2	1.3	.67
SENATE SUBTOTAL:	123	79.7	77.5	2.8	15.7	6.4	3.4	1.6	3.8	.3	.23
DEMOCRAT	38	42.5	41.4	1.7	7.3	1.9	3.0	.4	1.7	.2	.12
REPUBLICAN	35	36.9	35.8	1.1	8.4	4.5	.4	1.2	2.1	.1	.11
OTHER	50	.3	.3	0	0	0	...
HOUSE SUBTOTAL:	1079	124.8	117.3	15.1	36.0	11.6	8.8	2.7	11.4	1.0	.44
DEMOCRAT	431	61.8	57.9	8.1	19.6	4.5	8.4	.9	4.9	.6	.25
REPUBLICAN	403	62.2	58.6	7.0	16.3	7.1	.4	1.8	6.5	.4	.19
OTHER	245	.8	.8	.01	.1	.01	.02	.04	.02	0	...
BY PARTY AFFILIATION:											
DEMOCRAT	469	104.3	99.3	9.8	26.9	6.4	11.4	1.3	6.6	.9	.36
REPUBLICAN	438	99.1	94.4	8.1	24.7	11.6	.8	3.0	8.6	.4	.31
OTHER	295	1.1	1.1	.01	.1	.02	.02	.04	.02	0	...
BY CANDIDATE STATUS:											
INCUMBENT	422	109.1	101.2	16.0	32.5	10.5	9.0	1.4	10.0	1.1	.49
CHALLENGER	663	68.3	67.1	1.3	13.3	5.5	1.9	2.2	3.5	.1	.11
OPEN SEAT	117	27.1	26.5	.6	5.9	2.0	1.3	.7	1.7	.1	.07

GENERAL ELECTION CANDIDATES

FIGURES IN MILLIONS OF DOLLARS

This chart includes primary and general election financial activity for 1980 GENERAL ELECTION candidates only.

"..." indicates negligible amount.

Equal Time for Targets

Fred Wertheimer, the new president of Common Cause, has an ingenious idea that could solve one of the more vexing problems that has popped up recently in our politics. It is the question of how to deal with "independent expenditure groups" that come into a state or district, not to help elect a particular candidate but to defeat someone else.

The most publicized of these groups, which claimed to have scalped several liberal Democratic senators in 1980, is Terry Dolan's National Conservative Political Action Committee. NCPAC moved in early in such states as Idaho, South Dakota and Indiana—months ahead of the formal selection of a Republican challenger—and began advertising campaigns aimed at the records of the Democratic incumbents.

Encouraged by the victories in those races in 1980, Dolan's group has started in on an expanded program of "targeting" for 1982.

Other groups are seeking to imitate the technique, and liberals have organized at least three groups of their own to fight fire with fire.

The clear prospect is that unless some way is found to break the cycle, the airwaves and newspaper pages are going to be filled with a rising volume of "negative ads" blasting away at Senator Jones or Representative Smith.

What is wrong with that? you ask. Assuredly, Sen. Jones and Rep. Smith miss no opportunity to tell their constituents how lucky they are to have such great men speaking for them in Congress. And the Supreme Court has held rightly that when Congress legislated limits on campaign spending, it could not constitutionally abridge the right of individuals or groups, operating independently of the candidates, to say through advertising what they thought of the merits or demerits of the aspirants.

Acknowledging all that, there are still two or three things about the independent expenditure groups that are troublesome. They are not really accountable to anyone but themselves and—as NCPAC's example shows—they are not exactly scrupulous about the evidence they use in their roundhouse swings at their targets.

If politics were as closely refereed as, say,

hockey, Dolan would have spent a lot of time in the penalty box.

Second, the din of negative advertising does tend to denigrate and drown out the healthy debate between candidates and parties that ought to be the heart of any campaign. And an avowedly independent negative campaign can tilt the odds in a contest by softening up the incumbent or forcing him to spend from his own funds, not against his opponent but against this outside group.

Wertheimer's suggestion is ingeniously simple: provide a right of free reply for the target of the independent expenditure campaign. For every negative ad that is run attacking him, give the person under the gun equal time and space, without charge, to respond.

What I like about the idea is that it effectively discourages the negative campaigns without impairing what is, I think, an important constitutional right to organize such a campaign. Anybody would still have the right to get up on the soapbox and holler.

But he would know that the fellow he was holl-

ering about would be right up there next to deliver his rebuttal.

Obviously, if every dollar an independent expenditure group spent attacking Sen. Jones created an equal entitlement for Jones to reply, free of charge, the utility of such a negative campaign would be severely diminished. Contributors would be harder to find—and so would media outlets for the ads.

There would still be room for independent campaign expenditures. A group that wanted to go off on its own and publicize its views on policy issues or its support for a particular candidate, without consulting anyone else, would still have the freedom to do so. But if it chose to attack someone, it would do so with the knowledge that its target would gain an automatic right of reply.

My guess is that the effect of such a rule would be to return responsibility and control of the election campaigns to the parties and the candidates, which is where they belong. It strikes me as an idea that is worth Congress considering when it takes up the question of federal election law amendments later this year.

file
FEC

NEWSLETTER PUBLISHER SUES FEDERAL ELECTION COMMISSION TO HALT INVESTIGATION

Court Hearing Set for Wednesday, June 17, 1981
in Key First Amendment Case

WASHINGTON, D.C., JUNE 11, 1981...Phillips Publishing, Inc. announced today that it had filed a countersuit against the Federal Election Commission in U.S. District Court here. Phillips Publishing cited First Amendment grounds in seeking an injunction against the federal agency from continuing its 15-month investigation of the publishing company. Phillips Publishing is the target of an FEC probe because it sent out promotional material for one of its newsletters, The Pink Sheet on the Left, a conservative, anti-communist publication, which contained editorial comment critical of Senator Kennedy's 1980 bid for the presidency.

The FEC is demanding, among other things, that the company turn over to FEC investigators the location and numbers of all its bank accounts, as well as the names and addresses of all of its editorial staff. The FEC is charging that the company violated five federal rules. These rules center around the FEC charge that the publishing company, because of its commentary in the promotional material, should be registered with the FEC as a political committee and file reports with the FEC. When the company refused to turn over the subpoenaed information, the FEC filed suit in federal court for an order to force the company to divulge the information.

Phillips Publishing is not only opposing the FEC effort, but it is asking the Court in its countersuit for an injunction against the FEC. Phillips Publishing is asking the Court to prohibit the FEC from any further investigation on the grounds that the FEC has no jurisdiction over legitimate press activities under the First Amendment.

Thomas L. Phillips, owner and President of Phillips Publishing, is a leader of the newsletter industry and presently serves as President of the Newsletter Association of America. Phillips also publishes 11 consumer and business

newsletters on a wide variety of topics. Supporting Phillips' effort is the Washington-based Reporters Committee for Freedom of the Press, which, over strong FEC objection, has been permitted to appear and argue as a friend of the court at the court hearing set for Wednesday, June 17, 1981, at 9:30 a.m. before U.S. Federal Judge Thomas A. Flannery.

Election law experts note the similarity between this case and the recent Reader's Digest case in which a federal judge in New York sharply limited the FEC's inquiry into the dissemination of a video-tape illustrating a Reader's Digest article critical of Senator Kennedy's version of the Chappaquiddick accident.

Phillips Publishing blasted the FEC in its 35-page legal brief indicating that the FEC's conduct amounted to bad faith and harassment. Some of the highlights of the brief are:

- FEC charges include the breaking of one law that was repealed by Congress even before the FEC action in the case began in March, 1980;
- An FEC charge that subscriptions to the 10-year old newsletter were political contributions was labelled by Phillips "absurd on its face." If subscriptions to The Pink Sheet are contributions, then so are subscriptions to The Washington Post, New York Times, and other newspapers and magazines "except perhaps Field & Stream" Phillips asserted;
- FEC internal documents that show the agency in 1976 absolved Penthouse magazine on First Amendment grounds for making anti-Carter comments on the magazine's promotional material, in contrast to their current harassment of Phillips;
- An FEC letter to a U.S. Senator obtained by Phillips shows the FEC drafted a self-laudatory form letter to be used by the Senator to send to his constituents complaining about the FEC's handling of The Pink Sheet case;
- Affidavits documenting Phillips' unsuccessful effort to disqualify FEC Commissioner Tiernan from The Pink Sheet case because of bias since his

son, Robert Tiernan, Jr. had been actively seeking employment with Phillips Publishing, Inc. while the company was under FEC investigation.

"The FEC's vicious, yet incompetent, conduct in this case would not be so dangerous were it not for the fact that this agency regularly engages in wholesale violations of First Amendment rights" said Thomas L. Phillips, president of the publishing company. "We expect to win in Court on June 17th" said Phillips, "and I hope the Court can permanently put a stop to FEC abuses in my case and others. The FEC is a power-mad agency running berserk as it squanders the taxpayers' money and tramples on our rights as citizens."

---END---

NOTE: Phillips will hold a press conference outside U.S. District Court, (John Marshall Place and Pennsylvania Avenue, N.W.) immediately following the June 17 hearing.

Phillips Publishing, Inc.

7315 Wisconsin Avenue Suite 1200 N Bethesda, Maryland 20014

Telephone: 301-986-0666

Real Estate
Intelligence Report
The Retirement Letter
Forecasts & Strategies
The Pink Sheet
Joyer Travel Report
Cardiac Alert

VideoNews
Satellite News
Telephone News
Data Channels
RadioNews
Fiber/Laser News

THE WHITE HOUSE

WASHINGTON

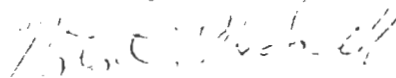
June 18, 1981

Mr. Thomas L. Phillips
President
Phillips Publishing Inc.
7315 Wisconsin Avenue
Suite 1200N
Bethesda, Maryland 20014

Dear Tom:

Thanks for your help in assembling the financial newsletter list, and thanks for keeping me informed of your strong efforts regarding the recent outrages by the FEC.

Sincerely,



Morton C. Blackwell
Special Assistant to the President