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BEFORE THE
SUBCOMMITTEE ON GOVERNMENT OPERATIONS

OF THE

COMMITTEE ON
THE DISTRICT OF COLUMBIA
HOUSE OF REPRESENTATIVES

NINETY-THIRD CONGRESS

SECOND SESSION

ON

H.R. 12638 and H.R. 13539

TO REGULATE CAMPAIGNS FOR ELECTION TO PUBLIC
OFFICE IN THE DISTRICT OF COLUMBIA

APRIL 3 AND 4, 1974

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CAMPAIGN PRACTICES IN THE DISTRICT OF COLUMBIA

WEDNESDAY, APRIL 3, 1974

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON GOVERNMENT OPERATIONS,
OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:30 a.m. in room 1310 Longworth House Building, Hon. Brock Adams, presiding.

Present: Representative Adams, Representative Diggs (Chairman of the full Committee), and Representatives Fraser, Fauntroy, and Breckinridge.

Also present: Robert T. Washington, Jr., Chief Counsel; James T. Clark, Legislative Counsel; Jacques DePuy, Subcommittee Counsel; John E. Hogan, Minority Counsel; Leonard O. Hilder, and Ralph Ulmer, Professional Staff.

Mr. ADAMS. The Subcommittee will come to order. These public hearings, before the Subcommittee on Government Operations, are for the purpose of receiving testimony on campaign practices legislation for the District of Columbia.

Pending before the subcommittee are two bills, one by the Chairman of the Full Committee, the Honorable Charles C. Diggs, Jr., and the other by the Delegate from the District of Columbia, the Honorable Walter E. Fauntroy, our first witness this morning. It is also my understanding that Congressman Donald Fraser, a member of this subcommittee, has yesterday introduced a comprehensive campaign reform bill, similar to that introduced on the Senate side by Senators Mathias, Eagleton, and others (pp. 16-66).

I might point out for the record, that title V of the Fauntroy bill (H.R. 12638), which provides partial public financing of certain elections campaigns, has been referred to the Subcommittee on Revenue and Financial Affairs since it deals with the authorization of public funds. I have discussed this matter with Congressman Tom Rees, chairman of that subcommittee, and he has agreed that testimony on public financing should be received in these hearings before the Government Operations Subcommittee.

With the District of Columbia about to elect a Mayor and City Council for the first time in over 100 years, it is crucial that this first election—as well as all subsequent elections—be open, fair, and free of possible domination by a handful of wealthy contributors.

Yet, existing D.C. law is clearly inadequate. Limitations on contributions and expenditures are woefully weak. Political campaign committees are loosely organized and controlled. Existing reporting requirements are replete with loopholes.

At this time, I would like to add a personal thought. Although the new officials under the home rule government do not assume office until January 2, 1975, and thus it is necessary for the Congress to legislate in this area, we should strive at all times to let local citizens govern their own destiny. It is thus my feeling that once an elected government has been chosen by the people, the whole issue of campaign reform should be debated and decided by locally elected officials: We should not attempt to dictate an elaborate scheme at this time; we should, however, attempt to provide minimal standards of campaign fairness.

At this point, the distinguished chairman of the Full Committee, the Honorable Charles C. Diggs, Jr. of Michigan, would like to make a statement. Mr. Chairman, we are pleased to have you here.

STATEMENT OF THE HONORABLE CHARLES C. DIGGS, JR.

Mr. DIGGS. Thank you, Mr. Chairman. Having been closely associated with you in connection with our historic effort regarding the Home Rule Bill, which is bringing self-determination to the District of Columbia for the first time in 100 years, I feel reassured that this particular measure which is of the kind of importance that you have so indicated, is in good hands, and that you will process this very important matter with the same kind of energy and diligence and imagination that you have exercised in connection with other matters.

I am particularly delighted to hear you open the hearing with a statement which is certainly consistent with my concept, that we are not—at least in this particular measure—trying to legislate on some kind of comprehensive, long-range election reform, but the thrust of our legislation here is devoted to the upcoming elections and the thrust of this legislation would, in effect, defer longer range plans to the locally elected government.

Mr. Chairman, and members of the committee, the election law of the District of Columbia contains campaign reporting and spending provisions which are no longer adequate to meet the public demand for fair, clean, and open campaigns.

The elections next September and November for Mayor and City Council will be watched closely as the vital beginning of local home rule for the Nation's Capital. Action by this Congress is needed, however, to insure that those coming elections are free from secret financing and free from the heavy hand of overly large contributions, slush funds and bundles of cash.

If these practices can be prevented, it will mean a great boost in public confidence in the newly elected officials.

If we fail to act, the home rule bill, it may be launched in a sea of mistrust and recrimination. I assure you, Mr. Chairman, that confidence not only on the part of the public, but confidence on the part of the Congress is a very important element in the relationship between the Federal Government and the local government in this initial period of home rule. Whatever we can do to eliminate any mistrust on the part of the constituent elements of the Federal-local relationship will be very helpful and will be actually essential if home rule is to be meaningful.

Now, some of the major features of the bill I have introduced H.R. 13539, have been suggested by the Office of the Comptroller General of the United States.

As you know, the Office of Federal Elections of that agency played a major role in enforcing the Federal Election Campaign Act of 1971.

Many of the difficulties encountered in the 1972 elections can be avoided by provisions that we have included in H.R. 13539.

I am pleased, Mr. Chairman, that you will have a witness from the GAO at these hearings on Thursday morning. The GAO will be recommending that candidates be made specifically responsible for control of the overall limitations for spending on their campaigns.

In the bill I am sponsoring, we have the following requirements: Requiring a candidate to designate one central campaign committee; prohibiting separate committees formed without the candidate's permission and requiring the candidate to receive the reports of the committees he has authorized and consolidate and furnish them to the Board so that the candidate will always be aware of whether the expenditures are reaching the ceilings. Requiring all receipts and expenditures of the candidates to be processed through designated checking accounts, audited by the GAO and the Election Board.

GAO further recommends setting ceilings, including the aggregate of the candidates' own expenditures and committees authorized by him.

Mr. Chairman, for many years the District of Columbia Board of Elections has had the responsibility of receiving campaign expenditure reports for elections in the District of Columbia.

In order to set machinery in place as quickly as possible to regulate campaigns for Mayor and Council which are being started up already, the bill which I have introduced strengthens the Board of Elections and its staff rather than trying to create a new Commission and putting together a staff to regulate these campaigns.

I want to underscore that. We have a real practical problem here if we are going to gear up for this election. There is a serious question that has nothing to do with the merits of a commission, or any other reforms that I certainly agree with, but we are faced with a very practical problem of being prepared for this election. The thrust of this particular bill is that it is perhaps advisable to strengthen the existing Board of Elections for this particular year, rather than trying to create some additional machinery.

The Home Rule Act, as you know, authorized an additional \$750,000 for the Board of Elections to conduct the referendum on May 7 and the elections this fall.

I am assured that these funds are adequate to cover the Board's added responsibilities included in this particular bill, H.R. 13539.

It will not be necessary to authorize or appropriate any additional funds for any other kind of machinery if this bill passes.

If a year from now the new City Council prefers to set out a Commission on Election Campaigns, it will have the power to do so, as you know, under Section 752 of the Home Rule Act and that would certainly be consistent with the statement that you made in opening this very important hearing.

Now, Title III of the bill expands the power of the present Board of Elections to enable it to enforce campaign reporting and ceilings on contributions and expenditures in a more effective way.

That Title is also drafted for us by GAO.

It makes three improvements in the present law. First, it empowers the Board of Elections to conduct audits and investigations and to require submission of books and records needed for effective enforcement.

Second, the Board is authorized to enforce the law by direct application to the courts, using its own attorneys in addition to present support from the Corporation Counsel and the U.S. Attorney's Office.

Lastly, GAO itself, with its special elections staff and broad experience in monitoring and enforcing the Federal Election Campaign Act of 1971, becomes a resource of the Board of Elections to make audits and investigations as requested.

Now, Mr. Chairman, you will note that I have left blank the ceilings for expenditure for the various campaigns this Fall and for other offices under the D.C. Election Law.

I did that deliberately because I hope the hearings will bring out testimony on what size budgets can be expected in the ward elections and in the city-wide elections next fall and the kinds of ceilings which come out can be decided upon, I think, as an outgrowth of the dialogue and testimony that will take place here. I believe that ceilings will emerge that will be reasonable, but not excessive and I have full faith, Mr. Chairman, that such a reasonable ceiling will emerge from these hearings.

I admit myself that I am not in a position to make that kind of determination myself. I think it is going to represent some kind of consensus and I have full faith that such a consensus can be arrived at, particularly under your leadership, because it was that kind of consensus and that kind of leadership that was so crucial with respect to the Home Rule Bill.

As you know, the ceilings have to be high enough to permit a newcomer to get name recognition. Otherwise, incumbents are insulated from any real challenge at the polls.

But, if it is too high, the public office becomes out of reach except for candidates of economically stronger sections of our society.

In conclusion, there are two other proposals which have been suggested in other bills in Congress.

One calls for campaign donations to be matched by tax funds for financing elections in the District. That is Mr. Fauntroy's bill and that portion of his bill has been referred, as you indicated, to our Subcommittee on Revenue and Financial Affairs, chaired by the distinguished gentleman from California, Mr. Rees, and is subject to consideration after similar legislation a nationwide basis is taken up in the House, because, obviously, with a national election pending with respect to that particular provision, it would appear that it is better to see what its fate is before we get ahead of them on that particular point.

There is already a filibuster in the other body with respect to methods of financing elections, particularly public financing.

Now, the second reform is disclosure of personal finances of all candidates, of the Board of Education, and D.C. employees in grades 15 or higher in a bill which is being sponsored by Senator Mathias and which, as you indicated, has been co-sponsored in the House by the distinguished vice chairman of the Full Committee, Mr. Fraser.

I am sure that that matter will get the respectful attention from those concerned on our committee. I hope the subcommittee will be

able to spend some time on the disclosure question in connection with those hearings.

Legislation to insure fair elections in the District is certainly among the most vital work for our committee in 1974 and I am confident that this subcommittee's product is going to be looked upon with favor at the Full Committee level.

Thank you, Mr. Chairman.

Mr. ADAMS. Thank you for an excellent statement. I think you have presented the problems that face any type of campaign before and disclosure in public financing clearly before the committee.

I do hope we can move forward with it as rapidly as possible so that we can have these in place prior to the elections taking place in the fall. I am going to ask if Mr. Fraser has any questions. I also must announce that I have a roll-back and a tax provision I have to question the Chairman of the Full Committee on Interstate Commerce about in mark-up session, so if I have to leave this meeting this morning it is because of a conflict I cannot avoid.

Mr. FRASER. I would like to say I am appreciative of the fact that our Chairman of the Full Committee would open the hearings and express the importance of this work and may I also add that I introduced Senator Mathias' bill in the House, not because I am prepared to endorse all of its provisions, but to get it before the subcommittee in connection with its hearing.

I think that these are matters that are going to require rather careful study and I gather that there is general agreement that whatever we write here should—once we get an elected Council—be subjected to their further amendment and revision so that what we are doing is setting up a framework for the regulation of the first election, since there is no machinery and from then on the elected Council and the elected Mayor will have authority to revise or repeal, if they want to, or amend.

Mr. DIGGS. That is correct. As you know, Mr. Fraser, the City Council has full power to legislate in this particular field. It certainly would be consistent with our general thrust of delegating legislative authority to them to set up the framework, but in terms of long range plans leave room for them to legislate.

Mr. FRASER. I don't have any specific questions on the bills themselves at the moment. I think it is a matter in which we will have to go into more detail.

Mr. ADAMS. Thank you, Mr. Chairman, we hope you will be able to join us this morning in the hearings and we would very much like to have you with us if you are able to do so.

The next witness before the subcommittee has before them this morning is the Honorable Walter E. Fauntroy, Delegate of the District of Columbia, who has also introduced a bill on the subject and has been one those who has been a prime move in seeing that the matter be heard and moves forward.

He is a member of the subcommittee and we are pleased to have an opportunity to hear from him this morning.

STATEMENT OF THE HONORABLE WALTER E. FAUNTROY

Mr. FAUNTROY. Thank you, Mr. Chairman, and let me commend you for the fine work which your leadership made possible in the

shaping of the Self Government bill, which has made this hearing possible, and we look forward to the same kind of efficient and careful deliberation on our campaign reform legislation and subsequent passage thereof.

Mr. Chairman, thank you for the opportunity to testify today in support of H.R. 12638, and in favor of many of the principles expressed in H.R. 13539 (introduced by Mr. Diggs). The overwhelming need for campaign finance legislation to govern elections in the District of Columbia is pointedly obvious.

First, some general observations. The disclosure stemming from the flagrant abuses of law and political decency that have become known as "Watergate" show the terrible inadequacy of the way we have come to finance elections.

We have seen the distortions in public policy-making that occur when monied special interests are permitted to purchase access to policy-makers. We have seen governmental policies determined by the highest bidder to the detriment of the vast majority of citizens who have few resources to make their voices heard.

Special interest groups have had an undue influence in our political system since the beginning of our Republic, though the abuses have rarely been as severe or as pervasive as in the past several years. Money has spoken with a loud voice not only in the executive branch of the Federal Government, but also in Congress, in State government, and in municipal government across this land. The time for change is upon us.

The time for reform is especially ripe for the District of Columbia. The recently-passed self-government legislation places in the hands of a relatively few elected officials a legislative power in many ways equal to that possessed by state governments. While the existing campaign law applicable to local elections in the District has been barely adequate for the elections it now covers, it simply cannot shoulder the burdens placed on it by the election of a new government with substantial power to make public policy for the District of Columbia. New laws are needed to assure that this new government is the instrument of the people and not of narrow economic interests by carefully regulating the extent to which money, or lack of it, will govern the outcome of elections.

Briefly, let me outline some of the ways in which the current law leaves the way open for abuse:

There are no effective ceilings on campaign expenditures. The law does limit expenditures by a political committee to \$100,000, but this applies to even relatively minor offices, and there is nothing to prevent a candidate from having multiple committees.

The current limitation on an individual contribution of \$5000 is excessively high, and because of drafting errors in the Home Rule bill, is not applicable to mayor and city council races.

Labor unions and most corporations are allowed to make direct contributions to municipal elections. Federal law precludes such contributions for races for federal office.

The financial reporting standards regarding contributions and expenditures do not require sufficiently detailed disclosures.

The frequency of filing of disclosure reports—5 days before and 30 days after election—does not allow for adequate monitoring by opposing candidates and responsible government agencies.

There is no independent enforcement mechanism to ensure strict compliance and vigorous enforcement.

H.R. 12638 in general provides for the following:

Comprehensive disclosure of contributions and expenditures, together with regulation of political committees in the District of Columbia. In large measure, these standards are patterned after those in Federal law.

An independent District of Columbia Political Campaign Finance Commission, given overall responsibility for the administration and enforcement of local campaign finance laws.

Strict campaign spending and contribution ceilings, and limitations on cash contributions.

A system for public financing of campaigns through matching payments.

Candidates for local office in the District of Columbia and their political committees will be required to make every aspect of their financial affairs a matter of public record. Each candidate will be required to designate in writing one committee as his central campaign committee. Though a candidate may have more than one committee operating in support of his candidacy, his central committee will be responsible for consolidating the financial reports of these other committees and monitoring the expenditures of the other committees for violations of the overall spending limitations. Every political committee will be required to register with the Commission at the point that it anticipates receiving contributions or making expenditures in excess of \$100. Committees must file full disclosure reports on March 10, June 10, September 10, and 15 and 5 days before an election, as well as an annual report on January 31 of each year. Contributions in excess of \$200 given within five days of an election must be reported within 48 hours. The disclosure reports, among other things, must include the name, address, and occupation of every contributor giving more than \$50 in a year. Also, the report must disclose the name of every person to whom an expenditure in excess of \$10 is made. A comprehensive definition of a "contribution" is set forth to include an in-kind contribution and anything else of value.

H.R. 13539, put forward by Mr. Diggs, introduces a concept not covered in my bill that I think is of significant value. It requires that a candidate or his committee designate one or more banks as central depositories and that all campaign funds be transmitted through the depository. This will provide the Commission the basis for close auditing of all campaign funds.

Under H.R. 12638, though not under H.R. 13539, candidates for the Office of Delegate are exempt from the filing requirements of this local law. The spending and contribution limits, however, would apply with full force. The filing exemption makes sense because candidates for Delegate now make filings under Federal law substantially similar to that provided by H.R. 12638. These reports are filed and available locally—with the Clerk of the House and the Mayor's office. There is a possible unfair burden should the information required under local law depart from Federal law in that separate bookkeeping and report preparation for each would be needed. I should point out that H.R. 12638 makes no change in existing law in this regard. As matters now stand, candidates for Delegate are not required to file a separate campaign financial report under local law.

I personally would have no objection to filing a copy of my Federal report with the Commission.

H.R. 12638 would also create a Political Campaign Finance Commission, an independent Commission with authority and responsibility for administering and enforcing the campaign finance law. The Commission would be composed of five members, not more than three of whom shall be members of the same political party. Two members will be appointed by the Chairman of the Council, and three by the Mayor. The Commission would be completely independent and not subject to direction by any nonjudicial officer. The Commission will also have subpoena power, and most importantly, the power to "initiate, defend, or appeal" a court action in the name of the Commission to enforce the law. Since introducing my bill, I have reviewed the question of appointment to the Commission. I am not convinced that the appointment procedure I proposed gives sufficient independence to the Commission. The Commissioners may have some difficulty in investigating and possibly prosecuting the officials who appointed them. Consequently, I would recommend that independence be fully guaranteed by adopting an appointment procedure similar to that enacted in the Self Government bill with regard to the Judicial Nominating Commission. That is, appointment should be by disinterested institutions, such as the bar, the courts, and the Comptroller General.

The Commission will receive all campaign reports and registration statements. It shall have the duty of making such reports available for public inspection, and otherwise disseminating public information about campaign finances.

This authority is not given to the existing Board of Elections because the regulation of campaign finance requires a separate expertise substantially unrelated to questions of administering the technical details of carrying out an election. Further, the task calls for full-time attention that can only be diluted if mixed with separate responsibility over the mechanics of running the election itself. Most important, it is unrealistic to expect one board to administer both the election and campaign finance laws. At the very moment that the Board will be involved most heavily with conducting an election—5 or 10 days before an election—the Board would be required to also exercise great diligence in reviewing campaign finance reports.

This legislation contains strict limitations with respect to the role of money in political campaigns. These limitations will make it possible to conduct broadly financed campaigns. No single contributor will have predominant influence by virtue of his contribution. Nor will candidates be able to overwhelm opposition with lavishly financed campaigns. These measures, taken together, should enable every candidate to be heard, and no serious candidates to be silenced by the din of opposing campaigns. The following contribution limits by an individual are set: \$900 in a calendar year for Mayor or Delegate; \$500 for Chairman of the Council; \$250 for Council or Board of Education candidates at large; and \$100 for ward candidates for Council or Board and party offices.

No candidate will be allowed to have spent in his behalf in a single election—primary and general elections are separate elections—more than \$90,000 for Mayor or Delegate; \$50,000 for Chairman of the Council, \$25,000 for Member of the Council or Board of Education at large; \$10,000 for ward candidates and political party officials.

These limits are intended to be a middle point curbing unreasonable campaign expenditures and allowing ample spending to conduct vigorous campaigns that allow a candidate to take his message to the people. The figures will be readjusted periodically, under the legislation, to meet the demands of inflation. These limitations deserve careful scrutiny to insure that they realistically reflect the cost of campaigning. Senators Eagleton and Mathias have proposed an approach which results in expenditures and contribution ceilings considerably lower than those proposed in my bill. I am in basic sympathy with their proposal and lean heavily toward lower ceilings. But I believe that the levels proposed by H.R. 12638 state a useful mid-point for discussion of the question.

I have attempted to research the question and asked the Library of Congress to study and compare campaign ceilings in cities around the country. The results of that study are contained in an attachment to this statement, and I do now ask that it be placed in the record of this hearing. There is no uniformity of result, but the information may be of some use.

In addition to these limits, no individual may expend or contribute more than \$2,000 in a calendar year to District of Columbia elections. Cash contributions of over \$50 are prohibited, and corporations and labor unions are barred from making direct contributions to local elections, except to the extent that such contributions would be allowed under Federal law. This is intended to allow the so-called voluntary funds and direct communication to union members and stockholders of corporations on political matters. While H.R. 12638 and H.R. 13539 both deal with this point, I think that Mr. Diggs' bill in this regard is preferable, in that it spells out with more detail permissible activities by labor unions and corporations.

H.R. 12638 also provides for partial public financing of District of Columbia campaigns on a matching basis. This aspect of the bill has been severed and placed before another subcommittee. I regret that the Chairman took this step because campaign reform, in my view, is inseparable from public financing and they should be considered together. I note with some irony that the Chairman did not separate out the tax credit aspect of H.R. 13539 and give it to the subcommittee with jurisdiction over that matter. On the merits, however, public financing will make it possible for candidates to finance campaigns on a broad basis without having to appeal to monied special interests for substantial campaign support. A District of Columbia Matching Payment Entitlement Fund is created out of sums appropriated from the District of Columbia budget. A candidate will be entitled to payments upon his becoming qualified to appear on the ballot and upon raising a "threshold" amount of money, which amount varies according to the importance of the office.

A candidate will be entitled to receive a matching payment to meet campaign expenses for every contribution he receives, except that only the first \$50 given by a contributor in a calendar year can be matched. For example, if a contributor gives \$20, the candidate will receive a \$20 match, if the contribution is \$175, only a \$50 match will be tendered to the candidate. This has the effect of providing every incentive to seek moderate contributions, and preventing an unreasonable multiplier effect for large contributions.

It is somewhat difficult to calculate the cost of such a program because we have so little experience here in the District with financing local campaigns. Still, I have taken a stab at some rough calculations. Assuming that all races are contested by a large number of candidates who have some substantial capacity to raise private funds, the cost in public funds will be about \$400,000 to \$500,000 on an annual basis. It should drop off somewhat after the extraordinary circumstance of the first municipal election in over 100 years. My estimate is high. I suspect that the actual figure will be somewhat lower, given the difficulty of raising political funds on a broad base anywhere.

H. R. 12638 and H. R. 13539 are not the complete answer, but they begin to bring elections down to manageable size, to give them some proportion, balancing the scales between the people and large political contributors.

If this legislation is enacted, as I believe it will be, we in the District will have model law that will lead the way for other jurisdictions to clean up their own political mess.

Thank you, Mr. Chairman, for your entertainment of my testimony at this time.

Mr. BRECKINRIDGE (presiding). I want to thank you for your fine statement, but a statement of objective purpose that is close to us all, and the specific material that you referred to will be included in the record at this point.

[The material referred to follows:]

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., February 15, 1974.

To: Hon. Walter Fauntroy. Attention: Harley Daniels.

From: Sandra S. Osbourn, Analyst, Government and General Research Division
(Kenneth E. Gray, Division Chief).

Subject: Expenditures by Candidates for Municipal Office.

This memorandum is being provided to you in response to your request for data on campaign expenditures by candidates for the mayor or the city council in eight cities. There is no national collection of such data, so it was necessary to call each of the cities. Because of the variations in local reporting requirements, the data is more complete for some cities than others, and was not available at all in three of the cities. Atlanta has no reporting requirements, so no official figures are available. Baltimore and Newark require the candidates to report their expenditures to the Clerk of the Circuit Court and the City Clerk respectively, but the figures are not compiled in a readily useable manner, and are not totalled. Spokesmen for both cities said that the only way to get the data that you requested would be an on-site visit and analysis of the reports. The following table provides expenditure data for the remaining five cities: Boston, Houston, Pittsburgh, Seattle, and St. Louis.

Boston

1971 mayoral election:

Primary:	Amount
White	\$294, 094
Hicks	40, 523
Timilty	30, 999
Atkins	53, 458
General:	
Hicks	82, 493
White	251, 063

1973 city council election:

Primary:	
O'Neill	3, 180
McDonough	1, 230
Tannella	3, 924
Hicks	4, 954
Tierney	4, 213
Langone	4, 793
Di Cara	20, 747
Connoly	2, 637
General:	
Tannella	9, 396
O'Leary	7, 100
McDonough	7, 755
O'Neill	3, 414
Di Cara	14, 629
Connoly	7, 980
Hicks	4, 054
Langone	8, 759
Tierney	7, 222
Total	868, 618

Source: Reports to the city clerk.

Houston

1973 election (combined total for primary and general elections):

Mayor:	
Hofheinz	\$712, 068
Gottlieb	714, 135
City council:	
District A	17, 216
District B	5, 345
District C	14, 631
District D	22, 672
District E	10, 869
At Large 1	41, 051
At Large 2	29, 718
At Large 3	17, 549
Total	1, 585, 254

Pittsburgh

1973 General Election:

	Amount
Mayor:	
Flaherty (less than)	\$150
City council:	
Ballinger	575
Zoller	326
Coyne	581
Lucchino	3, 127
Lagora	380
Lynch	3, 731
Price	1, 646
Stutler	169
Wach	252
Wolfe	240
Total	11, 177

Seattle

1973 general election:

Mayor:	
Uhlman	\$91, 249
Tuai	89, 212
City council:	
No. 1 Ravel	31, 333
Cooley	31, 321
No. 2 Larkin	16, 149
Behrend	7, 041
No. 3 Williams	17, 693
Pritchard	791
No. 4 Benson	23, 404
Ross	24, 361
Total	332, 554

Source: Reports to the city secretary.

Source: Reports to Allegheny County Board of Elections.

Source: Reports to the Fair Campaign Practices Commission.

St. Louis

1973 Mayoral election (primary—general election totals not available):

Badaracco	\$14, 701
Cervantes	74, 597
Conway	566
Polker	4, 595

1973 board of alderman election (primary):

Ward 3	390
Ward 5	595
Ward 7	732
Ward 9	520
Ward 11	200
Ward 1	1, 382
Ward 13	930
Ward 15	1, 256
Ward 17	550
Ward 21	275
Ward 23	2, 626
Ward 25	747
Ward 27	1, 728
Total	117, 390

Source: Reports to the clerk of the circuit court.

In most cases, the actual expenditures were probably higher than the figures listed above, since the totals did not reflect committee contributions, or outstanding debts. Therefore, these figures are not definitive, and should be used with some caution.

I hope that this information will be helpful to you. If I can be of any further assistance, please feel free to call me at 426-5826.

Mr. BRECKINRIDGE. As a member of your Subcommittee in this area, if I might direct one general question of campaign legislation to you.

Because of the Watergate thing, we are all perhaps overly conscience today of the impact of financing on elections as such and the buying and selling of government and special privilege and consideration.

Without professing any guilt, let me say that I come from a state in which we have, over a period of at least the last generation, experienced only difficulties in election law frauds, and they have by no means been limited to the financial aspect, and I think that perhaps that much can be accomplished here in the District in areas of public financing and I would like to briefly ask a question generally in that area. The long ballot is notoriously subject to fraud.

The legislation either encourages fraud or stringently and seriously limits it. The adoption of comparative signature books which can establish the identity of the person who alleges to be the voter presenting himself to make a significant contribution to the purification of the electoral process—I take it without having followed the elections of the District too closely, I am sorry to say, we do not have legislation in the District of Columbia that number one, requires voting machines, and number two, requires legislation that would effectively purge at a reasonable period of time those who have died and those who have moved and are no longer residents of the precinct or District.

Again, I repeat, as a member of the Subcommittee for Jurisdiction, I have perhaps answered my own question, but I am asking whether or not do you have or the subcommittee has, within its contemplation, a review of legislation in that area?

Mr. FAUNTROY. We do not have legislation in either areas to which you make reference. We have experimented with voting machines. I think the estimated cost of providing to our whole system that machine system is something like \$2 million.

I am looking into that. I think that we ought to give careful attention to that, and maybe this is one of the things that the elected City Council will want to do.

On the question of signatures, the signature books being required to validate the identity of the person voting, we do not have that bylaw, and that is another thing which I think will come to our attention as a Committee here.

As our Chairman has indicated, we are anxious that one rule of the District Committee be that of fashioning in the District of Columbia a model for a number of solutions to urban problems generally and, it seems to me, that when you look at both of those recommendations that you have made, they would have been entitled entirely appropriate.

We have only recently gone through a purge of our election roles, as we do every 4 years, and that, of course, is an effort to minimize fraud, but again, it would be very difficult to be sure, voting on the basis of the kinds of control we have now.

Mr. HOGAN. I note that you have no objection to filing the copy of the communication filed with the House is perfectly accessible to the local people, but since they are going down there, it might be more convenient, but would you have no objection?

Mr. FAUNTROY. Not at all. It is just a detail that would require double counting and double filing. Whether I think it can be accomplished in the Federal elections, which we will have when we get a Constitutional amendment providing the District with two Congressmen and two Senators.

Mr. HOGAN. I notice that you have singled out the candidates \$90,000 for Mayor and \$50,000 for Chairman of the Council, \$25,000 for Member of the Council and Board of Education at large, and I assume the ward candidates.

With the charter referendum coming up in May, perhaps one of the obvious omissions might be those who are elected even though on a non-partisan basis as Members of the Advisory Neighborhood Council.

Information generally reported, is that there will probably be a minimum once these get established of approximately \$400,000 spent in the Advisory Council going up to whatever amount the City Council determines appropriate, once they are in operation.

I would assume that you would have no objection to adding those officials and putting some limitation on them, since they will be running, assuming they are approved in the May 7 referendum. They will be running just as the members of the City Council, Board of Education or Political Party people?

Mr. FAUNTROY. I think that is a good suggestion, and I think the Committee ought to take that under advisement in its mark-up session.

Mr. HOGAN. On page 7, you indicate that the contribution would be allowable under Federal law having to do with corporations and labor unions. Should the Federal provisions apply in a smaller jurisdiction, such as the District of Columbia, or should it be more restrictive, since we are talking about a smaller area, smaller electorate generally, and in many cases the wards where you have a small number of individuals running.

For instance, in an off-year election, you will have four councilmen running—one from each ward—which is a relatively small number of the electorate. I am wondering if the corporations and the unions under the circumstances should be able to have their political action arms—be they corporations or unions—spending the same amount of money in Federal elections.

Mr. FAUNTROY. That is an interesting suggestion, Counsel, because you are suggesting that we distinguish between off-year elections and the Presidential or Mayoralty election years.

Mr. HOGAN. I assume that the limitation in the whole election, if there were to be one established for contributions, that it would probably be lower than for a Federal election, or is that not your view, based on your bill?

Mr. FAUNTROY. I would certainly think that the off year elections, in terms of the Mayoralty and Chairmanship of the Council would probably stimulate less political activity, but it may be that those years may require more financial stimulation as a result.

I think I would have to think a little more about what you are saying here before giving a definitive answer.

Mr. HOGAN. And finally, Mr. Chairman, on the matching fund basis for the District of Columbia elections, I wonder how this provision will fare on the floor with approximately 40% of the general funds, general revenue collections in the District of Columbia coming from the Federal payment.

I wonder how a provision providing for matching funds will fare on the floor where individuals will be questioning whether Federal funds should be used in local elections where they are not subsidized in their own localities. Might that not run into considerable opposition on the floor?

Mr. FAUNTROY. It may well be that the Congress is not ready for the concept of the District of Columbia, as an urban laboratory for our Nation which has been somewhat eloquently proposed by our Chairman, Mr. Diggs, but I would think that inasmuch as we tried out the no-knock detention in the District of Columbia on this sort of model basis, that the Congress might be disposed to try out this form of public financing in the District of Columbia, although, I think you are probably right that the Congress will probably be more disposed to provide in the District of Columbia the kind of public financing that it would allow nationwide and perhaps the tax credit question, included in this subcommittee's consideration of H.R. 13539 may have a better chance of passage on the floor of the House.

I am not prejudging, however, the extent to which the Chairman's concept of the urban laboratory in the District of Columbia might well be acceptable to the Members of this Congress.

Mr. HOGAN. Thank you, Mr. Fauntroy.

Mr. BRECKINRIDGE. At this point in the record, I would like to insert two bills before the subcommittee. They are H.R. 12638 and H.R. 13539, for the record, and I wish also to recognize Mr. Hogan, who will make a brief statement.

[The material referred to follows:]

93^d CONGRESS
2^d SESSION

H. R. 12638

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 1974

Mr. FAUNTROY introduced the following bill; which was referred to the Committee on the District of Columbia

A BILL

To regulate certain political campaign practices in the District of Columbia, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—SHORT TITLE, DEFINITIONS

4 SHORT TITLE

5 SEC. 101. This Act may be cited as the "District of
6 Columbia Campaign Practices Act".

7 DEFINITIONS

8 SEC. 102. When used in this Act—

9 (a) The term "election" means a general, special, pri-
10 mary, runoff election, a convention or caucus of a political
11 party held or conducted in the District of Columbia accord-

1 ing to the provisions of the District of Columbia Election
2 Act, including regulations of the District of Columbia Board
3 of Elections.

4 (b) The term "candidate" means an individual who
5 seeks nomination for election, or election, to office, whether
6 or not such individual is elected, and, for purposes of this
7 paragraph, an individual shall be deemed to seek nomination
8 for election, or election, if he has (1) initiated the action
9 necessary to qualify himself for nomination for election, or
10 election, to office, or (2) received contributions or made
11 expenditures, or has given his consent for any other person
12 to receive contributions or make expenditures, with a view
13 to bringing about his nomination for election, or election,
14 to office.

15 (c) The term "office" means the office of Mayor of
16 the District of Columbia, Chairman of the Council of the
17 District of Columbia, or member of the Council of the District
18 of Columbia, or member of the Board of Education of the
19 District of Columbia, office of official of a political party.
20 Such term also includes the office of Delegate to the House
21 of Representatives from the District of Columbia, except as
22 specifically otherwise provided in this Act.

23 (d) The term "official of a political party" includes offi-
24 cials listed in the four numbered paragraphs of the first sec-

1 tion of the District of Columbia Election Act (D.C. Code,
2 sec. 1-1101).

3 (e) The term "political committee" means any com-
4 mittee, association, group, or organization which accepts con-
5 tributions or makes expenditures for the purpose of influenc-
6 ing an election.

7 (f) The term "contribution" means—

8 (1) a gift, subscription, loan, advance, or deposit
9 of money or anything of value, made for the purpose of
10 influencing an election to office;

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

14 (3) a transfer of funds between political com-
15 mittees;

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

21 (5) notwithstanding the foregoing provisions of
22 this paragraph, such term shall not be construed to in-
23 clude services provided without compensation, by in-

1 dividuals volunteering a portion or all of their time on
2 behalf of a candidate or political committee.

3 (g) The term "expenditure" means—

4 (1) a purchase, payment, distribution, loan, ad-
5 vance, deposit, or gift of money or anything of value,
6 made for the purpose of influencing an election to office;

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

9 (3) a transfer of funds between political com-
10 mittees.

11 (h) The term "person" means an individual, partner-
12 ship, committee, association, corporation, labor organization,
13 and any other organization or group of persons.

14 (i) The term "Commission" means the District of
15 Columbia Political Campaign Finance Commission created
16 by title III.

17 TITLE II—FINANCIAL DISCLOSURES

18 ORGANIZATION OF POLITICAL COMMITTEES

19 SEC. 201. (a) Every political committee shall have a
20 chairman and a treasurer. No contribution and no expendi-
21 ture shall be accepted or made by or on behalf of a political
22 committee at a time when there is a vacancy in the office
23 of chairman or treasurer thereof. No expenditure shall be
24 made for or on behalf of a political committee without the

1 authorization of its chairman or treasurer, or their desig-
2 nated agents.

3 (b) Every person who receives a contribution in excess
4 of \$10 for or on behalf of a political committee shall, on de-
5 mand of the treasurer, and in any event within five days
6 after receipt of such contribution, submit to the treasurer of
7 such committee a detailed account thereof, including the
8 amount, the name and address (including the occupation
9 and the principal place of business, if any) of the person
10 making such contribution, and the date on which such con-
11 tribution was received. All funds of a political committee
12 shall be segregated from, and may not be commingled with,
13 any personal funds of officers, members, or associates of such
14 committee.

15 (c) The treasurer of a political committee shall keep a
16 detailed and exact account of—

17 (1) all contributions made to or for such political
18 committee;

19 (2) the full name and mailing address (including
20 the occupation and the principal places of business, if
21 any) of every person making a contribution in excess of
22 \$10, and the date and amount thereof;

23 (3) all expenditures made by or on behalf of such
24 committee; and

1 (4) the full name and mailing address (including
2 the occupation and the principal place of business, if any)
3 of every person to whom any expenditure is made, the
4 date and amount thereof and the name and address of,
5 and office sought by, each candidate on whose behalf
6 such expenditure was made.

7 (d) The treasurer of any political committee shall ob-
8 tain and keep a receipted bill, stating the particulars, for
9 every expenditure made by or on behalf of a political com-
10 mittee in excess of \$100, and for any such expenditure in a
11 lesser amount, if the aggregate amount of such expenditures
12 to the same person during a calendar year exceeds \$100.
13 The treasurer shall preserve all receipted bills and accounts
14 required to be kept by this subsection for periods to be deter-
15 mined by the supervisory officer.

16 (e) (1) Each candidate for office shall designate in
17 writing one political committee as his central campaign com-
18 mittee. The central campaign committee shall receive all
19 reports made by any other political committee accepting con-
20 tributions or making expenditures for the purpose of influenc-
21 ing the nomination for election, or election, of the candidate
22 who designated it as his central campaign committee. The
23 central committee may require additional reports to be made
24 to it by any such political committee and may designate the
25 time and number of all reports. No political committee may

1 be designated as the central campaign committee of more
2 than one candidate.

3 (2) Notwithstanding any other provision of this title,
4 each statement (including the statement of organization re-
5 quired under section 202) or report that a political commit-
6 tee is required to file with or furnish to the Commission under
7 the provisions of this Act, shall be, if that political com-
8 mittee is not a central campaign committee, also furnished
9 to the central campaign committee for the candidate on
10 whose behalf that political committee is, or is established
11 for the purpose of, accepting contributions or making ex-
12 penditures.

13 (3) Each political committee which is a central cam-
14 paign committee shall receive all reports and statements
15 filed with or furnished to it by other political committees,
16 consolidate, and furnish the reports and statements to the
17 Commission, together with its own reports and statements,
18 in accordance with the provisions of this title and regula-
19 tions prescribed by the Commission.

20 (f) Any political committee shall include on the face
21 or front page of all literature and advertisements soliciting
22 funds the following notice: "A copy of our report is filed
23 with the District of Columbia Campaign Finance Com-
24 mission."

1 REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

2 SEC. 202. (a) Each political committee which antici-
3 pates receiving contributions or making expenditures during
4 the calendar year in an aggregate amount exceeding \$100
5 shall file with the Commission a statement of organization,
6 within ten days after its organization or, if later, ten days
7 after the date on which it has information which causes the
8 committee to anticipate it will receive contributions or make
9 expenditures in excess of \$100. Each such committee in
10 existence at the date of enactment of this Act shall file a
11 statement of organization with the Commission at such time
12 as it may prescribe.

13 (b) The statement of organization shall include—

14 (1) the name and address of the political com-
15 mittee;

16 (2) the names, addresses, and relationships of
17 affiliated or connected organizations;

18 (3) the area, scope, or jurisdiction of the political
19 committee;

20 (4) the name, address, and position of the custo-
21 dian of books and accounts;

22 (5) the name, address, and position of other prin-
23 cipal officers, including officers and members of the
24 finance committee, if any;

25 (6) the name, address, office sought, and party

1 affiliation of (A) each candidate whom the committee
2 is supporting, and (B) any other individual, if any,
3 whom the committee is supporting for nomination for
4 election, or election, to any public office whatever; or, if
5 the committee is supporting the entire ticket of any
6 party, the name of the party;

7 (7) a statement whether the political committee is
8 a continuing one;

9 (8) the disposition of residual funds which will be
10 made in the event of dissolution;

11 (9) a listing of all banks, safety deposit boxes, or
12 other repositories used; and

13 (10) such other information as shall be required
14 by the Commission.

15 (c) Any change in information previously submitted
16 in a statement of organization shall be reported to the Com-
17 mission within the ten-day period following the change.

18 (d) Any political committee which, after having filed
19 one or more statements of organization, disbands or deter-
20 mines it will no longer receive contributions or make expendi-
21 tures during the calendar year in an aggregate amount ex-
22 ceeding \$100 shall so notify the Commission.

23 REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

24 SEC. 203. (a) The treasurer of each political com-
25 mittee supporting a candidate, and each candidate, shall file

1 with the Commission, and with the applicable central cam-
2 paign committee, reports of receipts and expenditures on
3 forms to be prescribed or approved by the Commission.
4 Such reports shall be filed on the tenth day of March, June,
5 and September, in each year, and on the fifteenth and fifth
6 days next preceding the date on which an election is held,
7 and also by the thirty-first day of January. Such reports
8 shall be complete as of such date as the Commission may
9 prescribe, which shall not be less than five days before the
10 date of filing, except that any contribution of \$200 or more
11 received after the last report is filed prior to the election
12 shall be reported within forty-eight hours after its receipt.

13 (b) Each report under this section shall disclose—

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

16 (2) the full name and mailing address (including
17 the occupation and the principal place of business, if
18 any) of each person who has made one or more contribu-
19 tions to or for such committee or candidate (including
20 the purchase of tickets for events such as dinners, lunch-
21 eons, rallies, and similar fundraising events) within the
22 calendar year in an aggregate amount or value in excess
23 of \$50, together with the amount and date of such
24 contributions;

25 (3) the total sum of individual contributions made

1 to or for such committee or candidate during the report-
2 ing period and not reported under paragraph (2) ;

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

8 (5) each loan to or from any person within the
9 calendar year in an aggregate amount or value in excess
10 of \$50, together with the full names and mailing
11 addresses (including the occupation and the principal
12 place of business, if any) of the lender and endorsers,
13 if any, and the date and amount of such loans ;

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

21 (7) each contribution, rebate, refund, or other re-
22 ceipt in excess of \$50 not otherwise listed under para-
23 graphs (2) through (6) ;

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

1 (9) the full name and mailing address (including
2 the occupation and the principal place of business, if
3 any) of each person to whom expenditures have been
4 made by such committee or on behalf of such committee
5 or candidate within the calendar year in an aggregate
6 amount or value in excess of \$10, the amount, date,
7 and purpose of each such expenditure and the name and
8 address of, and office sought by, each candidate on whose
9 behalf such expenditure was made;

10 (10) the full name and mailing address (including
11 the occupation and the principal place of business, if
12 any) of each person to whom an expenditure for per-
13 sonal services, salaries, and reimbursed expenses in
14 excess of \$100 has been made, and which is not other-
15 wise reported, including the amount, date, and purpose
16 of such expenditure;

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

19 (12) the amount and nature of debts and obligations
20 owed by or to the committee, in such form as the Com-
21 mission may prescribe and a continuous reporting of its
22 debts and obligations after the election at such periods as
23 the Commission may require until such debts and obli-
24 gations are extinguished; and

25 (13) such other information as may be required
26 by the Commission.

(c) The reports to be filed under 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 unchanged 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.

9 REPORTS BY OTHERS THAN POLITICAL COMMITTEES

SEC. 204. 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 \$50 within a calendar year shall file with the Commission a statement containing the information required by section 203. Statements required by this section shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.

19 FORMAL REQUIREMENTS RESPECTING REPORTS AND
20 STATEMENTS

SEC. 205. (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.

1 (b) A copy of a report or statement shall be preserved
2 by the person filing it for a period to be designated by the
3 Commission in a published regulation.

4 (c) The Commission shall, by published regulations of
5 general applicability, prescribe the manner in which con-
6 tributions and expenditures in the nature of debts and other
7 contracts, agreements, and promises to make contributions
8 or expenditures shall be reported. Such regulations shall pro-
9 vide that they be reported in separate schedules. In deter-
10 mining aggregate amounts of contributions and expenditures,
11 amounts reported as provided in such regulations shall not
12 be considered until actual payment is made.

13 EXEMPTIONS

14 SEC. 206. The provisions of this title shall not apply
15 with respect to any political committee organized by or on
16 behalf of any individual seeking nomination as a candidate
17 for, or a candidate for, the office of Delegate to the House
18 of Representatives from the District of Columbia; or to any
19 individual who receives any contribution for or on behalf
20 of such a committee, individual, or candidate.

21 TITLE III—DISTRICT OF COLUMBIA POLITICAL 22 CAMPAIGN FINANCE COMMISSION

23 ESTABLISHMENT OF COMMISSION

24 SEC. 301. (a) There is established, as an independent
25 agency of the District of Columbia, a commission to be
26 known as the District of Columbia Political Campaign Fi-

1 nance Commission, which shall be composed of five mem-
2 bers, not more than three of whom shall be members of the
3 same political party. In the performance of its duties, the
4 Commission shall not be subject to the direction of any non-
5 judicial officer. Except as provided in subsection (b), mem-
6 bers of the Commission shall be appointed as follows:

7 (1) Two members of the Commission shall be
8 appointed by the Chairman of the Council, with the ap-
9 proval of the Council.

10 (2) Three shall be appointed by the Mayor.

11 Members of the Commission shall serve for terms of six
12 years; except that one of the members first appointed by the
13 Chairman shall be appointed for a term of two years, and
14 two members first appointed by the Mayor shall be appointed
15 for terms of four years, beginning from the date of their
16 appointment, but their successors shall be appointed for terms
17 of six years each. Any individual chosen to fill a vacancy
18 shall be appointed only for the unexpired term of the mem-
19 ber whom he shall succeed. The Mayor shall designate one
20 member to serve as Chairman of the Commission and one
21 member to serve as Vice Chairman. The Vice Chairman shall
22 act as Chairman in the absence or disability of the Chairman
23 or in the event of a vacancy in that office.

24 (b) The members of the Commission first appointed
25 after the date of enactment of this Act shall be appointed

1 by the Commissioner of the District of Columbia, and the
2 Chairman of the Council of the District of Columbia, in the
3 same manner as provided in subsection (a), except such
4 members shall serve terms expiring on January 2, 1975.

5 (c) A vacancy in the Commission shall not impair the
6 right of the remaining members to exercise all the powers of
7 the Commission and four members thereof shall constitute a
8 quorum.

9 (d) The Commission shall have an official seal which
10 shall be judicially noticed.

11 (e) The Commission is authorized to request and re-
12 ceive the services of employees of the District of Columbia
13 government in assisting the Commission in carrying out its
14 responsibilities under this Act.

15 (f) The Commission shall at the close of each fiscal year
16 report to the Congress, the Council, and the Mayor concern-
17 ing the action it has taken; the names, salaries, and duties of
18 all individuals in its employ and the money it has disbursed;
19 and shall make such further reports on the matters within
20 its jurisdiction and such recommendations for further legisla-
21 tion as may appear desirable.

22 (g) Members of the Commission shall, while serving
23 on the business of the Commission, be entitled to receive
24 compensation at a rate of \$125 per day.

25 (h) The Commission shall appoint an Executive Direc-

1 tor without regard to the provisions of title 5 of the United
2 States Code, governing appointments in the competitive
3 service, to serve at the pleasure of the Commission. The
4 Executive Director shall be entitled to receive compensation
5 at the maximum rate as may be established from time to time
6 for grade 16 of the General Schedule in section 5332 of title
7 5 of the United States Code, and shall be responsible for the
8 administrative operations of the Commission and shall per-
9 form such other duties as may be delegated or assigned to
10 him from time to time by regulations or orders of the Com-
11 mission. However, the Commission shall not delegate to
12 the Executive Director the making of regulations regarding
13 elections.

14 (i) During his term as member, no member of the Com-
15 mission may be a candidate for office.

16 POWERS OF COMMISSION

17 SEC. 302. (a) The Commission shall have the power—

18 (1) to require any person to submit in writing such
19 reports and answers to questions as the Commission may
20 prescribe; and such submission shall be made within such
21 reasonable period and under oath or otherwise as the
22 Commission may determine;

23 (2) to administer oaths;

24 (3) to require by subpoena the attendance and

1 testimony of witnesses and the production of all docu-
2 mentary evidence relating to the execution of its duties;
3 (4) in any proceeding or investigation to order
4 testimony to be taken by deposition before any person
5 who is designated by the Commission and has the power
6 to administer oaths and, in such instances, to compel
7 testimony and the production of evidence in the same
8 manner as authorized under paragraph (3) of this sub-
9 section;

10 (5) to pay witnesses the same fees and mileage as
11 are paid in like circumstances in the Superior Court of
12 the District of Columbia;

13 (6) to accept gifts and voluntary and uncompen-
14 sated services;

15 (7) to initiate, prosecute, defend, or appeal any
16 court action in the name of the Commission for the pur-
17 pose of enforcing the provisions of this Act through its
18 own legal representative; and

19 (8) to delegate any of its functions or powers, other
20 than the power to issue subpoenas under paragraph (3),
21 to any officer or employee of the Commission.

22 (b) The Superior Court of the District of Columbia
23 may, upon petition by the Commission, in case of refusal to
24 obey a subpoena or order of the Commission issued under
25 subsection (a) of this section, issue an order requiring com-

1 pliance therewith; and any failure to obey the order of the
2 court may be punished by the court as a contempt thereof.

3 (c) No person shall be subject to civil liability to any
4 person (other than the Commission or the District of Colum-
5 bia) for disclosing information at the request of the Com-
6 mission.

7 (d) The Commission shall prepare and submit to the
8 Mayor annual estimates of the expenditures and appropria-
9 tions necessary for its operations. Such estimates shall be
10 forwarded to the President of the United States without
11 revision. Similarly, all estimates shall be included in the
12 budget without revision by the President.

13 DUTIES OF THE COMMISSION

14 SEC. 303. (a) The Commission shall—

15 (1) develop and furnish, to the person required by
16 the provisions of this Act, prescribed forms for the mak-
17 ing of the reports and statements required to be filed
18 with it under this Act;

19 (2) prepare, publish, and furnish, to the person
20 required to file such reports and statements, a manual
21 setting forth recommended uniform methods of book-
22 keeping and reporting;

23 (3) develop a filing, coding, and cross-indexing sys-
24 tem consonant with the purposes of this Act;

25 (4) make the reports and statements filed with it

1 available for public inspection and copying, commencing
2 as soon as practicable but not later than the end of the
3 second day following the day during which it was re-
4 ceived, and to permit copying of any such report or state-
5 ment by hand or by duplicating machine, as requested by
6 any person, at reasonable cost to such person, except
7 any information copied from such reports and statements
8 shall not be sold or utilized by any person for the pur-
9 pose of soliciting contributions or for any commercial
10 purpose;

11 (5) preserve such reports and statements for a
12 period of ten years from date of receipt;

13 (6) compile and maintain a current list of all
14 statements or parts of statements on file pertaining to
15 each candidate;

16 (7) prepare and publish an annual report includ-
17 ing compilations of (A) total reported contributions and
18 expenditures for all candidates, political committees,
19 and other persons during the year; (B) total amounts
20 expended according to such categories as he shall deter-
21 mine broken down into candidate, party, and nonparty
22 expenditures; (C) total amounts expended for influenc-
23 ing nominations and elections stated separately; (D)
24 total amounts contributed according to such categories
25 of amounts as necessary shall determine it; and (E) ag-

1 gregate amounts contributed by any contributor shown
2 to have contributed in excess of \$50;

3 (8) prepare and publish from time to time special
4 reports comparing the various totals and categories of
5 contributions and expenditures made with respect to
6 preceding elections;

7 (9) prepare and publish such other reports as it
8 may deem appropriate;

9 (10) assure wide dissemination of statistics, sum-
10 maries, and reports prepared under this title;

11 (11) make from time to time audits and field in-
12 vestigations with respect to reports and statements filed
13 under the provisions of this title, and with respect to
14 alleged failures to file any report or statement required
15 under the provisions of this title; and

16 (12) prescribe suitable rules and regulations to carry
17 out the provisions of this title.

18 TITLE IV—FINANCE LIMITATIONS

19 LIMITATION ON CONTRIBUTIONS

20 SEC. 401. (a) No person shall make contributions, and
21 no person shall receive contributions, in a single election of
22 more than \$900 in support of any candidate for Mayor or
23 Delegate, \$500 in support of any candidate for chairman of
24 the Council, \$250 in support of any candidate for member
25 of the Council or Board of Education elected at large, or

1 \$100 in support of any candidate for member of the Council
2 or Board of Education elected from a ward or in support
3 of any candidate for official of a political party or 1 per
4 centum of the corresponding amount applicable for such
5 office under section 402, whichever is greater.

6 (b) With respect to any election to which this Act
7 applies, no person shall make political contributions or ex-
8 penditures in any calendar year in excess of \$2,000, and
9 in no case shall a person make any political contribution in
10 legal tender, or receive such a contribution, in excess of \$50.

11 (c) No person shall make a contribution in the name
12 of another person, and no person shall knowingly accept a
13 contribution made by one person in the name of another
14 person.

15 (d) No corporation or labor organization shall make
16 any contribution whatsoever either directly or indirectly to
17 any candidate or political committee or make any other
18 expenditure or donation of material or services to or on be-
19 half of a candidate or political committee except the provi-
20 sions of this subsection shall not apply to any corporation
21 whose sole purpose is to support a candidate, except nothing
22 in this subsection shall be construed as prohibiting any ac-
23 tivity by a corporation or labor organization, conducted
24 with respect to an election to which this Act applies if such
25 activity is lawful if conducted with respect to any election to
26 which the Federal Corrupt Campaign Practices Act applies.

1 LIMITATION ON EXPENDITURES

2 SEC. 402. (a) (1) No central committee shall expend
3 any funds which when aggregated with funds expended by
4 itself, all other committees required to report to it, and by
5 a candidate supported by such committee shall exceed
6 in any single election \$90,000 for a candidate for Mayor
7 or Delegate, \$50,000 for a candidate for Chairman of the
8 Council, \$25,000 for a candidate for member of the Council
9 or member of the Board of Education elected at large, or
10 \$10,000 for a candidate for member of the Council or mem-
11 ber of the Board of Education elected from a ward, or in
12 support of any candidate for officer of a political party.

13 (2) At the beginning of each calendar year (com-
14 mencing in 1976), as there become available necessary data
15 from the Bureau of Labor Statistics of the Department of
16 Labor, the Secretary of Labor shall certify to the Commis-
17 sion and publish in the District of Columbia Register the
18 per centum difference between the price index for the twelve
19 months preceding the beginning of such calendar year and
20 the price index for 1970. Each amount determined under
21 paragraph (1) shall be increased by such per centum
22 difference. Each amount so increased shall be the amount in
23 effect for such calendar year.

24 (b) No political committee shall knowingly expend any
25 funds at a time when the central campaign committee to

1 which it shall report is precluded by subsection (a) above
2 from expending funds or which would cause the central
3 campaign committee to be precluded from further expendi-
4 tures. Any central campaign committee of a candidate hav-
5 ing reasonable knowledge to believe that further expenditures
6 by a political committee registered in support of such candi-
7 date will exceed the expenditure limitations specified in sub-
8 section (a) shall immediately notify, in writing, such politi-
9 cal committee of that fact.

10 (c) In computing limits on expenditures under this
11 section, any committee or individual shall include in such
12 computation all funds received under title V.

13 TITLE V—DISTRICT OF COLUMBIA MATCHING
14 PAYMENT ENTITLEMENT FUND

15 CREATION OF FUND

16 SEC. 501. (a) There is established on the books of the
17 Treasury of the United States a special fund to be known
18 as the District of Columbia Matching Payment Entitlement
19 Fund (hereinafter in this title referred to as the "fund").
20 The fund shall remain available for expenditure without
21 fiscal year limitation and shall consist of such amounts as may
22 be appropriated into it as provided in subsection (c).

23 (b) The Secretary of the Treasury (hereinafter referred
24 to as the "Secretary") shall be the trustee of the fund and
25 shall report to the Congress not later than March 1 of each

1 year on the operation and status of the fund during the
2 preceding year.

3 (c) There shall be appropriated into the fund from the
4 District of Columbia budget such sums as may be necessary
5 to carry out the provisions of this Act.

6 ENTITLEMENTS

7 SEC. 502. (a) Any candidate for the office of Mayor,
8 member of the Council, Chairman of the Council, Delegate,
9 member of the Board of Education, or his central campaign
10 committee is entitled, upon certification by the Commission,
11 to payments from the fund for campaign expenses as specified
12 in section 503 (b), in an amount equal to the amount of each
13 contribution, up to \$50 in any calendar year, made to such
14 candidate or committee by a registered, qualified voter of the
15 District of Columbia.

16 (b) To be eligible for the entitlement established by sub-
17 section (a), such candidate or committee shall submit to the
18 Commission, at such times and in such form and manner as
19 the Commission may require, a matching payment entitle-
20 ment voucher. Such voucher shall include the full name of
21 any person making a contribution together with the date, the
22 exact amount of the contribution, the total amount of all
23 contributions made by such registered voter to such candi-
24 date or committee during the calendar year, the complete ad-

1 dress of the contributor, and such other information as the
2 Commission may require.

3 (c) Within three days of the receipt of such voucher, the
4 Commission shall—

5 (1) make a determination, according to such pro-
6 cedures as it may establish, as to whether such contri-
7 bution enumerated on such voucher is consistent with
8 the provisions of this title; and

9 (2) certify for payment by the Secretary to such
10 candidate or committee an amount equal to the sum of
11 the contributions enumerated on such voucher which
12 meet the requirements of subsection (c) (1).

13 (d) Promptly upon certification, the Secretary shall
14 make a payment from the fund to such candidate or the
15 treasurer of such committee in the amount certified by the
16 Commission.

17 (e) For the purposes of this section, the central com-
18 mittee of any candidate entitled to payments may submit an
19 entitlement voucher under subsection (b) in behalf of any
20 authorized committee of such candidate, listing contribu-
21 tions received by such committee eligible for payment under
22 this title.

23 LIMITATIONS

24 SEC. 503. (a) The Commission shall not certify for
25 matching payment pursuant to section 502 (c) (2) any con-

1 tribution, or fraction thereof, made by any person to a candi-
2 date or committee entitled to payments under this title if—

3 (1) the amount of such contribution, or fraction
4 thereof, in combination with any other contribution
5 made by such person to such candidate or committee in
6 the same calendar year, is in excess of \$50; or

7 (2) payment from the fund of an amount equal to
8 the amount of such contribution, or fractions thereof,
9 in combination with any other payment from the fund to
10 such candidate or committee during the same calendar
11 year, is in excess of the expenditure limitations set
12 forth in section 402 of this Act.

13 (b) A qualified candidate shall be eligible for payments
14 from this fund only—

15 (1) to defray campaign expenses incurred by a
16 qualified candidate to further his election or by an au-
17 thorized committee of a qualified candidate to further
18 the election of one or more such candidates; or

19 (2) to repay loans the proceeds of which were used
20 to defray eligible campaign expenditures.

21 (c) The Secretary shall make no payment to a candi-
22 date or committee entitled to payments from the fund until
23 the Commission has certified contributions submitted by such
24 candidate or committee, pursuant to section 503 (b) in an
25 aggregate amount of—

1 (1) \$250 in the case of a candidate for the office
2 of member of Council or Board of Education elected
3 from a ward;

4 (2) \$500 in the case of a candidate for the office
5 of member of the Council or Board of Education elected
6 at large;

7 (3) \$1,000 in the case of a candidate for the office
8 of chairman of the Council, Mayor, or Delegate.

9 For the purpose of aggregating such amount, that portion of
10 a registered, qualified voter's contribution in excess of \$50
11 shall not be included. At such time as a candidate aggregates
12 a sum making him eligible for payments from the fund, such
13 contributions made prior to the date such candidate became
14 eligible for payments from the fund shall be computed for
15 matching payments in the same manner as is provided in
16 this title.

17 (d) No candidate or the central committee of a candi-
18 date shall be eligible for the entitlement established by section
19 502 during any year in which the candidate is not a candi-
20 date for elective office eligible for payment.

21 (e) The Commission shall make such rules and estab-
22 lish such procedures as may be necessary to carry out the
23 purposes of this title and all such rules or procedures shall be
24 published in the District of Columbia Register not less than

1 thirty days prior to their effective date and shall be available
2 to the general public.

3 EXEMPTIONS

4 SEC. 504. No candidate for official of a political party,
5 or any political campaign committee organized for or on be-
6 half of such a candidate shall be eligible for funds under the
7 provisions of this title.

8 TITLE VI—PENALTIES, EFFECTIVE DATES,

9 MISCELLANEOUS

10 PENALTIES

11 SEC. 601. (a) Any person or political committee who
12 violates any of the provisions of this Act shall be fined not
13 more than \$5,000.

14 (b) Any person who knowingly files any false or mis-
15 leading statement, report, voucher, or other paper, or makes
16 any false or misleading statement, to the Commission, with
17 the intent to defraud, shall be fined not more than \$20,000,
18 or shall be imprisoned for not longer than 5 years, or both.

19 (c) The penalties provided in subsection (a) shall not
20 apply to any person or political committee who, before the
21 date of enactment of this Act during calendar year 1974,
22 makes political contributions or receives political contribu-
23 tions or makes any political campaign expenditures, in ex-
24 cess of any limitation placed on such contributions or

1 expenditures by this Act, except such person or political
2 committee shall not make any further such contributions or
3 expenditures during the remainder of calendar year 1974.

4 EFFECTIVE DATES

5 SEC. 602. (a) Titles II and IV of this Act shall take
6 effect on the date of enactment of this Act, except the first
7 report or statement required to be filed by any individual or
8 political committee under the provisions of such titles shall
9 include that information required under section 13 (e) of the
10 District of Columbia Election Act (D.C. Code, sec. 1-1113
11 (e)) with respect to contributions and expenditures made
12 before the date of enactment of this Act, but after Jan-
13 uary 1, 1974.

14 (b) Titles I, III, V, and VI of this Act shall take effect
15 on the date of enactment of this Act, except the provisions
16 of title V shall apply only with respect to candidates for
17 offices in existence on the date entitlement to payments from
18 the fund is established.

19 AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT

20 SEC. 603. (a) Section 13 of the District of Columbia
21 Election Act (D.C. Code, sec. 1-1113) is amended to read
22 as follows:

23 "APPROPRIATION

24 "SEC. 13. There are hereby authorized to be appropri-
25 ated, out of any money in the Treasury to the credit of the

1 District of Columbia not otherwise appropriated, such sums
2 as are necessary to carry out the purposes of this Act.”.

3 (b) The amendment made by subsection (a) shall
4 not affect the liability of any person arising out of any viola-
5 tion of section 13 of the District of Columbia Election Act
6 committed before the date of enactment of this title, and any
7 action commenced with respect to such a violation shall not
8 abate.

9 (c) The first sentence of subsection (b) of section 4
10 of such District of Columbia Election Act (D.C. Code, sec.
11 1-1104) is amended to read as follows:

12 “(b) Each member of the Board shall be paid com-
13 pensation at the rate of \$75 per day while performing duties
14 under this chapter.”.

93^D CONGRESS
2^D SESSION

H. R. 13539

IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 1974

Mr. Diggs introduced the following bill; which was referred to the Committee on the District of Columbia

A BILL

To regulate campaigns for elections to public office in the District of Columbia, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

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1 TITLE I—SHORT TITLE, PURPOSES, DEFINITIONS

2 SHORT TITLE

3 SEC. 101. This Act may be cited as the "District of
4 Columbia Election Campaign Act".

5 STATEMENT OF PURPOSES

6 SEC. 102. (a) Abuses in the use of money in political
7 campaigns make it necessary to put ceilings on the amount
8 one person can donate to a campaign and the amount a
9 candidate or committee can spend to promote his candidacy
10 in an election. Public disclosure is necessary through filing
11 and reporting with the District of Columbia Board of Elec-
12 tions all donations and expenditures. The difficulty in audit-
13 ing contributions and expenditures made in cash rather
14 than by check makes it necessary to restrict the use of cash
15 in campaigns.

16 (b) Elections to public office are public business. The
17 financing and conduct of campaigns for these elections
18 must be open and aboveboard.

DEFINITIONS

1

2 SEC. 103. For the purposes of this Act—

3 (a) The term “election” means a special, general, or
4 primary election held under the first section or section 5 (a)
5 of the District of Columbia Election Act (D.C. Code, sec.
6 1-1101, 1-1105 (b)).

7 (b) The term “candidate” means an individual who
8 has (1) taken the action necessary under this Act to qualify
9 himself for nomination for election, or election, to District
10 public office that is filled by the voters, or (2) received
11 contributions or made expenditures, or has given his consent
12 for any other person to receive contributions or make expen-
13 ditures, with a view to bringing about his nomination for
14 election, or election, to such office.

15 (c) The term “political committee” means—

16 (1) any committee, club, association, or other group
17 of individuals organized for the purpose of, or engaged
18 in, promoting or derogating the election of a person,
19 whether as yet a candidate or not, for District office, or
20 support or oppose a political party or an issue on the
21 ballot in the District of Columbia;

22 (2) any political party;

23 (3) any committee, association, or other organiza-
24 tion which solicits, collects, or transmits contributions as

1 an agent for either the donor, a candidate, or a political
2 committee;

3 (4) any committee, association, political fund, or
4 other organization sponsored by or affiliated with a cor-
5 poration or labor organization that is engaged in per-
6 missible activities under sections 610 and 611 of title 18,
7 United States Code; but

8 (5) notwithstanding the foregoing, the term shall
9 not be construed to include any organization which main-
10 tains tax-exempt status under section 501 (a) of the
11 Internal Revenue Code of 1954 (26 U.S.C. 501 (a)).

12 (d) The term "contribution" means—

13 (1) a gift, subscription (including any assessment,
14 fee, or membership dues), loan, advance, or deposit of
15 money or anything of value, made for the purpose of
16 financing, directly or indirectly, the election campaign of
17 a candidate or any operations of a political committee;

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

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

22 (4) the payment, by any person other than a candi-
23 date or political committee, of compensation for the per-
24 sonal services of another person which are rendered to

1 such candidate or committee without charge for any such
2 purpose; and

3 (5) notwithstanding the foregoing, the term shall
4 not be construed to include services provided without
5 compensation by individuals volunteering a portion or
6 all of their time on behalf of a candidate or political
7 committee.

8 (e) The term "expenditure" means—

9 (1) a purchase, payment, distribution, loan, ad-
10 vance, deposit, or gift of money or anything of value,
11 made for the purpose of financing, directly or indirectly,
12 the election campaign of a candidate or any operations
13 of a political committee,

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

17 (3) a transfer of funds between political committees.

18 (f) The term "address" means residence, if any, mail-
19 ing address, and principal place of business.

20 (g) The term "political party" means an association,
21 committee, or organization which nominates a candidate
22 for election to any District office whose name appears on
23 the election ballot as the candidate of that association, com-
24 mittee, or organization,

1 (h) The term "Board" means the District of Columbia
2 Board of Elections organized under the District of Columbia
3 Election Act (D.C. Code, sec. 1-1101 et seq.).

4 TITLE II—FINANCIAL DISCLOSURE

5 ORGANIZATION OF POLITICAL COMMITTEES

6 SEC. 201. (a) (1) Each candidate shall designate one
7 political committee as his central campaign committee. The
8 designation shall be made in writing, and a copy of the
9 designation, together with such information as the Election
10 Board may require, shall be furnished to the Board upon
11 the designation of any such committee.

12 (2) No political committee may be designated as the
13 central campaign committee of more than one candidate.

14 (b) Every candidate shall file a statement with the
15 Board, in such manner and form and at such times as the
16 Board may prescribe, authorizing any political committee
17 organized primarily to support the candidacy of such can-
18 didate to either directly or indirectly, receive contributions,
19 or make expenditures in behalf of, such candidate. No com-
20 mittee organized primarily to support a single candidate may,
21 either directly or indirectly, receive contributions or make
22 expenditures in behalf of, such candidate without the written
23 authorization of such candidate as required by this sub-
24 section.

25 (c) (1) Any political committee authorized by a

1 candidate to accept contributions or make expenditures
2 in connection with his campaign for nomination for election,
3 or for election, which is not a central campaign committee
4 shall furnish each report required of it under section 304
5 (other than reports required under the last sentence of
6 section 304 (a) and 311 (b)) to that candidate's central
7 campaign committee at the time it furnishes that report to
8 the Commission.

9 (2) Each political committee which is a central cam-
10 paign committee shall receive all reports filed with or
11 furnished to it by other political committees, and consoli-
12 date and furnish the reports to the Commission, together
13 with its own reports, in accordance with the provisions of
14 this title and regulations prescribed by the Commission.

15 (d) (1) Each candidate shall designate one or more
16 Federal or State banks as his campaign depositories. The
17 central campaign committee of that candidate, and any
18 other political committee authorized by him to receive con-
19 tributions or to make expenditures on his behalf, shall main-
20 tain a checking account at a depository so designated by
21 the candidate and shall deposit any contributions received
22 by the committee into that account. No expenditures may be
23 made by any such committee on behalf of a candidate or
24 to influence his election except by check drawn on that

1 account, other than petty cash expenditures as provided in
2 subsection (e).

3 (2) The treasurer of each political committee (other
4 than a political committee authorized by a candidate to
5 receive contributions or to make expenditures on his behalf)
6 shall designate one or more Federal or State banks as cam-
7 paign depositories of that committee, and shall maintain a
8 checking account for the committee at each such depository.
9 All contributions received by that committee shall be de-
10 posited in such an account. No expenditure may be made
11 by that committee except by check drawn on that account,
12 other than petty cash expenditures as provided in sub-
13 section (e).

14 (e) A political committee may maintain a petty cash
15 fund out of which it may make expenditures not in excess
16 of \$100 to any person in connection with a single purchase
17 or transaction. A record of petty cash disbursements shall
18 be kept in accordance with requirements established by the
19 Board and such statements and reports thereof shall be fur-
20 nished to the Board as it may require.

21 **REGISTRATION OF CANDIDATES AND POLITICAL**

22 **COMMITTEES**

23 **SEC. 202.** (a) Each candidate shall within ten days
24 after the date on which he has qualified under District law
25 as a candidate, or on which he, or any person authorized by

1 him to do so, has received a contribution or made an expendi-
2 ture in connection with his campaign or for the purposes of
3 preparing to undertake his campaign, file with the Board
4 a registration statement in such form as the Board may
5 prescribe.

6 (b) In addition to the requirements of section 13 (e)
7 of the District of Columbia Election Act (D.C. Code,
8 sec. 1-1113) candidates and political committees shall pro-
9 vide the Board the name and address of the campaign de-
10 positories used by that committee, together with the title
11 and number of each account and safety deposit box used
12 by that committee at each depository, and the identification
13 of each individual authorized to make withdrawals or
14 payments out of such account or box, and such other informa-
15 tion as shall be required by the Board.

16 REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

17 SEC. 203. Section 13 (e) of the District of Columbia
18 Election Act (D.C. Code, sec. 1-1113 (e)) is amended by
19 amending that portion of paragraph (2) which precedes
20 subparagraphs (A) through (F) to read as follows:

21 “(2) In any election held in the District of Columbia
22 with respect to any office referred to in the first section of
23 this Act, or with respect to a primary election held under
24 section 5 of this Act, each candidate for election, and the

1 treasurer of each political committee, shall file with the Board
2 of Elections, on reporting forms prescribed by the Comp-
3 troller General of the United States for use in Federal elec-
4 tions, on the last day of the fourth, third, and second months,
5 and the fifth calendar day preceding, and within thirty days
6 after the election, complete as of the day next preceding the
7 date of filing, detailed reports setting forth—”.

8 TITLE III—BOARD OF ELECTIONS, ADDITIONAL
9 POWERS

10 FUNCTIONS OF THE BOARD

11 SEC. 301. Section 5 of the District of Columbia Elec-
12 tion Act (D.C. Code, sec. 1-1105) is amended by adding
13 at the end thereof the following:

14 “(f) The Board is authorized to conduct such examina-
15 tions, audits, and investigations, and by regulation to require
16 the keeping and submission of such books, records, and
17 information, as it deems necessary to carry out the functions
18 and duties imposed by this Act.

19 “(g) The Board shall appoint a Staff Director without
20 regard to any provisions of law governing appointments to
21 the classified service who shall serve at the pleasure of the
22 Board. The Staff Director shall supervise the administrative
23 operations of the Board and shall perform such other duties
24 as may be delegated or assigned to him from time to time
25 by regulations or orders of the Board.”.

1 BOARD TO PARTICIPATE IN JUDICIAL PROCEEDINGS

2 SEC. 302. Section 6 of the District of Columbia Election
3 Act (D.C. Code, sec. 1-1106) is amended by adding the
4 phrase "participation in judicial proceedings" to the caption,
5 and by adding at the end thereof the following:

6 "(d) The Board is authorized to appear in and defend
7 against any action filed under this Act, either by attorneys
8 employed in its office or by special counsel whom it may
9 appoint without regard to any provisions governing appoint-
10 ments in the competitive service, and whose compensation
11 it may fix without regard to the provisions at not to exceed
12 the maximum daily compensation provided for experts and
13 consultants.

14 "(e) The Board is authorized through attorneys and
15 counsel as described in subsection (a) to appear in the
16 courts of the District of Columbia to seek recovery of any
17 amounts determined to be payable as a result of examination
18 and audit made pursuant to this Act or other examinations
19 and investigations made by the Board.

20 "(f) The Board is authorized through attorneys and
21 counsel described in subsection (a) to petition the courts of
22 the District of Columbia for declaratory or injunctive relief
23 concerning any civil matter covered by the provisions of
24 this Act."

1 GENERAL ACCOUNTING OFFICE TO ASSIST BOARD

2 SEC. 303. The Board may, in the performance of its
3 functions under this Act, request the assistance of the Comp-
4 troller General of the United States, and the Comptroller
5 General may provide such assistance with or without reim-
6 bursement, as the Board and the Comptroller General shall
7 agree. Upon request by the President, the Chairman of the
8 District of Columbia Committee of the Senate, the Chair-
9 man of the District of Columbia Committee of the House of
10 Representatives, the Mayor, or by resolution of the Council,
11 the Comptroller General shall make such further audits or
12 investigations as may be appropriate.

13 TITLE IV—FINANCE LIMITATIONS

14 LIMITATIONS ON CONTRIBUTIONS

15 SEC. 401. (a) (1) No person may make a contribution
16 to, or for the benefit of, a candidate for that candidate's
17 campaign for nomination for election, or election, which,
18 when added to the sum of all other contributions made by
19 that person for that campaign, exceeds \$1,000.

20 (2) No candidate may knowingly accept a contribution
21 for his campaign from any person which, when added to the
22 sum of all other contributions received from that person for
23 that campaign, exceeds \$1,000.

24 (3) No officer or employee of a political committee or
25 of a political party may knowingly accept any contribution

1 made for the benefit or use of a candidate which that candi-
2 date could not accept under paragraph 2.

3 (4) For purposes of the limitations contained in this
4 section all contributions made by any person directly or
5 indirectly to or for the benefit of a particular candidate, in-
6 cluding contributions which are in any way earmarked,
7 encumbered, or otherwise directed through an intermediary
8 or conduit to that candidate, shall be treated as contributions
9 from that person to that candidate.

10 (5) The limitations imposed by this subsection shall
11 apply separately to each primary, general, and special elec-
12 tion in which a candidate participates.

13 (6) No individual may make a contribution during any
14 calendar year which, when added to the sum of all other
15 contributions made by that individual during that year, ex-
16 ceeds \$5,000 for campaigns for District office.

17 (7) Any contribution made for a campaign in a year,
18 other than the calendar year in which the election is held to
19 which that campaign relates, is, for purposes of this section,
20 considered to be made during that calendar year in which
21 that election is held.

22 (8) Violation of the provisions of this subsection is
23 punishable by a fine of not to exceed \$25,000, imprisonment
24 for not to exceed five years, or both.

25 (b) No person may make a contribution to, or for

1 the benefit of, any candidate or political committee in excess,
2 in the aggregate during any calendar year, of \$100, unless
3 such contribution is made by a written instrument identify-
4 ing the person making the contribution. Violation of the
5 provisions of this subsection is punishable by a fine of not to
6 exceed \$1,000, imprisonment for not to exceed one year,
7 or both.

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

13 (d) No corporation or labor organization may make
14 any contribution or expenditure for any election in the Dis-
15 trict of Columbia. No person may accept from a bank or
16 labor organization any contribution for an election in the
17 District of Columbia. This section does not prohibit com-
18 munications by a corporation to its stockholders and their
19 families or by a labor organization to its members and their
20 families on any subject; nonpartisan registration and get-
21 out-the-vote campaigns by a corporation aimed at its stock-
22 holders and their families, or by a labor organization aimed
23 at its members and their families; the establishment, admin-
24 istration, and solicitation of contributions to a separate
25 segregated fund to be utilized for political purposes by a cor-
26 poration or labor organization.

1 LIMITATION ON EXPENDITURES; GENERAL OR SPECIAL
2 ELECTIONS

3 SEC. 402. (a) (1) No central committee shall expend
4 any funds which when aggregated with funds expended by
5 itself, all other committees required to report to it, and by
6 a candidate supported by such committee shall exceed in any
7 general or special election \$ for a candidate for
8 Mayor or Delegate, \$ for a candidate for Chair-
9 man of the Council, \$ for a candidate for member
10 of the Council or member of the Board of Education elected
11 at large, or \$ for a candidate for member of the
12 Council or member of the Board of Education elected from
13 a ward, or in support of any candidate for officer of a political
14 party.

15 (2) No central committee shall expend any funds
16 which when aggregated with funds expended by itself, all
17 other committees required to report to it, and by a candidate
18 supported by such committee shall exceed in any primary
19 election \$———— for a candidate for Mayor or Delegate,
20 \$———— for a candidate for Chairman of the Council,
21 \$———— for a candidate for member of the Council or
22 member of the Board of Education elected at large, or
23 \$———— for a candidate for member of the Council or
24 member of the Board of Education elected from a ward, or
25 in support of any candidate for officer of a political party.

1 (b) No political committee shall knowingly expend
2 any funds at a time when the central campaign committee
3 to which it shall report is precluded by subsection (a) above
4 from expending funds or which would cause the central
5 campaign committee to be precluded from further
6 expenditures. Any central campaign committee of a candi-
7 date having reasonable knowledge to believe that further
8 expenditures by a political committee registered in support
9 of such candidate will exceed the expenditure limitations
10 specified in subsection (a) shall immediately notify, in
11 writing, such political committee of that fact.

12 (c) Section 13 (b), (c), and (d) of the District of
13 Columbia Election Act (D.C. Code, sec. 1-1113 (b), (c),
14 and (d)) are repealed.

15 LIMIT ON INDEPENDENT EXPENDITURES WHEN NOT

16 AUTHORIZED BY CANDIDATE

17 SEC. 403. (a) No person may make any expenditure
18 (other than an expenditure made on behalf of a candidate
19 under the provisions of subsection (a) (4)) advocating the
20 election or defeat of a clearly identified candidate during a
21 calendar year which, when added to all other expenditures
22 made by that person during the year advocating the election
23 or defeat of that candidate, exceeds \$1,000.

24 (b) For purposes of subsection (a) —

25 (1) "clearly identified" means —

1 (A) the candidate's name appears;

2 (B) a photograph or drawing of the candidate
3 appears; or

4 (C) the identity of the candidate is appar-
5 ent by unambiguous reference; and

6 (2) "expenditure" does not include any payment
7 made or incurred by a corporation or a labor organization
8 which, under section 401 (d) would not be prohibited.

9 LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES OUT
10 OF CANDIDATES' PERSONAL AND FAMILY FUNDS

11 SEC. 404. (a) (1) No candidate may make expendi-
12 tures from his personal funds, or the personal funds of his
13 immediate family, in connection with his campaigns for
14 nominations for election, and for election, in excess, in the
15 aggregate of \$25,000.

16 (2) For purposes of this subsection, "immediate fam-
17 ily" means a candidate's spouse, and any child, parent,
18 grandparent, brother, or sister of the candidate, and the
19 spouses of such persons.

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

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

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

8 (c) Violation of the provisions of this section is
9 punishable by a fine not to exceed \$25,000, imprisonment
10 for not to exceed five years, or both.

11 TITLE V—TAX CREDIT

12 TAX CREDIT FOR CAMPAIGN CONTRIBUTIONS

13 SEC. 501. (a) Title VI of article I of the District of
14 Columbia Income and Franchise Tax Act of 1947 (D.C.
15 Code, secs. 47-1567—47-1567e), is amended by adding at
16 the end of that title the following:

17 “SEC. 7. (a) CREDIT FOR CAMPAIGN CONTRIBU-
18 TIONS.—For the purpose of encouraging residents of the
19 District to participate in the election process in the District,
20 there shall be allowed to an individual a credit against the
21 tax (if any) imposed by this article in an amount equal to
22 50 per centum of any campaign contribution made to any
23 candidate for election to any office referred to in the first
24 section of the District of Columbia Election Act, but in no
25 event shall such credit exceed the amount of \$12.50.

26 “(b) If the amount of credit allowed an individual by

1 subsection (a) for a taxable year exceeds the amount of
 2 tax (computed without regard to such subsection but after
 3 allowance of any other credit allowable under this article)
 4 imposed under this article on such individual for such taxable
 5 year, a refund shall be allowed such individual to the extent
 6 that such credit exceeds the amount of such tax.

7 “(c) (1) A husband and wife filing separate returns for
 8 a taxable year for which a joint return could have been made
 9 by them may claim between them only the total credit (or
 10 refund) to which they would have been entitled under this
 11 section had a joint return been filed.

12 “(2) No individual for whom a personal exemption was
 13 allowed on another individual's return shall be entitled to a
 14 credit (or refund) under this section.”.

15 (b) The table of contents of such article is amended by
 16 adding at the end of the part of such table relating to title VI
 17 the following:

“Sec. 7. Credit for campaign contributions.”.

18 TITLE VI—EMBEZZLEMENT

19 EMBEZZLEMENT OR CONVERSION OF POLITICAL

20 CONTRIBUTIONS

21 SEC. 601. (a) No candidate, officer, employee, or agent
 22 of a political committee, or person acting on behalf of any
 23 candidate or political committee, shall embezzle, knowingly
 24 convert to his own use or the use of another, or deposit in

1 any place or in any manner except as authorized by law, any
2 contributions or campaign funds entrusted to him or under
3 his possession, custody, or control, or use any campaign funds
4 to pay or defray the costs of attorney fees for the defense of
5 any person or persons charged with the commission of a
6 crime; or receive, conceal, or retain the same with intent
7 to convert it to his personal use or gain, knowing it to have
8 been embezzled or converted.

9 (b) Violation of the provisions of the section is punish-
10 able by a fine of not more than \$25,000, imprisonment for
11 not more than ten years or both; but if the value of such
12 property does not exceed the sum of \$100, the fine shall not
13 exceed \$1,000 and the imprisonment shall not exceed one
14 year. Notwithstanding the provisions of this section, any
15 surplus or unexpended campaign funds may be contributed
16 to a political party for political purposes, or to educational
17 or charitable organizations, or may be preserved for use in
18 future campaigns for elective office, or for any other lawful
19 purpose.

Mr. HOGAN. I will insert in the record later a statement that Congressman Nelsen wishes to file with the committee, and has not been cleared.

The major points have been cleared with him and I would like to briefly touch on these.

First of all, he wishes to send his appreciation to the Chairman, Chairman Diggs of the full Committee and Chairman Adams for moving as swiftly as they have on the campaign reform legislation.

He is currently over in the full Committee with Mr. Simon who is appearing before that committee this morning.

Mr. Landgrebe, also a minority Member of this committee, is appearing before the full Labor and Education Committee this morning in a full Committee meeting and Congressman Broyhill is before the Ways and Means Committee this morning and is unable to be here.

Congressman Nelsen had certain views which I will touch upon just briefly.

He endorses, generally, the concept of limitations on contributions. I think he indicated that he would like to look closely at whether that should be on a yearly or election basis.

He believes that the limitations should be realistic and limitations best reflect to the public at large. The limitations are real and meant to be effective. Generally, I think he takes the view that the limitations on the contributions here in local elections should reflect, generally, what the Congress does in the area of Federal election reform.

In other words, if there is a limitation placed there, that the local election limitations here should be substantially small. I think that in the attachment prepared by the Library of Congress, which appears as an attachment to Mr. Fauntroy's statement, indicates the variety and the costs for running for office in the various cities in this country.

We have a general election for Mayor in the city of Pittsburgh, and less than \$150 was spent in 1963 and, on the other hand, one of the larger cities in the South, both the candidates for election, primary and general elections, spent over \$700,000.

He has concern for the fact that there is a large concentration of authority and responsibility in the Mayor and, as Chairman and Member of the City Council, repositied in approximately fourteen people, some of whom already receive approximately \$21,000 a year, yet they will be spending well over a million dollars a year, and he believes that if campaign expenditures were to go unchecked, that this would constitute a possible danger for the residents of the District of Columbia.

He is concerned that services in-kind will be covered clearly in the contributions limitations provided for in the bill before this committee.

That would be the contributions in-kind—corporations, labor unions, and contributing services as employers and employees to a particular campaign of an individual.

He is concerned also that the campaign committees should continue between elections, if there is an on-going existence of that committee between elections.

He is concerned that labor unions established an entity to educate employees opposed to those that are political action committees. These are educational arms of political corporations or labor unions that there be placed some limitation on arms or entities so that the political education, if it is such, is objective rather than partisan.

As to reports required to be filed near election time, he feels, generally, that the requirements should be realistic and if, five days before the election is not a realistic time, that the time be moved back to 15 days or some other reasonable time and the large contributions provision be provided in the law, but the larger contributions be made public in special reports made within 48 hours or some other reasonable time after receipt of those.

By and large, he has great concern over government subsidization. He believes that institutionalizing, with a large bureaucrat staff, is making the campaigns sterile and unacceptable to the general public.

He is concerned that if the contributor is separated from his candidate through the process of legalizing a local government funding campaign, that the voter interest will confine substantially which it enjoys now, even though that, in effect, may not be great at this time.

He believes that limiting campaign contributions and placing the responsibility on the candidates and campaign committees will eventually force them to be more innovative in seeking broader campaign funding reports, and that is a better way to go than the Federal or local subsidization of local campaigns.

Finally, he is concerned that there is no provision currently in local law and he will be ready to either amend this bill that comes out of this committee or introduces a separate bill covering a disclosure and report of lobbying in the District of Columbia.

The budget for the District of Columbia is well over \$1 billion and with the control of local government that basically in fourteen elected individuals, the narrow concentration of short responsibility certainly, he believes, should give rise to concern by the Congress with the federal contribution approaching \$300 million in the next 3 years that there be a regulation and control and this would indicate registration and disclosure and reporting that is spent by those who perform lobbying activities.

Whether that amendment will be made by Congressman Rees, that is something else to address in the future.

I think also he is concerned with respect to the subsidization of the District budget of local campaigns, that, inasmuch as there is a large Federal contribution to the District, that the position will be taken on the floor by several members that Federal national tax payers will be paying for local elections and that will be a matter of concern for him as the bill proceeds through the Full Committee and, hopefully, will be reported out prior to the election campaign.

Mr. BRECKINRIDGE. Thank you, Mr. Hogan. I think those are eminently worthwhile suggestions. I would hope that I can join with Mr. Nelsen in those generally stated objectives, and he might join with me in effecting some of the legislation earlier having to do with the lobbying ballot.

Next, we have Mr. C. Francis Murphy, Corporation Counsel of the District of Columbia, and with Mr. Murphy, I understand, is Mr. Ben Gilbert, Director of Office of Planning and Management.

STATEMENT OF C. FRANCIS MURPHY, CORPORATION COUNSEL, DISTRICT OF COLUMBIA, ACCOMPANIED BY: BEN GILBERT, DIRECTOR, OFFICE OF PLANNING AND MANAGEMENT

Mr. MURPHY. Mr. Chairman and Members of the Subcommittee, Mayor Walter E. Washington has requested that I appear today to express the views of the District Government on H.R. 12638 and H.R. 13539.

The District of Columbia Government appreciates the action taken by the House District Committee to consider promptly an election financing and disclosure law to govern elections in the District of Columbia. We support these efforts to establish the machinery for an open electoral process and thereby guarantee that the city's home rule government will begin in a manner designed to instill public confidence in the local electoral process and its elected officials.

The present election law in the District of Columbia was not designed to regulate adequately the conduct and financing of election campaigns in the manner contemplated by H.R. 12638 and H.R. 13539. Designed as it was for a limited electoral process, existing law deals only with the mechanics of elections, such as petitions for candidacy, registration and voting procedures, and certification of election results. It contains only a limited number of provisions concerning contributions and none on spending. Accordingly, we fully recognize the need, in view of the forthcoming elections, for prompt enactment of a campaign financing law. We would like to offer the following observations and suggestions with respect to the two bills:

First, we heartily endorse the application to District elections of financial disclosure and reporting laws. The centralized filing requirements and the provision that each candidate designate a single political committee as his central campaign committee, as provided by both bills, are highly desirable attributes for effective enforcement of the law.

A strong law unaccompanied by strong enforcement will not do the job. Centralized committees, together with consolidated means for accepting and disbursing contributions and the reporting thereof, will greatly facilitate proper enforcement.

In this connection, we suggest that the committee give consideration to a requirement that each candidate for office shall designate only one bank as the depository for his campaign contributions, and the designation by a candidate of only one political committee to receive contributions in an election.

Second, with respect to the administration and enforcement of campaign reform, we prefer the approach of H.R. 13539 which would expand the functions and duties and confer additional powers on the present Board of Elections. The District has consistently opposed the creation of additional, independent local agencies with authority to act only in a limited area, as would be the case with the establishment of a District of Columbia Political Campaign Finance Commission under H.R. 12638.

We think the present Board of Elections should be the central agency for campaign and election matters and favor strengthening the Board by the addition of the powers necessary to insure its independence and impartiality in administering a campaign practices law.

The duties which H.R. 12638 would assign to a new District of Columbia Political Campaign Finance Commission are fully compatible with this approach. The Board of Elections is maintained as an independent agency under the Self-Government and Governmental Reorganization Act and the provisions of H.R. 13539 appear to provide the current Board with adequate authority and independence to protect the integrity of the electoral process.

The vesting of election controls in the Board of Elections will also continue authority for the prosecution of violations with the Justice Department, rather than establish a new and separate prosecutorial authority as provided by H.R. 12638.

Third, we also support the principle of establishing reasonable and realistic limitations on contributions and expenditures. We appreciate the opportunity which H.R. 13539 offers to develop information concerning reasonable limitations on expenditures. Since the District of Columbia is without a tradition of voting election campaigning, it is important that the first election involve a public which is well-informed about the candidates and their views.

We support full disclosure of campaign financing, but we also support financing which will enable candidates to get their positions to the electorate. The members of this committee and the Congress of the United States have far better information about the costs of elections than we do. We think areawide Congressional election expenditures may be most informative, reflecting as they do the media costs of the Washington Metropolitan Area.

We think the limitations in H.R. 12638 may be unduly restrictive. Campaign exposure will offer one of the few avenues for candidates to inform the public of their views given Hatch Act restrictions and the high percentage of Federal employees as well as the limited number of elective offices in the District of Columbia. That exposure will cost money, and we trust the committee will be fully cognizant of the realities of campaign expenses when the limits are set.

Fourth, H.R. 13539 provides for a tax credit against District of Columbia income taxes up to \$1.50. We find certain ambiguity in the present language, but we assume here that the \$12.50 credit was intended to be the total maximum amount which an individual taxpayer could claim. If that be so, the committee should be aware that this provision alone will cost the District Government more than \$200,000 annually in loss of revenues. The tight budgetary limitations facing the District of Columbia compel us to oppose this provision on this ground alone.

Further, we oppose the piecemeal whittling-away of local revenues and prefer to leave such decisions to a comprehensive review of local taxes by the D.C. Council under Public Law 93-198. It should be noted that the existing Federal law already provides sufficient incentive to contribute to local elections.

Fifth, we favor inclusion of the office of Delegate to the House of Representatives from the District in any local campaign financing

act. We think it is important to provide the same financial limitations for the candidates for Delegate as for the candidates for Mayor and Chairman of the Council.

It should be kept in mind that we are talking about an election in one of the Nation's major cities—the Nation's Capital.

The officials to be elected will have state functions as well as municipal duties to perform. It is of the utmost importance that the voters' choices be made in an atmosphere of full public discussion and disclosure and that the process not be restricted with arbitrary constraints that may get in the way of that free discussion and choice.

Detailed information is lacking on the costs of comparable elections in comparable municipal situations, if a comparable situation can be said to exist. In any event, it is our feeling that the limitations to be set be those designed to guarantee the process, but not to use the first home rule election as an occasion to experiment with controls and restrictions that may be much more restrictive than is required to insure a proper election.

Thank you, Mr. Chairman.

Mr. FAUNTROY. Thank you, Mr. Murphy, for your detailed and careful look at the legislation before us. I should like to ask two questions at this point.

First of all, as you know, the Chairman has left the question of the contribution-expenditure limitations open in his bill, H.R. 13539, and I have computed the limitations.

You, in your testimony, have indicated that you feel that the Congress would be in a far better position to arrive at those formulations, but have also suggested some bases that should help us at arriving at that through a look at the areawide Congressional election expenditures.

I would certainly—and I am sure the members of the committee would be helped if you could come up with some suggestions as to specific limitations, if the ones suggested in H.R. 12638 are, in your judgment, too low, we would like to have the benefit of the District Government's experience in the elections which we have conducted and recommendations to the committee to fill in, at least, the figures left out in the Chairman's figure, and, apparently, left too low in our bill H.R. 12638.

Mr. MURPHY. I would like to suggest that we do not state the level is too low. We suggest that it might be too low.

Mr. FAUNTROY. I wonder if it would help us in arriving at the limitation—and I agree that the Members of the Congress have some experience in the election campaigns in their own states and Committees—perhaps you are in a better position in the District of Columbia government to make suggestions on the area picture in general and the area elections in particular to date.

Mr. MURPHY. I think, Mr. Chairman, we could certainly could develop, hopefully, information as to, for example, advertising costs in papers and information of that nature perhaps.

Perhaps through prior elections campaigns where reports have been filed, that may be of some help. We feel a great deal of help could come from a consideration of local Congressional elections, which are faced really with the same problem of paying a media cost which is associated with a region, rather than just the area in which the election is taking place.

Mr. FAUNTROY. That may be true, but we all have to make our best judgments. The members of the committee are going to have to come up with some specific figures and, as the Chairman said on the other matters, perhaps we just have to bite the bullet and make a recommendation with respect to the specifics of the contribution limitations and expenditure limitations and I would ask that you see if we can't get that in the record.

Mr. MURPHY. We will certainly make that effort.

Mr. FAUNTROY. What differences in reporting procedures and limitations do you anticipate between that of Delegate as tied to Federal law and the candidates here for the Council?

Mr. MURPHY. From the reporting aspect in one sense, I think I could say that if the Delegate were subject to the same reporting requirements as at local law, it could be considered a duplicative filing requirement on the Delegate.

On the other hand, perhaps it could be viewed that since, apparently, the same form would be used, that by complying with local filing requirements at the time the Federal filing requirement comes around, the reports would have been prepared through that process but, I assume, you could also consider it as a duplicate type of filing requirement.

Mr. FAUNTROY. Mr. Breckinridge?

Mr. BRECKINRIDGE. Thank you, Mr. Chairman. And thank you, Mr. Murphy. I want to join with you in your suggestions about the consolidations of fiscal and financial responsibility in a single campaign political committee.

I think your suggestion that there be a single banking and depository is certainly appropriate, and I would go one step further and say there also be a single campaign treasury charged with responsibility and accountability for all receipts and all disbursements in order that there might be that additional personal responsibility, as separate from the corporate banking responsibility that your proposal will effect.

I am sorry to say I am not familiar with either the powers or the staffing or the independent nature of the Board of Elections, but I will accept from your statement the proposition that this is the logical place to establish the duties and responsibilities we are considering, and then I would like to explore those, if I might, with you a little further.

I don't know whether you were here when I raised the question about other election law reforms, not limited to purely financial contributions and management, but in the larger area of the purging of your registration lists, the policing of elections at the precinct level where the buying and selling of votes as a process in the country.

I have a general familiarity with practices elsewhere, although not in the District of Columbia.

With the powers of the Board with reference to the study and review of the election laws as they exist on the books of the District, as they might be reformed and improved and strengthened in light of the practices that actually take place, I think, perhaps, what I am saying is that if the District of Columbia is to really become as, I hope it will, the municipal laboratory of the Nation and the world, it would be most appropriate that it become the laboratory for election law reform in every aspect of insuring the integrity of the democratic process and

that this does not come about by other than remedial legislation and practice and enforcement that results therefrom.

I think this will cost more than \$200,000. That, to me, is so insignificant an item of cost in a \$1 billion budget to insure the integrity of the electoral process, I will not argue on the desirability of establishing the independent political integrity of the electoral process with an independent staff under whatever board, whether it be the Board of Elections sufficiently funded and staffed to ensure an, in fact, honest election, and it would be a real achievement for the District or any city or state to be able to assure its electors that its tenants were elected honestly.

I am impressed by how much progress we are making in the area of control of finance by election law of prosecution, but it takes place on election eve and election morning in a variety of places.

I would hope that we would make a laboratory out of the District of Columbia. I come from a one-party state.

Once a generation lets members of the other take control of the Statehouse, it means corruption takes place in the ruling party, and I take it that is a situation that obtains in the District of Columbia, that it is a one-party municipality.

The frauds that I am concerned with are the frauds that are practiced in the arts of the rearmamentation. I would like to cooperate with the members of the District Government in that respect.

Mr. GILBERT. If I may add a further comment, I have, prior to my joining Mayor Washington's staff, a little over two years ago, I was a newspaper editor in Washington and concerned with the mechanics of the local elections.

We started with a rather primitive election machinery back in the mid-fifties, where there were informal, unofficial elections, and we acquired statutory elections.

The election law that was originally drawn was drawn with the hope that it would be a model for the Nation, and I think it has many provisions that would stand that type of scrutiny.

At the same time, it was not designed to encounter the full municipal process, but we do have provisions for purging of the election rolls.

We only do it once every four years, and there is a question about whether that is frequent enough. There are signature cards that are available, and there was a period when they were scrutinized every time someone applied for a ballot, but now they only do that in cases of the challenged ballots.

We have a centralized accounting process which has been followed over the years, with very, very close scrutiny of all the participants and parties.

It has happened in a large space at the District Building, Armory, or Pension Building under the light of day with the television cameras present and so forth.

We are concerned—and I am speaking here with my management hat on for the moment—we are trying to look at more efficient and effective methods of counting ballots and have been working with the Election Board to do that. We are about to look at a new device that has been developed, and we don't know that it is the answer, but I wanted to let the Committee know we are looking at these questions.

There is an electronic device that would count the ballots as the balloting process goes forward, and to receive a demonstration of that later this month and we may, depending.

It is the Election Board that will make this decision if the Election Board decides that it is worthwhile—we may experiment with that in a single precinct.

Mr. BRECKINRIDGE. Does that record and broadcast as it counts? Would you be on an hourly basis running a totalized reporting?

Mr. GILBERT. Whether it would be used for that purpose or not, would be an Election Board policy.

Mr. BRECKINRIDGE. There is a legislation before the Congress now that might not have a proper impact on the West Coast vote for national affairs.

Mr. GILBERT. That would be something that would be required to separate out the national vote for President and Vice President.

Mr. BRECKINRIDGE. But starting recording on an hourly basis?

Mr. GILBERT. We have had the equivalent of that in the District of Columbia, Mr. Congressman, and that is, we have had a practice here of having two ballot boxes in every precinct, and the first ballot box is sealed by 2 o'clock in the afternoon, and that box is transported to the central counting place and the doors are locked.

They count them, and at 8 o'clock, when the polls are closed, that first count is released to the media, and that first count has generally been about one-third of the total ballots cast.

Mr. BRECKINRIDGE. That count comes after the closing of the polls?

Mr. GILBERT. It is kept within sealed doors as the Department of Agriculture reports are kept within a sealed room until such time as they are ready to release them and that has turned out to be a complete sample.

One ballot box from each precinct. Normally, 8:15 or 8:30, and at night we are able to announce to the voters that this is what has happened. The rest of the process is accumulating the complete returns from the evening ballot, and that has been our practice.

It is a cumbersome practice and requires quite a few people to do the counting and we are looking for another method that would be more efficient.

Mr. FAUNTROY. If the gentleman would yield—we have been having a dialogue with Mr. Gilbert, Director of the Office of Planning and Management, and we neglected to make that point at the beginning.

I think he has more clearly outlined how we have done it in the past. I don't really anticipate any changes in that process, even if we are able to count them rapidly.

Mr. GILBERT. We have had problems with just the mechanics of counting, but I don't recall any instance where there has been any serious allegation of fraud in the process, which is the bottom line of my statement.

I think we have been successful, because of the monitoring that we have done and the open way in which the whole election process in the counting has been conducted; that is the way we have avoided the fraud problem that has plagued some jurisdictions and it would be our hope that that would continue.

Mr. BRECKINRIDGE. May I ask whether or not it is generally accepted or denied that there is or is not vote buying in the District.

Mr. GILBERT. Personally, going back to when I was a city editor of the Washington Post, I would have been delighted, as an editor, to have found such an instance. There would have been a headline on the front page. I did not encounter any such circumstances and have not heard any alleged.

Mr. BRECKINRIDGE. I am delighted to be here in this atmosphere of purity. One thing that concerns me about the testimony has to do with the \$12.00 off-set and the \$200,000 for citizen participation.

The larger concern has to do with the figure estimate to represent cost from going to the long ballot to the voting machine which was stated at \$2 million.

Mr. GILBERT. I think, Mr. Breckinridge, you are thinking of the traditional voting machine where the work is done by the voter and it is a complicated piece of mechanism.

It has to be purchased, and then is stored from one election to another and not used in between.

The device we are going to be looking at is going to, we believe—and we have not adopted, by any means—it is a device that counts the ballot after it is marked and that it is a much simpler type device and, hopefully, much less expensive, and that it will be paid for, at least in part, by the clerical savings that will occur. It is an electronic process, as I understand it.

Mr. BRECKINRIDGE. One other question of Mr. Murphy.

Going back to the powers of the authorities and staffing of the Board of Election and the insulation from that Board from partisan influence—from political influence, as distinguished from governmental influence—and going to the capacity and authority of that Board to study the electoral process, election laws and their actual working as distinguished alleged working—how is the Board insulated from partisan influence and what extent has its staff and authority to conduct election law studies and reports and recommend remedies for their improvement?

Mr. MURPHY. The staff is completely free to develop recommended changes in the election laws and over the years they have.

The Board operates independently. The members of the Board may not hold any active post in a political organization and, I think, the experience to date has been that the Board has been independent, fair and non-partisan.

Mr. BRECKINRIDGE. Does the Board select the staff independently of the Mayor and Council?

Mr. MURPHY. Yes.

Mr. BRECKINRIDGE. Does the staff have tenure of office?

Mr. MURPHY. Presently, yes.

Mr. BRECKINRIDGE. Under the proposed city government?

Mr. GILBERT. I think that would be a matter for the District Personnel System that we have been directed to develop in the next several years but, as I understand it, they now have Civil Service status and that status would be maintained under the new government until such time that a new District of Columbia merit system is created and put into effect.

Mr. FAUNTROY. Gentlemen, I would like to add one other question to my inquiry, and that has to do with your judgment of the limitations on corporate and labor union contributions.

I notice that you did not mention in your testimony, but I would like your view on that one and two, with your view on the extraordinary proposition that perhaps voluntary funds collected by corporations and labor unions should not be allowed, but that members of the corporations and members of the unions should make their contributions directly.

Mr. MURPHY. As I understand the bill, if a labor union or corporation developed a segregated fund for that purpose, that then would be considered a political committee, and so the impact of those funds would be the same as any other committee which had been organized, and if it was not designed as a committee for a candidate, it would be limited to the nondesignated status.

Mr. FAUNTROY. You would agree with that formulation?

Mr. MURPHY. Yes.

Mr. DEPUY. On the issue of expenditure limitations, I might suggest it would be helpful to have the distinction between ward and at-large races made, as well as distinguished between the various positions on the ballot. This would be helpful should you care to distinguish between the Chairman of the City Council as opposed to an at-large race for School Board for example, and any other distinctions that you care to make on the various offices.

I might also point out that the average population of Congressional districts is about 420,000 or 430,000 people. The District is about three-quarters of a million. There may be some gap, populationwise, between the comparability of Congressional Districts and the municipal races.

Secondly, I have a question regarding independent legal counsel. Both bills before the Committee do provide for independent legal counsel by either the Board or a separate independent Commission. They have different approaches as to the autonomy and authority of the legal counsel.

I notice that in your testimony you would have the prosecutorial function with the Justice Department. Would you oppose the Board having separate legal counsel for other possible remedies, civil or otherwise?

Mr. MURPHY. No, sir.

Mr. DEPUY. Would you make recommendations as to how to divide the lines as to what kinds of powers the counsel to the Board or Commission should have? That is how you draw the line as to what kinds of remedies you make available and enforcement authority that counsel would be entitled to go into seek?

Mr. MURPHY. My immediate reaction would be that in any case, normally there would be a civil action involved that the counsel for the Board or Commission would be authorized to, in the name of the Board, prosecute that particular litigation.

Our feeling is that, as far as criminal prosecutions are concerned, the situation would be better handled by leaving it with the U.S. Attorney's office, which presently has access to the Grand Jury.

Mr. DEPUY. The third question is with regard to possible start-up costs of an independent Commission, and perhaps Mr. Gilbert should answer this should the Committee decide to authorize such a Commission. Could you give us any comments on what kinds of time lag you would anticipate would result from the setting up of a new agency,

that is, in terms of bringing new personnel and appointing members of a Board, as a practical standpoint, as opposed to the policy standpoint.

Mr. GILBERT. So often it takes longer than your most optimistic estimates and I would hesitate to say how long, but given the urgency of a matter of this kind, if the Congress were to direct that such a Commission be set up for this election, the city government, if it is the city government's responsibility to do so, would make sure that it was place in time, finding the Commissioners and getting them to accept their responsibilities and divest themselves of whatever connections they might have that would be incompatible with that work. That might add to the time delay, and that is one of the reasons why our preference would be to use the existing Election Board machinery and do whatever needs to be done to strengthen that machinery so that it would be able to respond to this problem.

I would say that from an organizational standpoint, we would urge the Election Board to set up a separate organizational unit, a bureau or branch of the Election Board, which would deal with campaign financing. Again, we don't want to tell the independent Election Board what to do, but they have been consulting us on management-organizational questions. It would be our recommendation that they put somebody in charge of this activity, responsible to the overall-all direction of the Election Board, and build up a staff. For the first time around, we would scrounge up the staff and we would call on the U.S. Civil Service Commission and move around the District government and might even find some people on Capitol Hill that would like to participate in this type of effort.

This is the way we normally set up something on a crash basis. We have developed some cost estimates and they are ballpark estimates at the very best and would not like, at this point of time, to be held to them.

I would rather have a more detailed analysis made of the ultimate bill that the subcommittee wants to report, but we see additional annual costs in the area of about \$200,000 for H.R. 12638. The cost of H.R. 13539 would be somewhat less because of the lack of the separate Board, but they are essentially in the same general ballpark area.

One question that would need to be addressed in terms of costs is the question of considering a full-time or part-time Commission and the cost of a full-time Commission would be much greater than that of a part-time Commission.

Mr. HOGAN. Following up on counsel's query about the standards for expenditures, since we have a new element that presumably will be introduced into the legislation to the advisory neighborhood councils, if you are going to come up with a standard to expenditures, we may as well add that to the list if you are going to make a recommendation.

Then, going to the Chairman's question on the political arms of the corporations and unions, are you familiar with the Federal standards on political arms of either the unions or corporations?

Mr. MURPHY. As I understand it, they are free to engage and get out the vote activities generally—political and educational—and also

to develop segregated funds which would be used here in accordance with the provisions of this law.

Mr. HOGAN. I wonder if you wanted Federal standards in a small location, less than 750,000 or whether you want your own standards and want the Committee to look at this and to see if they should come up with their own standards that could be participated in by either corporations or labor unions.

This is a high concentration service area and I imagine that we probably have a high union membership in the District of Columbia.

Mr. MURPHY. My only reaction to that is in light of the overall controls on expenditures, it seems to me that if there is a problem, that it would be necessarily diminished, since the expenditures would have to be taken into account as any other expenditures.

Mr. HOGAN. Other than the fact that you would have an undesig-nated committee and, presumably, unlimited funding to do whatever they wanted to do unless they were setting up on behalf of any one particular candidate.

That is something I just wanted to comment on. Going to the Election Board and the counsel's question on the authority to prosecute, I am sure that Congressman Nelsen would be pleased to see that you recommend leaving the prosecution in the U.S. Attorney's office.

One might logically assume that the Corporation Counsel might want to assume that authority under the local government and would tend to think that leaving it in the United States Attorney's office would leave it in more objective hands and tend not to get the Corporation Counsel involved with the prosecution.

They want to look at this, but if you gave authority to a Commission—an independent Commission—to go into court and prosecute cases, it seems to me that it would not just be a question of assuming their own Grand Juries and practical problems, but wouldn't it also be a problem of establishing a new prosecuting arm in the District of Columbia?

Mr. MURPHY. It would be that.

Mr. HOGAN. And the wisdom of trying to establish an independent arm—and, in fact, the United States Attorney's Office could presumably fill that role.

Whether the Congress establishes an independent office in the Department of Justice with the prosecution of criminal actions, they refer to them, hopefully, that would help solidify and insulate the prosecution of these local actions.

Going then to Congressman Breckinridge's question, would it be well since, hopefully, the United States Attorney's Office would be objective—I think he is concerned about the objectivity of the Members of the Board. Their appointments would be coming from an elected Mayor under a new government. Wouldn't it be well to give authority for people to go to the United States Attorney's Office with their complaints having to do with criminal violations of the election laws in the local government?

Mr. MURPHY. I would think that could be done without any particular provision in the law, if the individual had information or knowledge of the matter which would constitute a violation of the law.

Mr. HOGAN. And the United States Attorney could institute his own investigation and the public would know that if there weren't prompt action by the locally appointed Election Board or Commission, or whatever it was, that the citizen or group or whatever else would have that option open to them to go to the United States Attorney to make their complaint there.

Mr. MURPHY. He has the authority to prosecute.

Mr. HOGAN. And, they could go there to insure that would help buttress the objectivity of the local Commission or the Election Board in following up on complaints in the course of elections.

Finally, Congressman Nelsen has indicated an interest in either putting an amendment to this bill or introducing a separate bill, which hopefully would introduce an amendment. If you have any comments regarding that, I am sure we would appreciate having them and, again, I think one of the questions he would want to address there would be whether the registration—should it be with any Commission that the Committee would come up with or should it be with the Election or current Election Board that you would leave in place and give them the function of monitoring this information.

Mr. FAUNTROY. Thank you, gentlemen, for your fine testimony.

Our next testimony is the Honorable John W. Hechinger, Democratic National Committeeman, one of our city's most dedicated and valuable and courageous citizens.

STATEMENT OF JOHN W. HECHINGER, DEMOCRATIC NATIONAL COMMITTEEMAN FROM THE DISTRICT OF COLUMBIA

Mr. HECHINGER. Mr. Chairman, I am pleased to have the opportunity to express my views on campaign financing for the District of Columbia. With the coming of home rule, it is imperative that the city have a solid, strict law covering this area. I have analyzed both bills and feel that generally speaking they are the right step in that direction. However, let me start by saying that I am amazed and very disappointed that Congressman Fauntroy's section on public financing of elections is not included in this hearing. Public financing, to me is an absolute necessity for a healthy democratic process, and while I understand that another subcommittee at a later point will be holding hearings on this matter, it is so intertwined with campaign financing that I don't see how one can be considered without the other.

Before going into the specifics of the bills, I hope that whatever bill passes will apply retroactively to the extent that it can. For example, people are now contributing to the various announced and unannounced candidates. These contributions that have already been made should be required to be fully reported under home rule, and consideration should be given to avoid an individual being able to give an enormous amount of money now to avoid the contribution limitation that will emerge.

In the same manner, candidates should not be able to now make tremendous campaign spending commitments to avoid the new law. What happened on the national scale must not be allowed to come to fruition here, and only by planting the right seeds now can we insure the proper crop later.

Regarding the specifics of the bill, I believe that there should be a strict limitation as to how much a person can contribute to various offices. While I personally prefer Congressman Fauntroy's bill, Congressman Diggs' bill of \$1,000 limitation for any office would be acceptable. In my opinion, the foundation of a campaign financing bill has got to be the amount of money that a candidate can spend, and while Chairman Diggs' bill leaves blank the amount of money, I believe Congressman Fauntroy's limitations—going from Mayor (\$90,000) to a member of the School Board (\$10,000)—will provide the necessary safeguards, and I therefore endorse those amounts.

Both bills, however, do not include advisory neighborhood council elections, and I believe that should be covered under this bill. I think, for example, that nobody should be able to contribute more than \$100, nor should a candidate be able to spend more than \$500 for such a position.

I have done a little research in this area, and would like to talk a little about what is done in Canada, as I feel that we could learn from their so recently passed law, passed by the Canadian Parliament on January 14, 1974. For example, the bill encourages small contributions, as it makes donations of \$500 or less tax-deductible. In Canada, the candidates do not have to raise all the money they spend. Candidates who drew at least 15% of the vote are reimbursed for certain mail costs, travel, and other types of things like that. For example, they are given the cost of sending one first-class mail to each registered voter, plus 8¢ for each of the first 5000, and 6¢ for all the voters beyond that number.

One of the most salient features of the Canadian law is their present definition of contributions and expenses. Expenses, it reads in the Canadian law, include "amounts paid * * * liabilities incurred * * * the commercial value of goods and services donated or provided to the volunteer labor and * * * amounts that will represent the differences between amounts paid and liabilities incurred * * * and the commercial value thereof, where they are provided at less than their commercial value * * *". Additionally, in order to discourage informal contributions from being made by suppliers, who then do not press for payments, the bill requires that all bills, charges, or claims must be paid within six months.

Another notable feature of the Canadian bill deals with the use of TV time. The bill provides that all broadcasters must be ready to sell a total of six and a half hours of broadcasting time to political candidates in each district, to be divided among the candidates in an equitable way, with each one being charged the same rate.

In addition, all stations are required to provide a limited amount of free time, which in Canada is determined by a Canadian Radio-Television Commission. All broadcasts, whether paid for or not, must be made within a period of 27 days and cannot include last-day broadcasts, which may misinform the public without the opportunity for the opponent to rebut.

I believe that these features of the Canadian bill are worth considering for the District of Columbia.

In closing, I would like to make one further comment regarding Congressman Diggs' bill: His bill provides that an individual candidate could be spending \$25,000 of his own or his family's money for

his campaign. To me this is inconsistent with the major thrust of the bills before us today, that people or groups that have the money should not be able to have an advantage over those who cannot afford large contributions. I believe that each candidate should rise or fall on his own merit and not because he happens to have more money than anybody else. Therefore, I believe that this section of the bill should be stricken entirely and that there should be no exceptions regarding the amount of money an individual can contribute to his own or anybody else's campaign.

Mr. FAUNTROY. Thank you, Mr. Hechinger, for your very thorough research and receptive look at the campaign before us. I found much there that commends itself in the Canadian problem that commends itself to our situation, although, in a question in getting your campaign debts paid in 6 months that evoked a grunt from two members of the Committee, as we sit here.

Mr. HECHINGER. And one on my own, as I made it.

Mr. FAUNTROY. I have one comment, and that is your concern about contributions being made in the particular election prior to an effective date and your concern that the legislative be retroactive is a concern I had and attempted to address in my bill, and we are going to strongly support that as an author of the bill.

I yield to Mr. Breckinridge.

Mr. BRECKINRIDGE. I don't have any argument. I want to thank you. I have a feeling as I listened to the panel that has been here before me that we are in a real area of flux and I am delighted to see people outside as well as inside the active political process following it this closely.

I was gossiping with one of my associates this morning about the fact that the elections are pristine pure in the District of Columbia which, to my personal knowledge, this is the only place that it is so within my personal knowledge.

I feel certain that the advent of home rule, that the election of that 14-members, or whatever the aggregate is, will have the disbursement of having \$1 billion per annum will invite corruption of the process and that this is the time that the citizens would have an interest for maintaining the integrity of the government, and I am pleased that the community is doing it and I would like to help in any way that I can.

Mr. HECHINGER. We had 8,000 vote in the last election. We have elected a School Board in 1968 and we elected a council in 1964 and, really, there has not been the pressure that corrupts and I think this is the time to anticipate.

Mr. FAUNTROY. Thank you, Mr. Breckinridge.

Mr. HOGAN. Mr. Hechinger, Congressman Nelsen, I think, is concerned about the election generally, and there is obviously a philosophical difference in opinion, but there is perhaps a more immediate problem and that would be the question of if public financing were provided for coming out of the general budget of the District of Columbia, one of the problems that the bill would encounter on the floor, it would seem to me, is the question of the Federal payment in effect being part of that contribution of the local candidates, and do you have any problem with that or do you think there should be some provision put in here so that purely local funds should be used?

Mr. HECHINGER. I would say that that would be a very good idea, although, we probably all know that there is such a fungible character of the funds of the District that I am not quite sure how that would take place.

I think that the fact that the trash is picked up and other local matters are partially taken care of on the part of the federal payment might just be part of the, for example, Election Board pay of the members of that Board and that staff is paid from the general coffers of which I suppose some of the federal payment is going to now.

I think with that federal payment, it has to be thought out in the philosophy of off-setting taxes that are not paid in various forms by the federal government and their occupancy in the District of Columbia and that we have to separate ourselves from the fact that some of those funds might be used for payment of the Election Board campaign public financing.

Mr. HOGAN. You would favor that there would be a line in the District of Columbia budget for the financing?

Mr. HECHINGER. That is right. I would say there are two things that I mentioned, and one is that they are both in the public financing area.

One would be a tax deduction for campaign contributions that are made, which is a contribution by the reduction of taxes and the other is the direct contributions, such as, I suggested to copy from the Canadian bill, but certainly, as Congressman Breckinridge said earlier, the cost—if you put the dollar and cents cost on public financing against that of good government and the reduction in corruption or influence of monies, would certainly end up not to be a real expense but to be a cost benefit that would be on the side of public financing.

Mr. HOGAN. Thank you, Mr. Hechinger.

Mr. FAUNTROY. Thank you, Mr. Hechinger.

Our next speaker is Helene Lecar, to whom we are deeply indebted for the lobby so that we now have the opportunity to elect the Mayor and the City Council.

STATEMENT OF HELENE LECAR, LEAGUE OF WOMEN VOTERS OF THE DISTRICT OF COLUMBIA

Ms. LECAR. Mr. Chairman and Members of the Subcommittee, the D.C. League of Women Voters is grateful for the opportunity to testify this morning on behalf of a campaign financing law to govern the elections which we hope will be taking place here this November and thereafter. We are pleased to see that the committee is as anxious as we to have these first elections establish a wholesome precedent of fair and honest campaign practices for future races in the city.

As you may know, Leagues across the country have studied campaign financing this past year, we among them. Although the study was focussed on Federal-level elections, many of our conclusions apply equally well to local ones, and I will summarize them briefly:

The League of Women Voters of the United States believes that changes must be made in the methods of financing political campaigns in order to make our government more accountable, more representative and more responsive to all of our citizens. The goals of a campaign finance system should be: To insure the public's right to know; to combat corruption and undue influence; and to enable candidates to compete more equitably for public office.

To achieve these goals, the League favors a system of combined private and public funding and supports the following campaign financing measures:

With regard to disclosure: Require full and timely disclosure of all campaign contributions. Require each candidate to designate one central committee to coordinate, control and report all financial transactions.

With regard to limitations: Limit the size and type of contributions from all sources, including stringent limits on the use of cash. Limit total expenditures consistent with full discussion of the issues and adequate exposure of the candidate. Limit expenditures for the broadcast media if there are no limits on total expenditures.

With regard to enforcement: Establish an independent body to monitor and enforce the campaign finance law.

With regard to base funding: Encourage broad-based contributions from the general public and the use of tax credits and deductions. Provide public financing including income tax checkoff and supplemental government appropriations. Equalize the use of government services, such as franking, for challengers and incumbents.

With regard to use of the broadcast media: Modify the equal time law to facilitate debate and discussion of issues by major candidates, yet allow reasonable opportunities for all candidates to present their views.

With regard to length of campaigns: Limit the length of campaigns

Because public funding for local elections implies an added burden on an already strained municipal budget, we in the District League reconsidered the issue as it might apply here. Despite the added tax load, members supported the principle of public funding at the local level as well, and most wished to see it initiated from the outset. Additionally there was support for the concept of using limited matching funds as a way of stimulating candidates to solicit many small contributions, and as a way of reducing the public portion of campaign costs.

Having these views, we regard the legislation currently before the Committee: H.R. 13539, Mr. Diggs' bill, and H.R. 12638, Mr. Fauntroy's bill, as valuable, as is the Senate District Committee bill. We were particularly pleased to see that the use of cash was rigidly curtailed, and that the limits placed on contributions and expenditures was subject to an escalator clause, allowing the effects of inflation to be mitigated without need for further legislation and legislative activity.

In an effort to assist Mr. Diggs in finding some workable amount to use as a maximum for contributions and expenditures, we did a quick telephone survey of school board members.

We could reach only four recent candidates. Of these, at-large candidates spent \$600 to \$6,000, while ward candidates spent \$2,400 to \$4,000.

The only area of League interest not addressed by these bills is the matter of access to TV time. The overreaching concern of League members has been to equalize the opportunities for challengers and incumbents to present their candidacies to the public. We have been dismayed to see the 30-second spot become the most popular form of political TV presentation.

While we realize that legislation to modify this "equal time" provisions of the Federal Communications Act, or to initiate the simultaneous preemption of broadcast time, for televised discussion of issues before the public, even in local races, lies partly outside the jurisdiction of this committee, it is our hope, nevertheless, that some further legislation and legislative action in the near future will restore meaningful political debate to the air-waves.

Finally, as citizens of the District, we would like to thank you for fulfilling your responsibilities to us in this area with care and due respect for the city's welfare. We appreciate it.

Mr. FAUNTROY. We appreciate your testimony, Miss Lecar, on behalf of the League of Women Voters of the District of Columbia, perhaps one of the most effective lobbyists that the country has ever known. I think your organization is a classic example of a people lobby, and I appreciate the guidelines you have set as a national organization.

Mr. BRECKINRIDGE. I want to thank Miss Lecar for a continuing interest in this area, and their contribution for the solution to the problem locally.

I notice this problem, and I suppose it stays with us forever, and I think what you say on pages 2 and 3 at the bottom there, might be a disproportionate burden posed and come up with what I consider to be a reasonable alternative.

I have a feeling that everywhere I go, everyone's budget is overburdened, and if we, as a matter of principle, accept that as a fact, we will never have the things funded that we need to have funded.

There government is not a tangible thing like a monument or a public facility, and we want to insure democratic processes, defense of the political process, and honest elections, and insure the monies that it takes and any advice and any suggestions are helpful and contributive.

I wonder, Miss Lecar, if you would enlarge on your suggestion with the limitation of the length of campaigns. This has been receiving attention nationally and at the whole level.

Every state and municipality has a different time table. Would you give us the benefit of your studies on that?

Miss LECAR. That area of the study pertains to the federal level elections. There was a feeling that the Presidential campaign took 2 years rather than running over the course of a summer and that was a disaster.

Also, in terms of generating tides rather than considering issues—and that perhaps a national primary day with regard to federal level elections—Presidential elections, but also with regard to federal level state offices would be available in terms of helping localities to help generate support for local primaries.

If there were a regular primary day, people would get used to the idea that campaigns for primaries have a fixed time limit, and similarly, if you set a primary day close enough to the general election, you would be forced to limit the length of the election campaign.

Mr. BRECKINRIDGE. In my own jurisdiction, we used to have our primary in August, and August got so hot that we moved it back to May. We went back to May. Now, you have May, June, July, and that date of August that you would have started something, you are already four months into the campaign.

So you run up to November. Have you-all published anything on this particular area?

Miss LECAR. I would be delighted to send you the national League Secretary's position. There was a time table discussed, although we felt when we adopted our position, we did not like to stick ourselves into a box.

We prefer to have our positions adopted in a general way so that we can address issues as they arise.

There was a time table that involved an early August primary that was discussed.

Having the national conventions in Presidential years geared on a 6 weeks basis between the primary and the election and having a relatively short general election.

How accurate this is in terms of practical politics, is another issue. If you did not have the national bandwagon issue that you could indeed compress a great deal of activity in a short period of time.

Mr. BRECKINRIDGE. Thank you very much. As you have observed, the lady has been active in the study of election law matters, but over the years, it has been my observation that they have worked at the local level as well as the state and national level.

Have you been, and if not, do you contemplate being active with reference to local election or practices in the District of Columbia in the areas other than campaign financing, which we are discussing today? I wonder if the lady has a committee that is working on local election law practices, election practices.

Miss LECAR. As the gentlemen from the Corporation Counsel's office has already mentioned, existing election law really focuses on the Nexus, how late shall the polls be open, and what constitutes adequate poll-watching. I think it is very well taken to reconsider this in the light of the active political life considering that the School Board does not control its own budget.

The amount of rough and tumble politics we have had here is minimal, which is why we are so pure; and now that we have an opportunity to get our fingernails dirty, watching the polls will be more interesting.

If we do have a stand-by committee that keeps up with the developments in the election laws. We would be delighted to work with you on it.

Mr. BRECKINRIDGE. I am delighted to hear that and, Mr. Chairman, I am firmly persuaded that the election process is indeed pure.

Mr. HOGAN. It is so pure it is boring.

Mr. BRECKINRIDGE. I don't think it is going to remain that way. I would like to add one remark to the lady's remarks. I have had one complaint over the years and that is, the lady voters. I have always found them working with me in revisions and reforms and the improvement of the processes of the government until legislation day, and then they aren't able to help. They are then neutralized. I don't mean that critically.

It is the only way you can continue your non-partisan function. I thank you for your contribution.

Mr. FAUNTROY. I thank the gentleman for his comments on the qualities of politics in the District of Columbia.

Mr. HOGAN. Congressman Nelsen has indicated an interest in attaching an amendment to this bill that would provide for regulation of lobbying in the District of Columbia. Would you support a provision such as this?

Miss LECAR. Yes, indeed.

Mr. FAUNTROY. Thank you so much.

Mr. HOGAN. It is my understanding that the League of Women voters is in support of the advisory neighborhood council. Is that your position in the District of Columbia?

Miss LECAR. Those are non-partisan elections. I trust you were here earlier when we were talking about limiting those who participated in those elections, and I assume you would favor limitation on those elections. Technically, with regard to disclosures and limitations on contributions. That would be very important. Otherwise, you would get rotten boroughs.

Mr. FAUNTROY. Thank you, Miss Lecar. Mr. John A. Nevius, Chairman of our District of Columbia Council and a gentleman of great dedication and integrity and courage in the whole field of public life in the District of Columbia. We are happy to have you.

Mr. NEVIUS. Thank you, Mr. Chairman, and I appreciate the compliment. I want to join in the grunts that were expressed earlier about the idea of paying off all campaign debts six months following the election, particularly from the point of view of a candidate who has not won an election. That would be hard to live up to, based on my experience.

STATEMENT OF JOHN A. NEVIUS, CHAIRMAN, DISTRICT OF COLUMBIA CITY COUNCIL

Mr. NEVIUS. Mr. Chairman and Members of the Subcommittee:

There is a very small group of D.C. citizens, no more than six in number at the most and maybe only half that, who share in common one unusual experience, namely, to have mounted a fully financed citywide campaign for major elective office in the District of Columbia. One of that tiny band of men is the sponsor of one of the bills under consideration today, having been elected our first Delegate in a century.

I am another of them, having lost to him in that same race by a margin of over two to one. That was not a bad result for a beginner, however, considering that the party registration against me was nearly seven to one; and I learned a great deal about campaign costs during that experience, as he did. As I recall, my campaign cost a little over \$100,000 and his cost a little less than that. I hope, therefore, that it will not seem presumptuous if I share with you a few opinions drawn from personal experience, somewhat in the spirit of a "friend of the Committee" since I anticipate no direct stake in your decisions on this matter at this stage of my career.

My former Chairman chided me for that remark in my statement, but it is a true statement. In the last year, along with my colleagues, I have almost worked myself out of a job, and as I look back on it, I would have run for every position on the ballot, except Mayor and I don't intend to run for Mayor.

First, it is obvious that statutory limitations are needed on both contributions and expenditures in the forthcoming campaigns for

local office next fall, where there are now none. Secondly, I think the present limitations upon campaign finances in the Delegate race should be inter-related with the new ones on the new local races. I feel so because of the strong likelihood that Delegate candidates and candidates for the new offices will sometimes form together as "slates" and hence, pool their financial resources as well as their expenditures.

Thirdly, and most important for purposes of my testimony today, I could caution about constricting too tightly either the amounts which a candidate may spend or which an individual may contribute in the forthcoming races.

My reason for this is the particularly high cost of electronic and printed media advertising in a D.C. campaign, coupled with the fact that between two-thirds and three-fourths of every dollar so spent is paid for conveying your message to Maryland and Virginia residents and is a total waste in practical terms. Only 750,000 of the 3 million listener-readers one "buys" at the local stations or newspapers through paid advertising are D.C. residents. Yet such "ads" are often the only practical way a candidate who is not already well known can fully publicize his qualifications, record and views to potential D.C. voters.

Moreover, let's just look at today's cost—actual cost—for such advertising. For a 30-second, political "spot" during prime time, our major TV stations charge between \$1,100 and \$1,500. Thus, for three such spots on four channels in a single evening a candidate could spend \$18,000 *in one day*, not including the agency's commission or fee. In only 5 such days during a campaign you would spend nearly \$100,000 on TV alone. Similarly, a full page political ad in one of our metropolitan dailies costs over \$3,800 weekdays and over \$4,250 on Sunday. Hence, to run such an ad for 7 consecutive days during the campaign would cost a candidate in excess of \$27,000.

In short, gentlemen, the peculiarities of our local geography and demography make it very easy to spend today the kind of money that was required when I ran citywide, even before you begin to pay for consultants, managers, bumper stickers, stationery, rent and the like.

It is for this reason, gentlemen, that while I fully support strict disclosure rules for all the upcoming contests, as well as firm ceilings on contributions as well as expenditures, I urge you to be careful about setting ceilings too low for the realities of this "market" and the importance to our city of the responsibilities that will belong to the winners starting next year.

Having studied the various pending legislative proposals in the light of the above considerations, I would like to recommend to you the ceilings outlined on the page attached to my statement. Permit me to run through them quickly with you and interpolate briefly the basis for my suggestion in each instance.

With regard to Contributions: No cash contributions over \$100.

On all cash contributions under \$100, something should be worked out, namely, that the total be broken down by who would collect it, where and when and the total in such instances.

I don't hold a brief for that arrangement, but I feel there should be some way to prevent the possibility of a corporation—a corporation might, in a collusive situation, give \$10,000 in cash to a campaign and that, in a report, would be called miscellaneous cash contributions under \$100.

It seems to me something that should be considered. As to maximum contributions, either directly or indirectly, my suggestion would be as follows: Any candidate to his or her own campaign, \$2,500—all these figures include both primary and general election if applicable.

That is the figure that applies under federal law now, as I understand it, and that applies to the Delegate contest and it seems to me that that is not at all a harmful level and it would be desirable.

I would not like see anything less than that. I don't see if one candidate has money to contribute \$2,500, it would be harmful for him to do that much.

Secondly, for an individual contributing to the candidate of Mayor or Delegate, I would suggest a \$2,000 ceiling. That is a very conservative ceiling.

It is \$3,000 less than the Federal law at the present time and I feel that it is entirely justified to go that far to the Mayor or the Delegate.

Thirdly, when it comes to any individual or to any other candidate than the Mayor or Delegate, in any year, I feel that \$1,000 is an appropriate ceiling and I think that is the one in Mr. Diggs' bill.

Finally, on cash ceilings, any individual to all candidates in any year, I feel Mr. Diggs' figure of \$5,000 is a fair one, but I would suggest that if in a particular election year, the locals and the delegates are running simultaneously as is the case this year, that that figure be boosted to \$7,000 so that it would be possible for the individual to contribute \$5,000 to all local candidates and still contribute the \$2,000 mentioned up above to the Delegate, because that is an extra position that would be on the ballot, so a ceiling of \$7,000, it seems to me, would be appropriate in those particular years.

As to expenditures—I am speaking of single elections in the case of a candidate running in the primary and general election—those figures would be doubled.

For Mayor, I suggest \$90,000 and, I believe, that is the figure in Congressman Fauntroy's bill.

That is less than he spent so I think it is a modest figure and in our cases, or in my case, I spent more than that without any opposition in the primary because the signatures precluded anybody else from qualifying.

In the case of the Delegate, I think the same figure would be fair. I think it is less than Congressman Fauntroy spent the first time, but, as a practical matter, he did not have to spend as much in the general election as he did in the primary.

I think these figures are imminently fair. As Chairman of the City Council, \$70,000, I believe, is more than Congressman Fauntroy suggested, and I feel that the Chairman of the Council is similar to the Mayor and the Delegate in terms of the fact that he is running city-wide and has heavy responsibilities.

He knows in advance—and I think that the Chairman's position is going to have a great deal of importance because he is going to be head of the legislative branch of the new government which will have the legislative authority for general laws covering the District of Columbia.

I feel that \$70,000 is the least that should be put on the Chairman. As to Council-at-Large, my figure of \$50,000 is more than Congressman Fauntroy's, but the At-Large people are going to be running citywide and have the same problems of reaching voters and they will

have a full vote on legislation of a general nature that the Congressmen have prior to home rule.

For the Council ward position, I suggest \$20,000. That is more than Congressman Fauntroy's figure, but less than one-half for Council members that would run citywide and each ward member of the Council is going to have a full vote of matters of great importance to the city at large, even though he does not have to accept as much money campaigning, because he is campaigning only in the ward.

When it comes to School Board, after listening to the witness from the League of Women Voters, I am not so sure about my figures.

She had some actual information as to amounts spent. I have never been involved in School Board elections personally and I do not have the kind of personal knowledge that I have with respect to other local offices, and the cost of running citywide as Delegate candidates, but the figures put in for the School Board at-large were \$25,000 and the School Board running at ward, or \$10,000.

Those are the same figures Congressman Fauntroy indicated. My feeling is that the ward people have to run citywide and the \$10,000 figure is less than one-half of the \$20,000 figure following the same formula I had for the City Council.

I don't have enough experience, personal experience, on these two categories and maybe the information about amounts actually spent, by the League of Women Voters as developed by the League of Women Voters today, may be a little high.

Finally, the \$10,000 ceiling in Congressman Fauntroy's bill about people running for party offices. Mr. Chairman, that is the extent of what I have to offer. I would be happy to answer any questions.

Mr. FAUNTROY. I want to thank you for the very careful and thorough examination of the legislation and the precise recommendations you have had to make.

It is precise in the kind of testimony that we have been looking for on the contributions and limitations and is filled with factual information based on your experience running, and perhaps the support of my views for the reason that we come out pretty much the same.

I simply have one request, and that is that you add to your recommendation at a later time the advisory council election question.

Mr. NEVIUS. I would be happy to. In putting this together, I had overlooked it. I would be happy to do it.

Mr. FAUNTROY. I overlooked it in the shaping of my own bill and I am going to have to ask my committee to do what I am asking you to do.

Do I understand your maximum contributions that any individual can contribute no more than \$2,000 over a quarter of the year to both general and primary elections for candidates for Mayor and Delegate?

Mr. NEVIUS. I was suggesting that these figures apply to both campaigns. It may be considered that they are a little low, but I feel that the principle of distributing the contributions as widely as possible is highly desirable.

In my own experience, it was a very rare thing to find anybody who felt like contributing that kind of money and I feel if there is such a person, they can't do any harm. I feel those figures are conservative.

Mr. FAUNTROY. I don't understand Item No. 3, "Any individual to any other candidate in any year."

Mr. NEVIUS. My thought is that an individual who wants to contribute to any candidate other than Mayor or Delegate—any individual contributor should not contribute more than \$1,000 to a given candidate including both the primary and the general election.

Mr. FAUNTROY. So there is no inconsistency with that and the \$5,000 limitation on over-all contributions to elections.

He can give no more than \$1,000 to another candidate, although he may go up to \$5,000 in some instances and, I think, it is clear that inasmuch as the Delegate runs every two years and every election thereafter for Councilmen or Mayor will be the same years as the Delegate, that perhaps you would have to choose between the \$7,000 or the \$5,000 limitation.

Mr. NEVIUS. The Delegate will be running every time there is a Council election. I think I had a misapprehension. I would like to reanalyze that question and submit a letter.

■ I was working on this last night and I got the notation that it could be that there would be years in which there were candidates for Mayor and Council, but not for Delegate and, since I am mistaken on that, I would like to rethink those figures and resubmit my letter.

Mr. FAUNTROY. All they would be is years or at-large candidacies for members of the School Board in off-years.

Thank you, Mr. Nevius, for this very well worked out testimony.

Mr. HOGAN. I am sorry Congressman Nelsen could not be here. On his behalf, I would like to welcome you. One of the things that I think would be helpful to the committee is your views on whether or not you believe there should be some reform on lobbying.

Mr. NEVIUS. The regulation of lobbying we are speaking about is at the City Hall level. Lobbying at the Congressional level is covered. I think that might be a very salutary idea. It seems to me, from my past experience in Congressional work, that the disclosure there is worthwhile; it makes it very clear to the office holder, to use the vernacular, where the person is coming from and who talks to him.

At the local level, there is very seldom any doubt about that, but it seems to me that it would be a good idea if a statute, as such, were established for individuals who are contacting members of the Council.

You know that sometimes people make remarks to the effect that there is something wrong with lobbying. I don't share that view. I feel that that is a part of the right to petition one's Congressman.

It comes from the Constitution itself and that it is impossible to cover all of the details and nuances of legislation in the hearing room process, although the hearings are essential, an essential part of the process.

But I feel that direct communication is indeed important and necessary, and I feel that there would be no harm in having a way of disclosing the identity of people who are engaged in that practice professionally. I think it is a good practice.

Mr. HOGAN. I am sure Congressman Nelsen would agree. Secondly, on your contributions, do you believe that it should be limited to this maximum contributions list?

Mr. NEVIUS. I used that phrase to describe both the primary and general elections, because they appear in the same calendar year, but all that that means is that for both the primary and general election of a given campaign, these figures would apply as a ceiling unlike the

expenditures that would be doubled when you apply them to the primary and the general.

Mr. HOGAN. Are you suggesting that your maximum contributions would apply to basically an election period which would encompass both the primary and general, or are you suggesting that there should be two maximums—one for the 2-year election and one for the off-year?

In other words, I would tend to think, and I think as we go through the hearing, that this will make it clear. I would tend to think that probably incumbencies would have a distinct advantage if it were limited to the year, since I presume that there would be a tendency to contribute off-year elections to the incumbent and perhaps build up his campaign fund, whereas, the candidate, the opposing candidate, would rise probably before the primary but largely limited to one campaign year.

Mr. NEVIUS. I am not sure by what you mean by off-year elections.

Mr. HOGAN. Let us assume that this is an election year for the District of Columbia. So 1975 will not be an election year. Incumbents who are sitting would have a leg up in 1975, probably as opposed to someone who does not announce until the spring of 1976.

Mr. NEVIUS. Perhaps I should have not used the word "year." That is not the best way to describe it. What I really should say is, so many dollars with respect to a particular campaign, either prospectively during a year when an incumbent is not running, but a year during which any contributions would be accumulated for the forthcoming campaign, a year later or retrospectively.

For example, if there is a deficit. You take my maximum of \$2,000 to the Mayor. If the Mayor has run until calendar 1974 and has a deficit and a person has already contributed \$2,000 to that campaign, while it was going on, it would seem to me that if there is a clean-up effort to discharge those past debts that occurred during 1975, that the person who has already contributed \$2,000 would be included in—his contribution would be precluded because he had already contributed a ceiling to that particular campaign, even though it occurred in the previous calendar year.

Mr. HOGAN. So that whatever the individual gave would apply to the 1976 campaign?

Mr. NEVIUS. If he wants it applied to the next campaign, he is eating away into what he is permitted to contribute to that campaign.

I did not have in mind a person to give a certain amount every year, whether a candidate was running or not.

Mr. HOGAN. Are you familiar with the Federal standards on the limitations for political arms of corporations and unions as such that you could state whether or not you believe Federal standards should apply in the District of Columbia rather than a separate, independent standard here in local elections.

Mr. NEVIUS. I am not that familiar. I am generally familiar with the fact that corporations and unions may not contribute their own funds, but they can set up political action committees, but I am not familiar with the limitations with what those political action committees can do.

I really should not try to answer that question. I don't know what they are. I really should not try to answer that question.

Mr. HOGAN. Mr. Murphy testified that it was his opinion on behalf of the Mayor that the Election Board should have the authority under this bill as far as the regulation and monitoring of it, and that the U.S. Attorney should have the prosecutorial authority. Do you endorse that concept?

Mr. NEVIUS. I certainly do. I feel that with respect to the U.S. Attorney, I have no objection at all, and I think there are good reasons for it.

With respect to consolidating these things under the present Election Board with the expanded authority, I very much concur in the principle, which I believe Mr. Murphy expounded; namely, that we should not create a plethora of different boards, each with divided jurisdictions that tend to overlap to a great degree.

I am not addressing myself to how the Election Board gets picked, but I feel that all of the functions that are deemed appropriate should be under one Board, if for no other reason than that it cuts down on unnecessary duplication budgetwise and cutting into the revenue, and I feel that a properly selected Board of Elections can perform the additional functions contemplated in these bills, just as readily as a separate Board could, and I think it would be more efficient if it were all consolidated under one.

Mr. HOGAN. Do you also agree with Mr. Murphy that if there were a criminal penalty provision in the bill, any individual complaining to the Board of Elections—assuming that there is a monitoring Board of Elections—any individual would have a right to go to the United States Attorney with his complaint if he were dissatisfied or did not receive the treatment he felt he deserved?

Mr. NEVIUS. I have no objection to that idea. That principle of having a place to go beyond the local Board or body, the local government board or body, is firmly implanted in our procedures—the right of appeal from any administrative or quasi-judicial or there is a machinery for appealing from almost all of the boards that I am familiar with in the city government.

Mr. HOGAN. This would be criminal?

Mr. NEVIUS. I understand that would be so, but it seems that the same general principles would apply if the Board felt that it was not criminal. It seems that any citizen should have the right to go to the public prosecutor on appeal if you will try to persuade the public prosecutor that the Board was wrong and then the prosecutor will exercise his ordinary judgment about whether a law has been violated.

That is his judgment and his job. I think it is entirely appropriate to have access to him in a case like that.

Mr. FAUNTROY. Thank you.

Mr. NEVIUS. Thank you, Mr. Chairman.

Mr. FAUNTROY. Mr. William R. Phillips, nominee for D.C. Delegate. I want to welcome you to the hearing and share with you the loneliness of the primary election in May and, thanks to the prospect of elected Council, I think they forgot about us.

STATEMENT OF WILLIAM R. PHILLIPS, REPUBLICAN NOMINEE FOR THE OFFICE OF D.C. DELEGATE

Mr. PHILLIPS. Mr. Chairman, Members of the Committee, ladies and gentlemen: In one month, the citizens of the District of Columbia

will vote on a Home Rule Charter. Yet today we have before us two bills that indicate Congress still rules the District of Columbia. If the District of Columbia needs a Campaign Practices Act, let the citizens of the District write the Act, not Congress. We know our local needs better than anybody else. If such legislation is enacted by Congress, at least permit the citizens of the District the opportunity of holding a referendum.

H.R. 13539, introduced by Mr. Diggs, appears to be a refinement and an improvement of H.R. 12638 introduced by Mr. Fauntroy. The most notable improvement is the allowance of a tax credit for campaign contributions up to \$12.50 in lieu of a "Matching Payment Entitlement Fund" in Mr. Fauntroy's bill. A candidate for Delegate could, with a little planning, raise \$45,000 and receive from the District taxpayers another \$45,000 windfall. On the other hand, a candidate who raised a smaller amount would receive a correspondingly smaller amount from the D.C. taxpayers.

Another improvement is the reduction in verbiage by one-third. The simpler the bill, the easier it will be to comply with. I could go into further detail, but I am sure that others will cover points that I have not discussed.

As we approach Home Rule in the District, let us encourage public-spirited men and women to seek elective offices so that bills such as we have before us today will not be necessary.

Thank you very much, Mr. Chairman.

Mr. FAUNTROY. Thank you Mr. Phillips, even though it is critical of the Chairman. Are there any questions?

Mr. DUPUY. Mr. Chairman, I have one question. You indicate a preference that the Congress not be involved in this business of writing legislation for the District of Columbia. Assuming that the committee goes ahead and writes a bill, would you care to indicate to the committee which minimal safeguards or what—what should be the ingredients of that simplified approach?

Mr. PHILLIPS. I was once elected as a Councilman in Greenbelt and I found that the laws are only as good as the people involved.

We had certain codes of things but there are ways of getting around them if they wanted to. There is no way of setting a monetary limit. There are so many ways of getting around it. This example of a conflict of interest concerning groups that get Federal grants—there is nothing that says that someone who receives a large Federal grant can or cannot participate in the elections.

I recall, as a City Councilman in Greenbelt, that I often had presents offered to me and I turned them down. I felt that if I had a decision to make I wanted to be entirely objective.

There is nothing in the law that says, as far as I know, that a friend of mine cannot give me \$2,000 or \$3,000 to pay my home improvements, as a personal friend, whereas he would be limited to help my campaign.

There are many tangible losses. When I was a campaign manager, we were the fat-cat party and I think all we got was \$5,000 from any contributor, but I lost thousands of dollars in income myself. It is hard to put a dollar value on things.

The other thing is to try to get or recruit the right types of public-spirited people who will come out and become candidates for public office because they want to help the community and not any ulterior motives.

Mr. HOGAN. Thank you, Mr. Chairman. Mr. Phillips, I again want to apologize and Mr. Nelsen extends his regrets that he was unable to be here, but certainly he would want to welcome you before the Committee. I gather, from your testimony, you oppose the public financing campaigns.

Mr. PHILLIPS. I definitely do, for this reason: I went through the primaries without spending any money. I have never spent much money on a campaign. I feel that even with the Republican party, we have 30,000 people in the District of Columbia and six or seven times as many Democrats.

There are enough people who can contribute their time and effort, and I think the public media has been very good.

When a candidate gets before a television camera and has direct questions asked, it is hard for him to duck. The candidates at that time, I think, were three candidates for the Delegate race and each one printed his own material and the D.C. Republican Central Committee, which is the only organization in the District of Columbia for the Republicans at that time, made at no cost to the candidate literature to each one of the registered Republicans in the District of Columbia.

That is one of the big costs. Right now an incumbent would have to spend \$25,000 in mailing, which is a lot of money. If there is some way there could be one mailing of \$25,000 paid out of the taxpayer's costs, perhaps that could be used for the literature.

It might cost more than that. It might cost \$50,000 for all of the candidates, but at least it would be a way of disseminating literature.

There are many ways of using the media. The local papers will print articles verbatim free of charge at a very low cost.

Mr. HOGAN. You indicated something about federal grants?

Mr. PHILLIPS. We have in the District of Columbia a number of organizations that are helping out in the community and I have been involved—in my chair at least,—as a volunteer and they received millions of dollars in grants and this could be a possibility of conflict of interest just as much as a Federal worker or District of Columbia worker would be restricted from the Hatch Act because of conflict of interest.

Mr. HOGAN. To my knowledge, anyone who is hired, who is a District employee either for a Federal grant or if they are recipients Federal loans in local government, but it would not have to be a branch of local government.

If there is a further problem with organizations that receive Federal grants that used those funds directly or indirectly, I wish you would call that to the attention of the Committee. I think they should be aware of that.

Mr. PHILLIPS. I think, for example, there have been many organizations in the District of Columbia who have done a lot of good work in housing, for example. The housing is subsidized to some degree, either through low mortgage payments or grants or subsidies and I have noted at times that some of the leaders of those organizations do take a political stance, would be influenced by the grants.

Mr. HOGAN. As you know, Members of the Congress have franking privileges. Should there be a provision in a local election campaign bill that might limit the authority of the incumbent as to the amount he could spend in the local government—or the local counsel might

want to extend the franking privileges themselves. Once they take office, should there be a provision in this bill that initially would permit that?

Mr. PHILLIPS. I think the franking privilege is really a service that has to be paid one way or another. The thing I always find confusing to see a piece of literature going out not at Government expense, but mailed at Government expense. I cannot see the distinction myself.

Mr. HOGAN. Thank you, Mr. Chairman.

Mr. FAUNTROY. The Subcommittee will recess until 9:30 a.m. tomorrow morning.

[Whereupon, at 12:45 p.m., the subcommittee recessed to reconvene at 9:30 a.m. the following morning.]

THURSDAY, APRIL 4, 1974

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:45 a.m., in room 1310 Longworth House Office Building, the Honorable Brock Adams, presiding.

Present: Representative Adams (presiding), Delegate Fauntroy, Representatives Nelson and Landgrebe.

Also present: James Clark, legislative counsel; Dale MacIver, assistant counsel; John Hogan, minority counsel to full committee; Jacques DePuy, counsel to the subcommittee; Leonard O. Hilder, professional staff; Ralph Ulmer, professional staff.

Mr. ADAMS. The subcommittee will come to order, please.

Our first witness this morning is Mr. Charles N. Fisher, Chairman of the D.C. Board of Elections. Mr. Fisher, do you want to come forward, and would you please introduce to the committee and for the record your associates?

STATEMENT OF CHARLES B. FISHER, CHAIRMAN, D.C. BOARD OF ELECTIONS, ACCOMPANIED BY DR. ROBERT E. MARTIN, BOARD MEMBER, AND NORVAL PERKINS, EXECUTIVE SECRETARY

Mr. FISHER. Thank you very much, Mr. Chairman. With me this morning, I have one of my colleagues, Dr. Robert E. Martin, on my left; and on my right is our executive secretary, Mr. Norval Perkins.

Mr. ADAMS. I welcome you, gentlemen. If you wish to put your statement in, summarize it, or read it in full, whichever is your pleasure, let the committee know, and we will proceed.

Mr. FISHER. I would like to read this statement, Mr. Chairman.

The Board of Elections for the District of Columbia appreciates this opportunity to comment on the proposed legislation in the area of campaign practices in the District of Columbia. Clearly, there is an urgent need for remedial legislation on this matter. The sponsors of H.R. 12638 and 13539 are to be commended for their efforts to curb the abusive effects of money on our political system.

While the Board of Elections supports the concepts embodied in both of these bills, the Board does not wish at this time to express a preference for one or the other.

SCOPE OF LEGISLATION

From the point of view of the Board of Elections the two major questions to be resolved in the consideration of this legislation are:
(1) what agency should have jurisdiction over the filling and audit-

ing of political campaign financial reports? and (2) how should the regulations be administered?

It would be feasible, of course, to create an entirely new and separate agency to perform these new functions. From an administrative point of view, however, it would be advantageous to set up the machinery for receiving and evaluating financial reporting statements in an experienced organization already in existence. Thus, it appears that the Board of Elections would be the logical place for this authority to reside.

ELECTION BOARD'S AUTHORITY

If the Board is to be given this added responsibility, however, it is imperative that there be authorization of additional funding for staff and other resources required for enforcement of the reporting and filing provisions which may be enacted. If tough new limitations on contributions and expenditures are adopted, and the Board is patently without the means to enforce them effectively, the situation would only invite evasion and corruption.

Moreover, if the Board is to have the authority to receive and audit financial reports, it would be essential that the size of the Board be increased by two members. We believe that the primary or exclusive responsibilities of these members should be administering the financial reporting aspects of Board activities. This arrangement would facilitate the development of an appropriate differentiation of these functions from those of regular election administration.

In addition, the Board strongly recommends that membership on the Board of Elections be made full-time. Indeed, the Board was preparing to make this recommendation on the basis of the already greatly increased workload of the Board. Our experience of the last two years convinces us that a full-time Board is essential for the effective and efficient performance of the tasks assigned to the Board of Elections for the District of Columbia.

AMENDMENTS PROPOSED

Finally, we would like to comment on some technical matters. On page 7, lines 8, 12, and 14 of H.R. 13539, the bill refers to the Commission. However, there is no Commission specifically provided for in this legislation. Presumably the language should read, the Board of Elections.

Again in H.R. 13539, on page 15, lines 22 and 24, the bill refers to primary elections for the Board of Education. References to the Board of Education should be stricken since there are no primary elections for this agency.

DELEGATE PRIMARY

Also, at this time the Board would like to urge again that the primary election for Delegate be moved up to fall on the first Tuesday after the second Monday in September. If the charter for self-government of the District of Columbia is approved by the voters in the May 7 Referendum, then primary elections for Mayor and Council will be held in September. It would involve a considerable savings of public funds if all three primary elections were held on the same date.

It costs approximately \$100,000 just to set up the administrative machinery for an election, regardless of the number of offices to be filled. In addition, greater interest in the Delegate primary might be stimulated if it were held at the same time as the primaries for Mayor and Council.

That is the end of our prepared statement, Mr. Chairman.

Mr. ADAMS. Thank you very much for your testimony, Mr. Fisher. How would you propose that we would change the Delegate primary race this year, when we really will not know whether the referendum has been passed until May?

Are you recommending that we try to do it this year, or, in any event, or are you suggesting that if the referendum is passed, we should do it for future years?

Mr. FISHER. Well, future years would be the way in which we would recommend. There is no primary this year for Delegate, so, in future years, we would think that this would be the way it would be approached.

Mr. ADAMS. The reason I asked that is, one of our problems with this legislation is we want to proceed with it, and have it in place, but we cannot really say there is going to be an election until after the referendum on the seventh of May. I now understand your position, which is that we should proceed with this, but we would already have had the primary, if there was to be one this year, by the time this legislation passed.

Mr. FISHER. Indeed.

ELECTION BOARD SET-UP

Mr. ADAMS. I have one other question. That refers to the position you stated on page 2, that the Board of Elections should be a full-time job. Do you think that the Board of Elections—I am asking you about structure, whether the Board of Elections should be citizen-participation on maybe a type of volunteer basis, with a considerable staff to run the details; or do you think the Board of Elections should in and of itself run the details of the election?

Mr. FISHER. I think, given the responsibility of administering the election that the Board has, it is essential that the Board members stay on top of the situation, administratively as well as in the policy-making area. I think that history will prove that members of the Board, for a number of years, have served on a voluntary basis, and indeed, we lost one Chairman because he was not able to serve voluntarily. And I do not think that the intent of the law is that a person should work without being compensated for it, and it does require a lot of time and effort.

Mr. ADAMS. That is what I am trying to determine from you, because if we go to a full-time Board, you will necessarily have a different type of individual that will serve on it, which leads to my second question, which is, how much do you think they should be paid?

Mr. FISHER. I think that the full-time Board should be—certainly, it has got to be paid more than the staff people are paid. Our leading staff person now is a GS-15, so I would think that it would have to be 15 or above, depending upon the step of the 15.

Mr. ADAMS. Do you think the person who would serve on a Board of Election should be required to give up any outside employment?

Mr. FISHER. Yes, I do.

Mr. ADAMS. Thank you, Mr. Fisher.

Mr. FAUNTROY?

Mr. FAUNTROY. Thank you, Mr. Chairman.

INDEPENDENT COMMISSION

Mr. Fisher, thank you for this very detailed testimony on our legislation. I have simply two questions, or questions in two areas. First of all, one reason for including an independent commission in my proposal was to attempt to insulate the members of the Commission, who have this very serious responsibility of monitoring, and sometimes even prosecuting, around the financial limitations attendant to the bill. You might find it difficult investigating, or possibly prosecuting, those who were appointed, and it is for that reason that, on further consideration, I have decided to recommend to the Subcommittee that perhaps we consider the system that we have employed in the judiciary nominating process, by which the appointment of representatives of disinterested institutions are made possible.

I wondered what your comment on that question would be.

Mr. FISHER. Well, I think that if a person is going to be dishonest, he is going to be dishonest no matter who he is appointed by. I think that the American system is based on faith in people, and there are some that do wrong, and most of us do right. I do not think that setting up a new Commission and having it appointed by a disinterested group would prevent that Commission—or, to take it from a positive point of view rather than a negative, I think that the Commission would do the job no matter.

Excuse me, my colleague would like to—

Mr. ADAMS. Dr. Martin?

Dr. MARTIN. Yes. I just wanted to add a further, slight comment on this point. It is quite conceivable, it seems to me, that this proposal that you suggest might well help to insure independence. However, I would like to point out that this Board has had a long history of serving in a non-partisan capacity. We have prided ourselves on making judgments and developing policies in terms of what we felt, what the Board felt, would be best for the entire community. We have never felt obligated to reflect a partisan point of view.

There have been a number of instances in which decisions have gone against the views of one of the parties represented on the Board. But the parties have been enlightened, and this is to their great credit to this community. They have recognized that the Board has attempted to act in this highly non-partisan fashion, and they have appreciated it and not attempted to subject the Board to undue pressures.

Now, one of the main reasons that we suggested that, if this additional function is to reside in the Board, that these responsibilities be given to two additional persons, who would be placed on the Board, and who would operate only in that particular area, allowing the other members of the Board to continue with the regular election administration. And I think this would further tend to insure the independence of the Board. But I think the history of the Board's independence

and its non-partisan policies commend the Board for consideration for this kind of added function.

Mr. FAUNTROY. I would want to assure the gentleman that the suggestion that we need an independent Commission had no reflection whatsoever on the history of our present Board of Elections. I really suggested it in anticipation of the kinds of concerns that have been expressed in these hearings by members of the Committee. It was pointed out only yesterday that with the transfer of these rather considerable powers to those who are elected, we will have to be even more vigilant than in the kinds of elections we have had in the past. As a matter of fact, if Mr. Breckenridge were here, and he will be here shortly, I am sure, he would comment on the extent to which he has been amazed at the relative purity of our political life in this community heretofore, and I think he is convinced that it is as pure as we say it is.

Your reference to two additional Commissioners, or two additional members of the Board of Elections, runs to the second reason for my suggestion of an independent Commission. It seems to me that the responsibilities of both administering the election itself, the mechanics of it, and monitoring the financial laws would be such that no one Board could be expected to do that; and, as much as you have suggested that two additional members be appointed for the purpose of exclusively addressing this area, I have the question as to what would, in your judgment, be the relative cost of setting up an independent Commission, on the one hand, and adding additional staff to the present Board and the hiring, the employment, of two full-time Board members to carry out this anticipated responsibility—the relative costs?

COST ESTIMATES

Dr. MARTIN. I would not be in a position to make any real, precise judgments on that, but I would think it would certainly be true that an independent Commission, with the additional resources it would be required to have, would cost significantly more than expanding the staff of the present Board. I think there would be some savings there, however. I do not think that any savings, in this instance, would be a vital consideration if it would have any real bearing upon the efficiency and independence of the operation. I do not think the savings would merit it, would justify doing anything that would present or reduce the chance of this new and very important function being carried out efficiently.

The only thing I can say is that I would think it would cost a bit more for an independent agency. But, if that is the judgment as to the best way of doing it, I would not want to see the savings a decisive consideration for not going that route.

Mr. FAUNTROY. In our deliberations in the Committee, we are going to have to suggest some sort of authorization, if it is the considered judgment of the Committee that we need additional money.

Dr. MARTIN. Let me say just one other thing. It is quite conceivable to me that these additional persons who would be placed on the Board to execute these new functions might well be part-time positions. There would be parts of the year when they would be quite busy, and there

would be extensive periods when they would have nothing, really, to do, especially after the machinery was set up, the procedures established, and so forth. I think, whereas, if you had an independent agency doing this, you would certainly have to have an ongoing staff that would be on board at all times, and the Commissioners. And I think that would add significantly to the extra costs.

Mr. FAUNTROY. It would help us if you could give us rough estimates on the costs.

Mr. FISHER. I am prepared to give you some very rough estimates, Mr. Fauntroy. The two Board members—and this is based on approximately \$25,000 a year—would run \$50,000. The general—I think we should have a general Counsel, a CPA, or someone with a background, of course, in accounting, and at least two clerical staff—our estimate is between \$125,000 to \$150,000 for salaries. Of course, I have not discussed this with my colleagues on the Board. This is really a very rough estimate.

Mr. FAUNTROY. It would be helpful to us if you gave some—

Mr. FISHER. I will give some serious thought to the matter, and we will get our determinations back to you as soon as possible.

Mr. FAUNTROY. My second question has to do with the structuring of the mechanism for implementing what campaign finance reform legislation we have passed. How long do you think it would take to set up, on the one hand, an independent commission in order to apply to the forthcoming elections, and how long to gear up with additional staff the present Board of Elections with additional members and full-time pay?

Mr. FISHER. Once the legislation was passed?

Mr. FAUNTROY. Yes.

Mr. FISHER. I would say that, of course, the existing agency, the Board of Elections, could certainly gear up much quicker than developing a new entity for the purpose. I would say 30 days at the outset. We could gear up and promulgate legislation that is necessary, and to adhere to the legislation and staff up, also, within a 30-day period.

Mr. FAUNTROY. Very good.

Finally, let me commend you for suggesting that we move the Delegate primary to the September date, as had been contemplated in an earlier piece of legislation that came before this Congress and this Committee, but which—as a matter of fact, it came before my Committee, the Judiciary Subcommittee.

Mr. PERKINS. Right.

Mr. FAUNTROY. And which failed passage in our full Committee, and I hope that you will continue to press that, because it does not make sense to spend that additional \$100,000; and inasmuch as all delegate races will take place at the time there is either an elected Council or Council and Mayor, your reiteration of the position makes eminent good sense.

Mr. FISHER. Thank you very much.

Mr. FAUNTROY. Thank you.

Mr. ADAMS. Thank you, Mr. Fauntroy.
Counsel?

ELECTION BOARD

Mr. DEPUY. Thank you, Mr. Chairman. Mr. Fisher, as Mr. Fauntroy pointed out, there was considerable question yesterday as to the integrity and independence of the Board in the future, not looking at your record. I think most would acknowledge your record to be one of integrity and independence, but obviously, with new elections, new interest and heightened concern about elections, and of course powerful positions being set up by the home rule government, can you comment on what assurances you can give to the Subcommittee as to the future integrity and independence; that is, how the Board of Elections in the future will have integrity and independence from the elected Mayor and the Council?

Mr. FISHER. Well, I do think you would have to look at the past. You know, each of the members of the Board now, their terms either expire or there will be resignations of each of the members of the Board after the legislation concerning home rule passes, and the election of the new City Council takes place. This is not a self-serving statement at all. We think that you must look at the past history of the Board, no matter what member sat on it, in order to make a determination as to the future of it.

Here again, I say that you must look at the system, and must have faith in the people that have been appointed, and we have a number of public hearings on all of our significant issues. We meet out in the community. We meet in the District Building. We send out proper notification, and we do have a lot of citizen input. Our records are open. We never, to my knowledge, consistent with Board policy, ever denied the right of any citizen, or any other agency, to come in and take a look with exactly what we were about, and I think this would be a continuing thing, no matter who was a member of this Board.

Do you have any statements to make, Dr. Martin?

Dr. MARTIN. I might just add a small additional statement, Mr. Chairman. It seems to me that if the Congress provides permanent positions on the Board, at salaries that would attract high-level, qualified people, that we could find the kind of people who could maintain independence, regardless of the source of their appointment, because of the great responsibilities imposed upon them. It may well be that there could be some apparatus developed of the kind that Congressman Fauntroy was mentioning, that would help to conduct the search for the appropriate kind of personnel. But I think it would be entirely possible for persons to be put on the Board whose integrity would be such that the source of that appointment would not be a decisive factor in conditioning their decisions, and I think the way that we have operated in the past, where there have been opportunities for us to reflect partisan background, we have consistently refused to do so, suggests the validity of that generalization.

REPORTING DISCLOSURE

Mr. DEPUY. My second question is, on the question of perhaps guaranteeing some independence to those who administer this new function; that is, the expanded disclosure-reporting function. Without disturbing the set-up and administration of the Board, might it

be possible and feasible to have within the existing framework—that is, within the existing Board of Elections—a separate panel which might be made up of some additional persons appointed on a part-time basis to oversee this additional function of reporting disclosure, who would be appointed by additional officers or employees other than the Mayor and Council, that is, those who will be in office, in order to, again, guarantee independence for this very highly political function, but without disturbing the existing Board?

Have you given any thought to that sort of an idea; an additional panel or board within the Board, or some additional division that might bring in additional people?

Dr. MARTIN. Well, actually, that is in good part what we had in mind when recommending the additional persons to the Board. We did not go into the matter of their selection, but certainly the implication is that they would have access to whatever other outside resources would be necessary; calling upon other agencies of the government for investigative and other kinds of counsel. This is really essentially what we had in mind. These people would be apart from the regular Board, would be probably part-time people coming in only during the times when their functions would be brought forward and important, and having access to outside assistance. The way you have put it is very much the thrust of the idea we are recommending.

Mr. DEPUY. Would all five—assuming that membership of the Board was increased to five—with two additional, part-time people—assuming the Board was made full-time, according to your recommendation—would all five members of the Board decide on matters involving these new expanded functions, or would these two additional people decide, or how would that be set up?

Dr. MARTIN. They would be exclusively involved in implementing the objectives of the proposed legislation. The regular three full-time members of the Board would continue, as new, dealing essentially with election administration. They would not be involved in the reporting, evaluating, and auditing of reports of political expenditures.

Mr. DEPUY. So you would separate fairly sharply these two functions?

Dr. MARTIN. Yes.

Mr. DEPUY. Would the additional staff you are talking about be for that purpose, or the purposes of the Board as a whole?

Dr. MARTIN. Just for that purpose. We think the existing three positions, made full time, can handle effectively all of the other responsibilities entailed in an election administration.

Mr. DEPUY. Are your staff needs for that existing function adequate? Do you have enough staff to do the job now?

Dr. MARTIN. Well, we are involved in trying to assess our needs in terms of these new responsibilities, but the Board has always attempted to move cautiously on the basis of some accumulative experience. Now, we have been given a number of extra responsibilities in recent years, and now, with home rule, our duties will be greatly increased, and we may very well have to—I am sure we are going to have to ask for some additional support in the other area, in the area of election administration. We had a study made recently that will be of assistance to us, by the Archives people, looking at the whole operation; record-keeping, staff organization, staff functions, and assignment of responsibilities within the staff. And I think, on this

basis, we are going to be in a position to come back to the Congress, with this and very specific and highly defensive recommendations for some resources in that area.

Mr. FISHER. I might add, I have had an opportunity to take a look at that study made by the National Archives, and I can assure you that there will not be any great increase in numbers of persons on the staff. It would be a matter of reassigning responsibilities.

FINANCIAL RECORDS

Mr. DEPUY. My final question, just a practical question. How do individuals who want to take a look at financial records that have been filed by candidates—the press, or anyone who is interested—how do they go about coming into your office and getting a copy? Are there adequate xerox facilities if they want copies, and what happens if someone comes in and asks for a copy of a disclosure statement of Candidate X, as a practical matter?

Mr. FISHER. There are adequate xerox facilities, and I would like our executive secretary to speak to the administrative procedure.

Mr. PERKINS. Whenever they ask, whoever is qualified to see them, we make them available right away, and if they need the copies, we make that available, again, if they are authorized.

Mr. DEPUY. And that would be true under home rule, assuming it passes the May 7 referendum, with the expected additional filings of a lot of candidates for the various offices?

Mr. PERKINS. That will be true. As a matter of fact, part of the study is to make certain that the records are kept in such a way, and no trouble would be involved in getting the proper one for the proper person.

Dr. MARTIN. And may I add the Board would regard these reports as public information, and should be freely available to interested people, so we would certainly want to facilitate making it easily available.

Mr. DEPUY. Thank you very much. Thank you, Mr. Chairman.

Mr. ADAMS. Mr. Hogan, do you have any questions?

Mr. HOGAN. Yes, Mr. Chairman, thank you.

INCREASING BOARD MEMBERSHIP

If I understand you correctly, Mr. Fisher, what you are suggesting is that the two additional members be part-time, and the other three members be made full-time.

Is that correct?

Mr. FISHER. That is correct.

Mr. HOGAN. And the full-time membership is based on the fact that you are going to have an increased work load?

Mr. FISHER. We have an increased work load. I work just about full-time at it now.

Mr. HOGAN. What would be particularly wrong with, you know, maybe having a chairman or something full-time, but having all of the other members part-time?

Mr. FISHER. I think that is a very good second choice.

Mr. HOGAN. But your first choice is to have the others full-time?
Mr. FISHER. Yes.

INDEPENDENT BOARD OR COMMISSION

Mr. HOGAN. Turning to the concept of an additional Commission, Congressman Nelsen, the ranking minority member of the Committee, was the Chairman of the Nelsen Commission, and one of the things they addressed in that study was the proliferation of commissions, advisory boards, and what have you, that exist in the District of Columbia, and they tried to whittle away at some of these. I think there are something like 150 boards, commissions, advisory boards, what have you, in the District of Columbia—maybe 186 or something. I have forgotten what it was.

I realize that we are talking about an important function here, but I wonder whether in appointing the members of the Elections Board itself, you could not put the protections in there to assure the independence that you would not have to have an additional Commission. In other words, if you are going to establish a new Commission, obviously the idea in doing it is to give independence. Could not the same thing be done with the Elections Board, to insure the independence is there for all of the members, let alone the two members?

Mr. FISHER. Yes, I think that would be an appropriate route to take.

LOBBYING

Mr. HOGAN. Congressman Nelsen has indicated he is interested in adding to any elections bill, the campaign bill reported out of this Committee, a provision calling for control of registration and disclosure of lobbying. Now, I assume that the logical place for that to fall would probably be with the Elections Board, since it is closely related. I wonder if you could give to the Committee an estimate of what you believe would be the cost of regulating and monitoring such a program for the District of Columbia, the idea being that with an elected Mayor and elected City Council, you have 13 Council members in there, but obviously there will be a substantial amount of lobbying going on in the local government. And it seems to me you need some assistance, probably; calling the respective Houses up here—the Senate and House—you could probably get some information on what their workload is, but it would be helpful to have your view on how much this would cost. I do not think it need necessarily be any great, detailed regulation, but certainly I think there should be some minimum amount of regulation of lobbying in the District of Columbia under the Home Rule Act. If you could do that, it would be very helpful.

Mr. FISHER. I would be glad to submit that, along with the information that Congressman Fauntroy had requested.

Mr. HOGAN. Fine. Thank you.

As far as the regulations are concerned, you said—perhaps, Mr. Perkins, you were the one who said that you thought 30 days to crank up. Are you not now subject to the Administrative Procedures Act, the D.C. Administrative Procedures Act?

Mr. FISHER. Yes, we are.

TIME ELEMENT

Mr. HOGAN. Would you not have to publish a set of proposed regulations, and would that not be subject to 30-day review comment by those who would be subject to it? Would you not get into a procedural question here that would probably run in excess of 30 days?

Mr. PERKINS. Well, it works like this. It could be promulgated in 30 days. It takes 30 days, however, for them to become law. There is an emergency procedure to put into effect some rules, or all rules, in fact, if it is absolutely necessary, and there is no other way to go. For instance, the time frame in which we have to operate now, if you have up until—we have until May 20 for a new petition to go out for the Mayor and Council—we have to have regulations in place for that. The only way we can get them in after May 7 will be to go by emergency, and they can be reviewed, and there is a complete procedure for the public to come in and ask that they be changed, and whatever.

Mr. HOGAN. What are we talking about the time limit, so far as 30 days are concerned. 30 days from what? The enactment of this act, or the first time you published the proposed regulations, or exactly what time frame are we talking about?

Mr. PERKINS. It would be 30 days from enactment of the act, assuming that we had a fair idea of what it was going to be like. We could have that prepared and ready to go into the D.C. register. So 30 days would then be 30 days from enactment. So signing by the President would give us that time to have it ready.

Mr. HOGAN. And it would be ready in the sense that it could go into effect at the end of 30 days?

Mr. PERKINS. At the end of 30 days.

Mr. HOGAN. From the time that the President placed his signature on the bill?

Mr. PERKINS. Yes.

Mr. HOGAN. Are you familiar with the proposals that have been made of the Federal standards on the political arms as they relate to corporations and labor unions?

Mr. PERKINS. Vaguely.

STANDARDS

Mr. HOGAN. So you are probably, then, not in the position to testify as to the advisability of incorporating the same standards that are in the Federal bill in this local bill having to do with the political arm of the corporations and the labor unions?

Mr. PERKINS. No, I have not studied that, and could not comment on it. Perhaps Dr. Martin, who is a political scientist, could.

Dr. MARTIN. I would say, in general, Mr. Chairman, that there would seem to me to be advantages of having uniformity in the regulations to facilitate the ease in understanding them, and it seems to me that basically good standards ought to be applied to both national and local levels. I would see no important reason for any serious differentiation between the requirements in this situation.

Mr. HOGAN. Do you have an opinion? You will be administering this bill if it is enacted. Would it seem to you to be a natural add-on, as it

were, to put lobbying into this bill, so you would be getting the whole package at the same time, rather than have it come at a somewhat later date?

Mr. FISHER. That would seem natural to me.

Dr. MARTIN. Yes. I would think, sir, that if the regulations can be worked out, and in such a fashion as to be clearly understood and to be adequately available, with adequate time for all people concerned, and if this would permit the regulations to be drawn in the usual kind of safe and effective fashion, I would not want to see this important aspect of the legislation rushed to the point that it might be defective, or might have provisions that would not be as viable as legislation with a little greater time for consideration. But short of that, I would see no reason for postponing it.

Mr. HOGAN. Well, certainly, the urgency for issuing the Board-issued regulations with respect to lobbying would not be there. In other words, you could do that under your non-emergency procedures, and you could establish them and refine them in this time. You would not have to undergo any emergency procedures, it seems to me, as respects that.

Mr. MARTIN. Surely.

Mr. HOGAN. Finally, on your two additional members, is it your position that you would have the two additional members appointed as they are provided for in the Home Rule enactment or by the Mayor, Commissioner?

In other words, the members that you are talking about?

Dr. MARTIN. I would think that they could be appointed in the way that is provided in the Home Rule bill, or there might be some other apparatus to supplement that to have some additional input, such as I think has been suggested by Congressman Fauntroy.

Mr. HOGAN. Turning for the moment to another matter, there is a matter coming up on the House floor on Monday, as I understand it, having to do with the civic center. Presumably, a matter of referendum will be taken up at the same time. I trust that you would have no problem in getting that matter on the ballot within a relatively short time, assuming that the charter referendum were provided for in that bill when it comes up on the floor on Monday.

Mr. FISHER. I would like our staff person to speak to that.

Mr. PERKINS. We have to print an extra ballot, which I have researched and found that it would take—at the latest it would have to be about the 20th, and that is because we have to have available absentee ballots. As you know, they come under the Federal Elections Act.

Mr. HOGAN. But you could print them up in a relatively short period of time?

Mr. PERKINS. In a relatively short period time up to the 20th. After that it would be a strain.

Mr. HOGAN. Thank you, Mr. Chairman.

Mr. ADAMS. Thank you very much, Mr. Fisher, for appearing here with your colleagues. We appreciate your testimony.

Mr. FISHER. Thank you very much, Mr. Chairman.

Mr. ADAMS. The next witness before the committee is Mr. Fred Thompson, Director of the Office of Federal Elections of the Gen-

eral Accounting Office, accompanied by Mr. Bradley Litchfield and Mr. James Scarborough.

Gentlemen, if you wish to come forward, the committee will be pleased to receive your testimony.

As I have stated before, proceed either by presenting your statement in full, or if you wish to include it in the record and desire to summarize it, the committee will do it in either fashion that you prefer.

STATEMENT OF FRED THOMPSON, DIRECTOR, OFFICE OF FEDERAL ELECTONS, GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY BRADLEY LITCHFIELD AND JAMES SCARBOROUGH

Mr. THOMPSON. Thank you, Mr. Chairman.

I would introduce Brad Litchfield on my right and Jim Scarborough on my left, as attorneys from the Office of General Counsel, who have been very helpful in trying to pull all the loose ends together here.

I do not have a great preference as far as reading or summarizing. My statement is not tremendously long, so perhaps the best thing to do would be to plow through it so that we would be sure and understand all of the points.

Mr. ADAMS. Mr. Thompson, that would be fine. I am going to be required to go to Interstate Committee for a few moments and I will be back. I have read your statement. Before I leave would you just answer one question, and then I will come back and try to participate in questions with my colleagues and counsel.

CANDIDATES AND REGISTRATION

On page 2 and 3 of your statement, you refer to registration by Federal candidates as not now required under existing law, only political committees: "we think registration statements by candidates are essential and should be required to be filed as soon as an individual receives a contribution or makes an expenditure for the purpose of undertaking a campaign." And you go on to say, "political committees should be required to file organization statements as soon as they organize."

I am curious about an apparent dichotomy there. Suppose a political committee is formed for a Federal candidate, in this case, a municipal candidate, and they proceed to collect money and to spend money for that candidacy, but the candidate does nothing. Do you think he should be required to file a statement that he is a candidate?

Mr. THOMPSON. Mr. Chairman, I do, and perhaps I omitted some words that should have been in there. I think in addition to saying that when the individual receives a contribution or makes an expenditure, you could insert the words "or consents to someone else doing it for him——"

Mr. ADAMS. And would you require him to consent before a committee could be formed to run him?

Mr. THOMPSON. Yes, I would generally. I realize that you get into some sticky constitutional areas here and also that evidence in particular cases becomes pretty elusive. But I would at least impose a requirement that committees, who collect and spend for a candidate who has not authorized them to do so, state on any literature or ads it

publishes that it has not been authorized. Such a committee would still be required to report if its financial operations exceeded \$50.

MR. ADAMS. Would this filing of candidacy then make that candidate subject to the equal time limitations of the Federal Communications Act?

MR. THOMPSON. Not necessarily, Mr. Chairman. The Communications Act of 1934 has its own definitive sets of criteria and definitions as to when someone becomes a candidate.

MR. ADAMS. My remembrance is that one of them is a declaration by the candidate, though, is it not?

MR. THOMPSON. That is true. The definition of a candidate under the Communications Act is entirely separate and this kind of provision, if it is worded properly, need not bring that equal time provision into play.

MR. ADAMS. I would appreciate it, since you do have your counsel here, if you might submit to the subcommittee a statement like that, because we might have to place in the law, if we were to require a filing, either that it would not apply to the Federal Communications Act or would, because you get into a very difficult position at that point with a committee being formed and someone being there, and the Act is applied. If the Federal Communication Act is applied, as it has been in times, then a potential opponent can sit out in the weeds and keep track of minutes, and then come in and file a lawsuit in June and say to the network, you now owe me 432 minutes for having shown the other candidates.

So I ask that because it is a technical problem we have in the Federal law. You are acquainted with it and we would appreciate any help you can give us so that we do not recommit that sin, if it be a sin.

MR. THOMPSON. We would be glad to do that, Mr. Chairman. I have heard of some of those bizarre instances happening and, as a matter of fact—

MR. ADAMS. And I can almost guarantee you that with the way things are going this year, those instances will move bizarre into a great deal more frequency, I am afraid.

MR. THOMPSON. We will be glad to furnish a clarifying statement for the committee.

[The statment follows:]

EQUAL TIME AND CANDIDATE REGISTRATION STATEMENTS

Under section 315(a) of the Communications Act of 1934, as amended, a broadcast station that permits a "legally qualified candidate" to use its facilities must "afford equal opportunities to all other such candidates for that office . . ." The right to equal opportunities depends upon whether an individual asserting the right is a "legally qualified candidate," as defined by FCC regulations. The pertinent regulations are included in public notice FCC 72-231, Mar. 21, 1972, 37 Fed. Reg. 5798. In essence, the definition requires that a potential candidate comply with three mandatory conditions in order to receive equal opportunities. Such an individual must:

- (1) have publicly announced his or her candidacy for nomination or election, as the case may be;
- (2) satisfy the legal qualifications for holding the office in question, such as age, citizenship, residence; and
- (3) qualify for a place on the ballot, or otherwise establish eligibility to be voted for by the electorate (such as by write-in votes) pursuant to nomination by a commonly known political party, but if not so nominated the person must show that he or she is a "bona fide" candidate.

These specific requirements determine when the equal opportunity provisions in section 315 of the Communications Act of 1934 become operative. Therefore, the filing of a candidate registration statement, under section 202(a) of H.R. 13539 (page 8, line 23) or section 9(d) of H.R. 13914 (page 26, line 11), would not in itself trigger the equal opportunity provisions unless all of the three requirements, described above, were satisfied. If the filing of a candidate registration statement coincided with meeting those three requirements, then equal time would be applicable.

Mr. ADAMS. Thank you very much. I have read your statement. I will try to go to the Interstate Committee and be back by the time that you have finished it, and if my colleague Mr. Fauntroy will preside for a few moments, I will return as quickly as I can and try to bring Mr. Nelsen with me.

Mr. HOGAN. Fine. Mr. Chairman, I am glad you brought this up. If I might interrupt for a minute, because one of the questions I want to get in on behalf of the minority is a question of coffees and teas, and maybe something even a little stronger the committees that are formed and whether they are closely identified as committees in support of a particular candidate or whether they are undesignated and still hold coffees and teas on behalf of a particular candidate or slated candidate.

Mr. ADAMS. We are very interested in this whole area. That is, is the person who holds them, a volunteer? Must they report their time as a contribution in kind, and so on.

We will get into that with your statement. If you would proceed—and you understand my position. I apologize for that.

Mr. THOMPSON. Surely. It is all right.

The comments that I offer here today are based upon the experience we have had over the past two years as one of the supervisory officers responsible for administrative enforcement of the Federal Election Campaign Act of 1971. As you know, the Comptroller General's responsibility and the disclosure requirements of that Act extended only to presidential and vice presidential candidates, while the Clerk of the House and the Secretary of the Senate monitored the reporting by House and Senate candidates, respectively.

From our experience in that role, we have concluded that certain elements of any statutory scheme for regulating campaign finance are essential—whether one is talking about campaign for Federal, State or local office. Today, we will attempt to identify what, in our opinion, these salient features of a political campaign financing code are.

Our comments and recommendations are organized under four major topics: (1) Full disclosure and centralized campaign organization; (2) Contributions and expenditure limits; (3) Administration and enforcement; and (4) Incentives to be provided for small private contributions.

DISCLOSURE

On the first point, the touchstone of any statute dealing with campaign financing is a requirement for timely and comprehensive disclosure of receipts and expenditures by all candidates as well as political committees. Full disclosure should begin with the filing of registration statements whenever the candidate becomes a candidate or the political committee organizes.

We note that H.R. 12688 would enact a new registration and reporting provision patterned closely on Title III of the Federal Elec-

tion Campaign Act of 1971. On the other hand, H.R. 13539 builds upon existing District of Columbia statutes. Members of the Subcommittee will recall that in 1971 Congress passed Public Law 92-220 which incorporated many disclosure provisions of the Federal Election Campaign Act into the District of Columbia Election Act. It seems to us that, as a matter of form, and I emphasize this as purely a legislative drafting approach, the best approach would be to integrate current proposals into the existing statute.

Registration by Federal candidates is not now required under existing law—only political committees—but we think registration statements by candidates are essential and should be required to be filed as soon as an individual receives a contribution or makes an expenditure—and I will inject the thought that we expressed a moment ago—or consents to someone else to collect or spend for his candidacy. Political committees should be required to file organization statements as soon as they organize.

In our opinion, both bills adequately provide for the information which should be included in the registration or organization statements.

FINANCIAL REPORTS

Turning now to the contents of the financial reports filed by candidates and political committees, we believe that existing District of Columbia law is a fairly good model, although some refinements should perhaps be considered. For example, special reports, in our opinion, should be required for sizable “eleventh-hour” contributions that come in after a candidate or committee has closed its books for the last pre-election report.

Also, we endorse the provisions in H.R. 12638 which require separate reporting of loans, proceeds from ticket sales for fund-raising events, and proceeds from sales of political campaign paraphernalia. On this point, I recognize that this would perhaps be achieved without specific language in the statute if the forms prescribed by the Comptroller General for use under Federal laws are used here as required in H.R. 13539. I believe, however, that it would be well to spell it out in the statute.

With respect to the forms, I believe the language of section 203 of H.R. 13539 should provide some flexibility to the Board in prescribing forms. Instead of making the Comptroller General’s forms mandatory in every respect, perhaps the language should simply require the Board to promulgate forms for reporting “adapted from” the Comptroller General’s forms.

I might inject here, Mr. Chairman, that from our experience, you just cannot anticipate all of the day to day difficulties that time will bring to the surface, and it has been necessary for us to make some changes in our forms, although we gave very, very careful consideration in the making, along with the Clerk of the House and the Secretary of the Senate. But I believe that the Board should have some flexibility in this and also there is another aspect. Our forms under the Federal law—and I think this is a good idea for any form—carries a great deal of detailed instructions on the back, and this relates to the specific provisions of the Federal statute. The local form should be adapted so that the local law is cited.

The frequency of reporting is an issue that we have been concerned with in connection with existing statutes and Federal elections. Our experience has been that 5-day pre-election reports are of little value because there is generally not sufficient time for informing the public of the reports' contents prior to election. We have recommended a reporting schedule that calls for quarterly reports and, in addition, a 10-day pre-election report from each candidate and political committee for each primary, runoff, general or special election. I would also favor a 30 day post-election report as provided in H.R. 13539.

I think also, Mr. Chairman, that committees that have a continuing existence should be required to file at least one report in non-election years. These reports should be cumulative, covering the entire period from the last previous reports, and I would inject here this thought. One of the more serious problems we had in beginning the administration of the Federal Election Campaign Act and one of the causes, I believe, of a great deal of difficulty that has received wide publicity in the last couple of years, was the fact that the old Federal Corrupt Practices Act ended, and then the new act took effect 2 months later. This hiatus period provided a tremendous incentive for people to do things, collect, prepay, and all of that sort of thing, which gave them many problems later, and I fear that if you do not specifically require the reports to be cumulative and tie in with one another, the committees will go out of business seemingly and then reopen again with some of the money they have managed to accumulate in the meantime.

So I think that full disclosure requires that there be cumulative effects.

One of the proposed reforms which we think is necessary for full and complete disclosure involves the requirement for centralized campaign committees and candidate control over campaign spending. Both bills contain similar provisions requiring candidates to designate one central campaign committee for reporting and control purposes. The adoption of such provisions seems essential if there is to be enforcement of contribution and expenditure ceilings. H.R. 13539 goes a little further in requiring the designation of campaign depositories which are to be used exclusively for all transactions involving campaign funds, except certain petty cash expenditures, and we believe that is a sound policy.

EXPENDITURE LIMITATIONS

On the limitations, both of the bills contemplate expenditure limitations. Under H.R. 12638 such limitations run from a high of \$90,000 in the case of candidates for Mayor or Delegate to a low of \$10,000 for candidates for Members of the Council or the Board of Education and for offices in a political party. H.R. 13539 contemplates limitations but the precise amounts are left open for determination by the Committee. We believe generally speaking that the limitations on expenditures, if one is imposed, should be sufficiently realistic in amount to eliminate any incentive for circumvention but, at the same time, sufficiently stringent to be meaningful as a control. If too stringent, then the limitation could be charged with favoring incumbents and discouraging challengers which, of course, does not incite the fullest public confidence in the electoral processes.

Certainly, Members of Congress with experience in financing and conducting campaigns are in a far better position than we to judge the reasonableness of the amounts. The geographic compactness of the District of Columbia, as compared to some other congressional districts is, of course, one of the factors to be considered but we have no real basis for judging how high or low the limitations ought to be.

H.R. 12638 provides a price-index based formula for increase in the limitation amounts, similar to that provided for media limitations imposed in Federal elections. Our experience so far indicates that this is not a difficult provision to implement—the figures can be obtained readily—and I would think that the escalation it permits is desirable. It may be of interest to you that the adjustment percentage for the current Federal campaign year is about 14.4 percent—that is, the basic formula amount is increased by 14.4 percent representing the increase in the cost of living index since 1970, the base year.

I might say here, Mr. Chairman, that with respect to Federal elections, we have generally demonstrated a lack of enthusiasm for expenditure limitations. The reason is that we have had experience in the past 2 years, and certainly in the 1972 election, with the media limitation which was imposed in the 1971 act, and we have found that even that limitation which relates only to a certain class of expenditures is somewhat difficult to enforce. I do not mean to say that the individual candidates cannot do it, but the law, it so happens, did not specifically place the onus on the candidates for enforcing that limitation. It attempted to provide a mechanism, which has since been ruled unconstitutional, requiring newspapers, for instance, to obtain from the candidate before they could accept any advertising, a certificate from the candidate saying that this would not cause him to exceed his limitation. Well, that is a neat mechanism if it works, but we found it did not work. Since that time a three-judge District Court here has held the mechanism to be unconstitutional and an infringement on first amendment rights of free speech. The Court said the certification requirement gives the candidate an absolute veto power of an individual's taking an ad in the newspaper to express his support for the candidate's campaign. And I think this comes as a surprise to a good many members of Congress, that the candidate cannot say to individuals, however undesirable the candidate might find their support, that they cannot publicly express their support for him. But this is the sense, I believe, of the three-judge court's opinion.

Mr. FAUNTROY. Mr. Thompson, you mentioned that these things come as a surprise to members of the Congress. Is comes as somewhat of a surprise to me that you say it is difficult to impose controls on the media limitations.

Mr. THOMPSON. Yes, sir.

Mr. FAUNTROY. Do I take that to mean that probably, a person might go over the media limitations and win and contest and there is no way to penalize him, is that the case?

Mr. THOMPSON. In effect, Mr. Chairman, that is one of the exact points that I had in mind. Generally, a campaign as we see it, as a practical matter, just cannot operate on a precise budget and a particular financial plan. It is, as you probably know far better than I, in the last days of a campaign it gets pretty hectic, and our observation is

that it frequently happens that candidates themselves or even their campaign managers, simply do not have control on a day-to-day basis of expenditures—receipts and expenditures. It is a hectic experience and this is what I mean. Once a candidate has violated or overrun, there is hardly anyway to penalize him except through the criminal sanctions imposed. To penalize him under these sanctions, of course, requires proof of intent, usually, and that sort of thing is very difficult to prove. Meanwhile, and the damage, if any, is done.

And if you have to say this in connection with a limited sphere of expenditure, such as media, then it becomes even more difficult in concept when you apply it to overall spending, when you are talking about travel, typewriters, or whatever the costs are for. So it is a difficult problem. We have not taken a real hard-nosed position against it. This is purely a matter of congressional policy. We certainly realize this, but we have called attention to these points in connection with Federal elections and I would think the same considerations would apply here. But again, it is purely a matter of congressional policy.

LIMITATION OF CONTRIBUTIONS

As with expenditures, both bills contain limitations on contributions. H.R. 13539 would impose a uniform limitation of \$1,000 on contributions by any person to or for the benefit of any candidate in any campaign for nomination or for election. We believe that the language as presently drawn would permit application of the limitation separately to primary and general election campaigns, which I deem to be the intent, so as to permit a person to contribute \$1,000 to a candidate's primary campaign and an additional \$1,000 to his general election campaign, if nominated. A limitation of \$5,000 in total contributions by any person in all campaigns for District office in any calendar year is proposed. A further limitation of \$25,000 on expenditures of personal or family funds is included in H.R. 13539.

H.R. 12638 would limit to \$900 per election or to 1 percent of maximum allowable expenditures, whichever is greater, the total contributions of any person to a candidate for Mayor or Delegate. Lesser contributions are allowable to candidates for other offices, correspondingly. A limitation of \$2,000 on total "political contributions or expenditures" is also proposed, which we believe is intended to apply, as we discussed in the previous paragraph, to all contributions by a person to all candidates in a primary and general election in any year. We believe that language of a corresponding section at lines 13-16 on page 13 of H.R. 13539 is a little clearer as to that intention.

It should be noted here that the maximum amounts provided in H.R. 12638 as limitations on personal contributions to individual candidates will be initially somewhat larger than the fixed amounts stated in the bill. As I mentioned earlier, the cost of living index has increased by 14.4 percent over the base year 1970 and, by reason of this fact, the limitation on a contribution, for example, to a mayoral candidate's campaign has risen from \$900 to \$1029.60. It might be wise, if this is the intent of the Congress, to designate 1973 as the base year instead of 1970 which was specified in the 1971 Act.

As a matter of information, I would point out also that the \$2,000 overall limitation, unlike the individual contribution limitations, does

not have an escalation provision. Thus, as the cost of living index escalates, an individual can contribute the maximum to fewer and fewer candidates. If the Congress wishes to do so, it could maintain balance between the two limitations by providing for escalation of the overall \$2,000 limitation on the same basis as the contributions to individual campaigns are, that is, the cost of living index.

Both bills would apparently allow the receipt of contributions in total amounts that could well be considerably greater than the total allowable expenditures by that candidate. Laws governing Federal candidates likewise state no overall limits in this regard. H.R. 13539 addresses the question of what may or may not be done with residual funds left over when campaign bills are all paid. We believe both Federal law and District law should contain this kind of provision. If I suggested any change in the language in that bill, it would simply be to make the provision more restrictive by eliminating, as permissible uses of residual funds, their use "in future campaigns for elective office, or for any other lawful purpose."

My reason there is that the language simply tends to leave an open end as to what can be done with leftover campaign funds, and in the Presidential area, this is somewhat of a point of controversy at the moment. We have read a great deal in the newspapers about some \$3.5 million left over in the Finance Committee to Re-elect the President, and it has been the subject of a good deal of debate as to whether it is usable for attorneys' fees or usable for what. As a matter of fact, present law places no limitation on what it could be used for. The other major candidate, Senator McGovern, still has roughly one half million dollars left over from his presidential campaign.

The question has been raised a number of times whether he can use it in his senatorial campaign in South Dakota or not. And we have no answer because the law does not address itself to that question. We think it would be wise to do so.

ADMINISTRATION AND ENFORCEMENT

The workability and effectiveness of any legislation pertaining to elections depends not only on the built-in incentives for compliance but also upon the availability of appropriate means for its enforcement. Our experience under the 1971 Act has been primarily with national presidential elections but, whatever the level, effective enforcement can be only as good as the enforcement tools provided.

We are pleased to note that both of the bills under consideration provide stronger enforcement powers for the administration of the Act than are currently provided the supervisory officers in the Federal Election Campaign Act of 1971. Both bills would give the administering agency powers to go directly to the courts in a civil action to obtain prompt compliance with the law. This could be done during political campaigns when remedial action would be most crucial. In addition to this authority, however, we would favor also providing the administrator with the power to issue subpoenas and to take depositions under oath, such as is provided in H.R. 12638.

Both the D.C. Elections Board which would continue in place under H.R. 13539 and the independent commission that would be established under H.R. 12638 to administer the law are composed of part-time

members. We strongly favor the part-time member concept over that of a full-time commission. We also agree that the law enacted should provide for a full-time executive director with adequate staff for effective day-to-day administration. The function of the Board or Commission should be confined, in our opinion, to policy and regulation approval.

I might inject here, Mr. Chairman, that both the legislation that is pending, I believe, in both bodies—certainly in the Senate, and I believe in the House Administration Committee—seem to contemplate the full-time commission concept. The more we have thought about it in the last 2 years, the more we have turned against it. You might recall that we resisted fiercely 2 years ago having the Comptroller General given a part in the monitoring of these highly charged political controls, but the Congress saw fit to give us a role. At that time we said we thought it ought to go to an independent elections commission. The more we thought about it, the more we have changed our position because we see now that the administration of this kind of law, this kind of program, is essentially a fast-moving executive type operation, and we just believe that administration by a commission is not the ideal answer.

For example, the only actions that I can recall in our office since November 7, 1972, the date of the 1972 election, up to about a month ago that were somewhat sensitive are 26 reports we issued involving referrals of apparent violations of law to the Attorney General.

Now if you say that these things, this kind of case, ought to be given prior consideration by the commission or the board before it is issued, there were 26 items that the board would have to consider since the 1972 election. When you look at the chronology of their development, some within 3 or 4 days apart, they all could have been considered very easily in four meetings of the board, and that is roughly a year and one quarter.

So this is the kind of thing we believe—the administration of this kind of law—can be done far better with a part-time commission which approves policy and gives some sanction, support, and guidance to the executive director's actions than with a full-time board.

I think of one example of what can happen in this regard, the infamous Subversives Activities Control Board that existed on the books and in fact for a number of years without seemingly any purpose in life to continue in existence.

Now I want to say, too, that we have not given any consideration in making this comment to their practical application to the Board of Elections here in the District. There could well be a different result, depending upon the workload of the Board of Elections in its other responsibilities. This I have no way of addressing myself to because I am not that familiar with the other operations of the Board of Elections in the District.

ELECTION OF BOARD

Your subcommittee may wish to consider whether added independence and insulation from political considerations might not be obtainable by allowing the members of the administering Board or Commis-

sion to elect the chairman and vice-chairman, instead of having them designated by the Mayor at the time of appointment, as provided in both bills.

Mr. Chairman, I am sure it is mere oversight that H.R. 13539 and existing D.C. law, so far as we can determine, does not contain an express requirement that the Board make available for public inspection reports of local candidates and committees required to be filed there. This should be included, we believe, in the law enacted.

Because of limitations proposed on the size of personal contributions, the need for encouraging more small contributors is apparent.

INCENTIVES FOR SMALL CONTRIBUTIONS

H.R. 13539 proposes to provide this incentive through the District of Columbia income tax system. It would allow a tax credit equal to one-half of any individual contribution to a candidate for public office in the District of Columbia. The maximum credit allowable would be \$12.50 per individual. This means that an individual would have to donate \$25 to claim the full credit of \$12.50. If this is the approach adopted, the committee should include language restricting "contribution" to donations of cash, check or currency, as distinguished from loans or gifts in kind, which are also included in the definition of the term "contribution generally applicable to reporting."

Another point for consideration might be whether the credit should extend to the full donation subject to a maximum of \$12.50 or some other figure (\$10 or \$15). A full credit instead of half-credit might provide an even greater incentive for small individual donations. I make that only as a suggestion for study. We have no information which would tend to show that to be true.

Mr. Chairman, this concludes my prepared statement and I will readily try to answer any questions. Let me say, too, that we will be very happy to provide any assistance we can to the members and staff in drafting language which may be needed during your consideration of the bills.

Mr. FAUNTROY (presiding). Mr. Thompson, let me express what I know is the sincere appreciation of the members of this committee for the unusual detail and exhaustive background that you have brought to the presentation and I am sure it has been very, very helpful to me and I am sure it will be helpful to the members of the committee.

I simply have a couple of questions. You mentioned the problem of the transition between the laws. We attempted to deal with that in Section 602 of our bill H.R. 12368, and I wonder if either here now or a little later, you might look at Section 602(a), particularly beginning with line 11, to see if that really covers the transition period.

Mr. THOMPSON. Offhand I believe it would, Mr. Chairman. This is certainly something that was not included in the 1971 Federal Act, and, reserving the right to give you a little more detailed or authoritative answer later if necessary, I believe this covers the situation.

Mr. FAUNTROY. I would certainly hope that you would for the record—

Mr. THOMPSON. We certainly will.

Mr. FAUNTROY [continuing]. Make your recommendation to us.

PRE-ELECTION REPORTS

[Mr. Thompson later advised the Committee staff informally that his office believes the language of section 602(a) of H.R. 12368 adequately covers the transition period.]

On pages 3 and 4, at the bottom of page 3 and the top of page 4, you mention that the five day pre-election reports are of little value on the one hand, but earlier on page 3 you suggested that we have to give special attention to 11th hour contributions.

Mr. THOMPSON. Right.

Mr. FAUNTROY. How can we recover both the 5-day pre-election period handicaps within the 10-day pre-election report that you recommend?

Mr. THOMPSON. If I understand, Mr. Chairman, you are suggesting there may be somewhat an inconsistency and there may be in some respects. I guess my friends in the press would not agree with me when I say that 5-day pre-election reports are not all that great, because I am sure that the press is vitally interested in them. Our observation is that they are not able to study the reports and assimilate the information and get it written up and get it published in time for the voter to see it, and in turn, assimilate it and understand what they are talking about by the time he casts his ballot.

But, on the other hand, what is the sensible cut-off date is a matter of judgment. I would think that the 10-day period would be more reasonable for the press operation, which is the principal means by which the public learns of these things. Reports in our office are available to anyone who wants to come and look at them, but the average citizen simply does not have time even if he knows about it.

But the 10-day period would cover the bulk of the transactions and would give the working press a little more time to understand and adjust the contents of the reports and tie things together and make better news stories, more informative news stories.

But at the same time, if you do not provide for those 11th hour contributions, it simply enables a candidate or a committee, if they are so inclined, to just push back, postpone the larger contributions until they get their 10-day report in. The same thing could happen, of course, with the 5-day report.

So I think it is wise as a matter of discipline to have that 11th hour provision in there. The present law, as you probably know—the Federal Election Campaign Act of 1971—requires notice of any contribution of \$5,000 or more received after the last pre-election report, to be wired in or in some other way hand delivered to the supervisory office in 48 hours. And it has been suggested that this time even be shortened to 24 hours, and I think that would be wise, communication being what it is today. I believe committees in Oregon or the State of Washington could probably get a message into us as quickly and easily in 24 as they could in 48.

Mr. FAUNTROY. You will note that our bill, H.R. 12368, calls for a reporting of any contributions of \$200 or more within 48 hours.

Mr. THOMPSON. I noted that, yes.

Mr. FAUNTROY. That may help.

Mr. THOMPSON. That is right. This is the kind of thing I am talking about.

Mr. FAUNTROY. Mr. Chairman, would you care to continue the questioning? I am through.

Mr. ADAMS. Are you finished?

Counsel, do you have some questions?

INDEPENDENT COMMISSION

Mr. DEPUY. Yes, one question really. On the question of the Administration and enforcement, you do not come down squarely on the issue of whether or not you favor an independent commission.

Have you testified before Senate Rules or House Administration on national legislation in favor of, or did you comment on that issue as to whether or not you would generally favor an independent commission?

Mr. THOMPSON. I guess we have come down on the side of an independent part-time commission. If you put the membership on a part-time basis so that it does not feed on itself and grow fat and inactive and ineffective, such as the Subversives Activities Control Board did, in some respects we would favor the independent part-time commission approach.

On the Federal side we have said, as I mentioned a while ago, we resisted fiercely having any part of that 2 years ago in 1971, because the successive Comptroller Generals had achieved over a 50-year period a reputation for integrity and impartiality and non-partisanship, and we were afraid at that time that getting this close to the political fires might somehow tarnish that image. Our experience has not proven that fear to be real so far and I guess we have a more relaxed attitude now than we did 2 years ago. If Congress wanted to give the entire job to us now, on the Federal side of it, we would not resist so fiercely. But I know of no similar organization or established entity other than the Board of Elections in the District government that might be comparable in this respect to the GAO in the Federal Government. So therefore in this case I think that certainly an independent part-time commission—perhaps the Board of Elections—would be the answer. Again let me make the point that we do not have any particular knowledge in the Board of Elections present workload or exactly what its present responsibilities are and how well this responsibility would mesh in with their present responsibilities. The concept is what I am trying to stress.

It is not the type of operation, number one, that lends itself to a full-time commission operation. And, number two, there just is not enough work. If you accept that first premise and give the day-to-day operation to a strong executive director and staff, then there is not enough work, there are not enough decisions left for a commission to make to justify its existence except on a part-time basis.

Mr. DEPUY. All right, one request. Congressman Donald Fraser, a member of this subcommittee, 2 days ago introduced a bill (H.R. 13914) which I believe is similar or identical to the Mathias-Eagleton bill introduced in the Senate last week.

Your comments this morning have been extremely helpful to the subcommittee, and I wonder if you might also evaluate and give us your comments on that bill as soon as it is available and you have time to do so?

Mr. THOMPSON. Yes, we would be glad to. I do not believe we have been asked yet by the Senate committee, but I would expect they might ask us, and if not, we would certainly be glad to formulate some comments. I barely had time to read the bill. I got it very late yesterday afternoon and I cannot address myself very sensibly to it, really.

Mr. DEPUY. We would appreciate your comments on that bill for our subcommittee.

Mr. THOMPSON. We would be glad to do it.

Mr. ADAMS. Without objection then, the committee will receive a statement from you, Mr. Thompson, regarding that bill and we would appreciate that.

Mr. THOMPSON. You certainly will.

[The information requested follows:]

MR. THOMPSON'S ANALYSIS AND COMMENTS ON H.R. 13914

H.R. 13914 was introduced by Congressman Fraser on April 19, 1974, and pertains to the conduct of campaigns within the District of Columbia for the offices of Mayor, Council Member, and Board of Education Member. Generally speaking, the bill includes expenditure and contribution limitations, establishes requirements for centralized campaign organization and reporting and disclosure of campaign receipts and expenditures, establishes an independent agency for administration and enforcement, regulates conflict of interest situations, and requires personal financial disclosure statements from D.C. public officials including candidates for public office as well as high level officers and employees of D.C. Government.

Section 1, the enacting clause, provides that the title of the Act would be the District of Columbia Election Finance and Conflict of Interest Act.

Section 2 contains definitions of terms. Generally speaking, these definitions follow those contained in H.R. 12638 and H.R. 13539. However, the committee should note some significant differences. For example, the definition for the term "public office" does not include the office of Delegate to Congress or officers of the political party organizations. Consequently the bill would not subject candidates for Delegate to either the disclosure requirements or the expenditure and contribution limitations in the bill. From the disclosure standpoint, it is perhaps sufficient that candidates for Delegate are subject to the Federal Election Campaign Act of 1971, although the disclosure provisions in all three District bills pending before the Committee are more comprehensive and contain limitations on spending and contributions not contained in the Federal statute.

Although we did not address this point in our testimony on H.R. 12638 and H.R. 13539, I would not recommend subjecting the candidates for Delegate to the requirements of any law enacted for the District because the present Congress seems at this point likely to pass new Federal legislation containing similar limitations and also containing language to clearly preempt District and State laws in their application to candidates for Federal Office. If a District bill is passed first, it would seem to me to be an unnecessary hardship on the candidate for Delegate to subject him to one set of disclosure requirements during a portion of the campaign and different set later when new Federal law is enacted.

By failing to include officers of political party organizations in the definition of public office, H.R. 13914 excludes such candidates from all provisions of the bill, both disclosure and limitations. In this regard we would point out that H.R. 13914 is different from both H.R. 12638 and H.R. 13539. From our cursory examination of State campaign finance codes, however, it appears that political party positions are not usually covered. The Subcommittee may want to consider whether campaigns as such are actually conducted for these positions, and if so, whether sufficient amounts of money are involved to justify their coverage.

Section 3 of the bill sets out a procedure for nominating persons who may then be appointed to the District of Columbia Elections and Ethics Commission. The nominations are made by the District of Columbia Elections and Ethics Commission Nominating Committee. There are five Members of this Committee—two appointed by the Mayor (one must be a lawyer), two appointed by Chairman of Council with approval of Council, and the Comptroller General of the United States or his designee.

Appointments to the Commission would be made by the Mayor subject to the approval by the Council, but the Mayor would be restricted in his appointments to those nominated by the Nominating Committee. If the Mayor fails to submit names for Council approval from the lists supplied by the Nominating Committee, the Committee can make default appointments from persons on the list of nominees. Such appointments would also be subject to approval of the Council. Although the procedure in section 3 seems quite complex, it appears to represent a sincere effort to ensure a genuinely independent administrative agency for enforcement of the election finance and disclosure law.

We have detected a drafting problem in this section which is found on page 11, lines 1-3. This paragraph provides for procedures to be followed in the event an individual nominated for appointment to the Commission wishes to request that his nomination be withdrawn. As presently worded the sentence in question apparently refers to an "appointment to the Council." We suggest that the sentence be reworded as follows: "Any person whose name is submitted by the Committee as a nominee for appointment to the Commission may request that his nomination be withdrawn."

Section 4 of the bill provides for the establishment of an independent agency known as the District of Columbia Elections and Ethics Commission. The Commission is comprised of seven members who would serve staggered terms of six years. No more than four members of the Commission could be connected with the same political party and to maintain eligibility they would have to be residents of the District of Columbia. In addition, before their initial appointment, members would have had to maintain a domicile in the District for at least one year. Section 4 also provides for interim appointments to the Commission effective until the Nominating Committee functions as described in section 3.

Section 5 of the bill contains administrative provisions relating to the Commission. It authorizes selection of an executive director and general counsel, requires meetings of the Commission at least monthly in election years, quarterly in non-election years, and fixes the compensation for members of the Commission when engaged in Commission business. This contemplates a part-time Commission, with daily administrative control in the executive director, a concept which we heartily endorse.

Section 6 of the bill confers broad investigative and enforcement powers on the Commission including subpoena power as well as power to take depositions under oath and compel testimony and production of documents. The Commission is given plenary authority to enforce the Act both through civil proceedings and criminal prosecutions. Section 7 creates an administrative capacity to assess civil penalties for violations. It also requires that advisory opinions on the election finance law be furnished by the general counsel when requested by certain authorized individuals including incumbents of D.C. public office, candidates, or political committees.

On page 20, line 15 it appears that a work is omitted. After the work "expenditures" insert the work "prohibited." The purpose of this paragraph is to proscribe any further political campaign contributions or expenditures when the donor or the spender has already exceeded the limitations set by the Act before it became effective. This paragraph also makes clear that conduct before the effective date of the Act is not subject to any civil penalties. It is of course obvious that criminal penalties could not be assessed for conduct occurring before the effective date of the Act.

Section 6(f) details the various duties of the Commission including making reports and statements available for public inspection and copying, maintaining and preserving reports and statements keeping an index of statements on file, publishing an annual report with compilations of total contributions and expenditures in various categories, making audits and field investigations with respect to reports and statements filed, and prescribing rules and regulations to implement provisions of the Act.

Section 7 of the bill provides for judicial review of various actions taken by the Commission and authorizes the Commission, committees of political parties, and eligible voters to institute court actions to implement any provisions of the Act.

Section 8 calls for the submission of registration statements by candidates and political committees within ten days after qualification or organization in the case of the committee. Committees are required to file organization statements if they anticipate contributions or making expenditures in excess of \$100 during the calendar year. Section 8 specifies the information that is required to be included in the statements filed both by candidates and political committees.

Each candidate under this section is also required to designate a central campaign committee and a campaign depository. Except for small petty cash expenditures governed by section 10 of the bill, all expenditures by committees and candidates must be made by checks drawn on the designated accounts.

Section 9 of the bill makes clear that once a political committee is subject to the Act and is required to file a statement of organization, its registration is permanent. The Committee then has a continuing obligation to file reports unless it terminates its operation or determines that it no longer has financial transactions exceeding \$100 for the calendar year.

Section 10 of the bill specifies the contents required to be included in all reports filed under the Act. It also sets out a reporting schedule of January 31, May 10, July 10, and October 10 for each year and, during election years, 15 and 5 days before each election. In general, this section follows the present reporting requirements in the Federal Election Campaign Act and is also quite similar to comparable provisions in H.R. 12638. As I testified, we would favor only a 10-day pre-election report and a 30-day post-election report in addition to the quarterly or periodic reports.

Section 11 of the bill requires that all reports and statements filed under the Act be verified by either oath or affirmation of the person signing the report or statement.

Section 12 of H.R. 12914 prescribes individual contribution limits of \$250 to candidates for Mayor, \$200 to candidates for Council, \$100 for candidates for Board of Education. The language indicates that the limitations apply to each donor and each campaign for the respective offices. This means that one limit applies for the entire campaign including both the pre-nomination and pre-general election periods. In addition, section 12 has an aggregate annual contribution limitation of \$1,500 per donor. This means that no individual can contribute more than \$1,500 to all candidates for all public offices in the District of Columbia in any one calendar year. Section 12 also prohibits candidates from accepting contributions which exceed either the amount which the donor is permitted to contribute or the amount which, when added together with all other contributions received by the candidate, would exceed the amount which that candidate may spend in his campaign.

Anonymous contributions exceeding \$20 would escheat to the District of Columbia and all contributions in excess of \$20 would have to be made by a check or money order. This latter provision may produce some confusion since it appears that it would prohibit all contributions "in kind" even though the definition of contribution would seem to allow them. The Committee may wish to consider clarifying the \$20 prohibition and relate it only to contributions in cash or currency. Another alternative would be to generally provide that all contributions, even those "in kind" exceeding \$20 should be evidenced by some type of writing. This would confirm that contributions in a form other than cash or currency are permitted if adequately explained in writing by the donor. We favor the latter alternative.

On page 34, line 3 there appears to be an omission. After the word "election" insert "or for election."

Section 13 of H.R. 13914 limits campaign expenditures by candidates for D.C. public office as follows:

1. Candidate for mayor is limited to 25¢ times the voting age population (VAP) for the entire campaign, both nomination and election and no more than 15¢ times VAP may be spent in either campaign.

2. Candidate for Council is limited to 10¢ times VAP of ward(d) where election is conducted in a campaign for nomination. An identical limit applies to general election campaign.

3. Candidate for Board of Election is limited to 10¢ times VAP of ward(s) in which election is conducted (no primary for this office).

If a runoff is necessary, one-half of the expenditure limit for the general election campaign would be applicable.

Under section 13, a candidate could use personal funds for a campaign up to 25% of his or her applicable expenditure limitation. This could be in the form of loans or advances from personal funds so long as such transactions were evidenced by a written instrument and the outstanding "debt" never exceeded the 25% limit described above.

According to subsection (c) of section 13, all expenditures made at the "request or suggestion of the candidate, any agent of the candidate or any political committee authorized by him to make expenditures or to receive contributions for

him . . . " would be attributed to that candidate's limitation. Spending that is not within those categories would not be charged to the candidate, but would be subject to a \$1,000 annual limit if it is for the purpose of advocating the election or defeat of "a clearly identified candidate." Certain political party committees are exempt from this limitation. In that connection, it appears that on page 38 at line 17 the word "District" should be substituted for the word "State," since state is nowhere defined in H.R. 13914, whereas "District" means the District of Columbia (page 7, line 12).

All of the foregoing expenditure limits are subject to price index adjustments based on calendar year 1973. In addition, all expenditures under section 13 are attributed to the year in which the relevant election is conducted regardless of when actually made. This precludes avoiding the limits by either prepaying campaign expenses in a prior year or paying campaign debts in a subsequent year.

Section 14 of H.R. 13914 contains the conflict of interest regulations for "public officials" of the District of Columbia. It generally prohibits the solicitation or receipt of gifts, favors, or other special consideration in exchange for the exercise of influence by a public official. Written disclosures of potential conflicts of interest are required in circumstances where the public official is required to take official action. The definition of "public official" includes all incumbents of the various elective offices mentioned previously, as well as officers and employees of the D.C. Government who perform duties of a GS 15 position or higher. Those employed as teachers are excluded from the definition. Also apparently included in the definition of "public official" are persons employed by the Council, Board of Education, or a member of the Council (from Council funds) who receive \$15,000 or more per year.

Section 15 of the bill requires annual financial disclosure statements from each public official, candidate for elective office, and employee at GS 15 or above. The statements would disclose sources of income (monetary and in kind), assets over \$1,000, transactions in securities and commodities over \$1,000, purchase or sale of non-residential real estate, and the amount of taxes paid either individually or jointly. In addition to these disclosures, public officials, candidates for elective office, and employees ranked at GS 17, or above, must annually file copies of all Federal tax returns, disclose all business or professional enterprises from which he or she received compensation in prior years and amount of such compensation, and disclose all trust or other fiduciary relationships in which the individual holds a beneficial interest of \$10,000 or more.

Subsection (c) of section 15 indicates that the category of information described in the preceding sentence is kept confidential and under seal except when formally requested by the Commission. However, public disclosure of the names of candidates, officers, and employees who have filed such reports would be made each year. Subsection (f) requires that all reports be maintained by the Commission as "public records which . . . shall be available for inspection by . . . the public." It seems apparent that the two provisions are inconsistent with each other. Which course should be followed is, obviously a matter of Congressional policy but it may be pertinent to consider, that less objection and controversy are likely to be aroused by the provisions of subsection (c) providing confidentiality except to the Commission.

Section 16 of the bill is the general penalty provision and provides that violation of any provision in the Act is punishable by a maximum fine of \$1,000 or maximum imprisonment of one year or both. These penalties are in addition to the \$10,000 fine, five years, or both, set forth in section 6(e) (1) for knowingly filing or making false statements or reports to the Elections Commission. They are also in addition to the civil penalties provided in section 6(c) of the bill, which authorizes the Commission to assess a fine of up to \$50 for each violation.

Section 17 of H.R. 13914 gives the Commission authority to resolve conflicts between the provisions of this bill and other laws.

The provision stating the effective date of the Act should be identified as section 18 (page 52, line 22). There is evidently a further error on line 22 in that it duplicates appropriation language found in section 19. We suggest the following language to be substituted on line 22: "SEC. 18. The provisions of this Act shall take effect on the date when * * *"

In addition, to facilitate full disclosure for the interim between a repeal of law (section 13(e) of the District of Columbia Election Act, D.C. Code, sec. 1-113(e)) and the effective date of the proposed Act, we recommend the following addition to line 25 on page 52.

* * * except that the first report or statement required under the provisions of this Act shall include all information required under section 13(e) of the District

of Columbia Election Act, as amended (D.C. Code, Sec. 1-1113(e)) with respect to contributions and expenditures made before the date of enactment of this Act, but after January 1, 1974, or any date preceding January 1, 1974, on which an expenditure or contribution was made or received in connection with an election held or conducted during calendar year 1974."

The proposed bill, H.R. 12914, contains some nineteen sections, which would effectively replace and expand the current campaign finance provisions of the District of Columbia Election Act. Therefore, if H.R. 13914 or some equally comprehensive bill is to be reported by the Subcommittee, we recommend express repeal of subsections (b) through (f) of section 13 of the District of Columbia Election Act, as amended (D.C. Code sec. 1-1113(b) through 1-1113(f)). In conjunction with such repeal we suggest dividing chapter 11 of title 1, D.C. Code, into at least two subchapters and incorporating H.R. 13914, or a comparable bill, into subchapter II. Present sections 1-1101 through 1-1115 could be aligned under subchapter I which might be designated "District of Columbia Election Act." Subchapter II could be designated as provided in the enacting clause of either H.R. 13914 or H.R. 12638 and a new numerical sequence under subchapter II could begin with section 1-1121.

In conclusion, we note five important provisions from the other bills, H.R. 12638 and H.R. 13539, that are absent from H.R. 13914:

1. prohibition of contributions in name of another, see H.R. 13539, page 14, lines 8-12.
2. prohibition of certain contributions or expenditures by labor organizations and corporations, see H.R. 13539, page 14, lines 13-26 and H.R. 12638, page 22, lines 15-26.
3. D.C. tax credit incentives for small private contributions, see H.R. 13539, page 18, line 11 and ff.
4. regulation of earmarked contributions made through an intermediary or conduit committee, see H.R. 13539, page 13, lines 3-9.
5. embezzlement of political contributions, see H.R. 13539, page 19, beginning at line 18.

Mr. ADAMS. Mr. Hogan, do you have any questions?

Mr. HOGAN. Yes, Mr. Chairman, I do. Thank you.

LOBBYING

Congressman Nelsen is interested in placing an amendment on this bill to provide for a lobbying regulation. Now assuming that you had, that you established a commission for the campaign reform or campaign reporting, do you have an opinion, should the lobbying and registration follow that? Should it be to the Election Board? I assume the Election Board is given the authority to control the campaign reporting.

Mr. THOMPSON. Well, I guess I must, Mr. Hogan, confess some real ignorance on that point. Offhand I do not see any necessary connection between the purposes of this legislation and the purposes of the lobbying amendment insofar as the Administration is concerned. It could be done by this commission if it is adequately staffed and provided for, or it could be done by any independent entity, I think we have to stress that and these are very sensitive areas—lobbying as well as campaign spending—and that whoever administers them, I think, has to be insulated so that they establish themselves in fact as a very independent body.

CRIMINAL PROSECUTION

Mr. HOGAN. Now I do not know whether you are aware of it or not but the corporation counsel, Mr. Murphy, was up yesterday to testify. It was his recommendation that the criminal prosecution of any violations be repositied in the U.S. Attorney for the District of Columbia,

rather than in the commission or corporation counsel or anyone else, the thought being, I gather from his testimony that that in itself would lend objectivity to the prosecution of cases that were referred to him and his office staff by the commission.

Do you have any comment to make on that?

Mr. THOMPSON. I guess I do not have very strong comments, Mr. Hogan, either way on that, but I generally favor, I believe, keeping criminal enforcement activities pretty much centralized. There are some exceptions to that, and how well this suggestion might fit into the U.S. Attorney's or the Corporation Counsel's and the D.C. Government's structure here, I have not given any thought to, but we have toyed with the idea on the Federal level of recommending—and I guess we have said it publicly, although I doubt if we have testified before any committee on it—that the Congress should consider establishing a statutory office over in the Department of Justice under the Attorney General of a special prosecutor for election and campaign law violations, thus recognizing their sensitivity and importance and the unusual nature of the whole program.

Now the thought behind that is, first, that the Congress by so doing would place the public spotlight on this function in Justice. Number two, it would tend, by creating a special office for it and perhaps giving that special prosecutor or assistant U.S. Attorney General a tenure in office of 4 years or 5 years to take these politically charged decisions out of the bureaucracy of the Department where they have to consider all sorts of other criminal activities. It would take these out of that and give it some independence, we think, which it deserves.

We have chaffed a little in the last 2 years that the Justice Department has not moved as rapidly as we thought they should have in some cases on violations of law which we referred over there. They have taken some action of course, and I believe the record would show probably that there are more criminal actions taken since the 1971 Act became effective than there were in the 47-year history of the Federal Corrupt Practices Act.

But I think we have to recognize not only from our standpoint but from the other supervisory offices as well, enforcement really began on April 7, 1972, when the 1971 Act became effective. That is the first real enforcement that had occurred in the area of campaign financing and it is a fact also that, for the past year or so, a special prosecutor has been acting for the Department of Justice in this area.

Whether Mr. Murphy's proposal that the U.S. Attorney handle these cases would be tantamount to the same idea as our special prosecutor idea I have not really given it that much study.

Mr. HOGAN. Are you aware, for instance, that the Corporation Counsel does not have an indictment office. In other words, he does not bring actions, he does not have an office that handles—

Mr. THOMPSON. Grand jury proceedings?

Mr. HOGAN. Grand jury proceedings.

He does not have a similar branch in effect in the criminal prosecution office.

Mr. THOMPSON. Yes, I was generally aware of that.

Mr. HOGAN. Do you believe this procedure would lend certain objectivity to it that probably would be lacking in more or less a corollary to what you are talking about, would take it out of the Attorney

General's office perhaps directly, and put it under an assistant Attorney General and whoever would be appointed to handle prosecutions under the 1971 Act, or however that is amended in the future?

Mr. THOMPSON. That is right. I would agree, but there seems to be some analogy and I guess the ideal for a lot of people would be to take entirely the prosecution authority away from the U.S. Attorney General, which is a political arm, and give it to some independent organization.

But there is room for differences on that concept and I personally believe that you run into quite a number of constitutional questions when you attempt to do that. I do not think that these constitutional questions necessarily carry down to a similar kind of action if you want to isolate it in the District. But nationally I think it would.

Mr. HOGAN. On Federal standards, the bills they call for, the adoption of Federal standards on political arms, are you familiar with the Federal standards and the political arm incorporations?

Mr. THOMPSON. Are you speaking of Title 18 of the United States Code, sections 610 and 611?

Mr. HOGAN. (Nods in the affirmative.)

Mr. THOMPSON. Yes, generally.

Mr. HOGAN. Have you had any experience in the enforcement of those Federal standards under the Federal act?

Mr. THOMPSON. We have had some, yes. A number of our audits have revealed contributions by labor unions and corporations, not of any great substantial amounts of money. I think that as a premise that these are valid and sound prohibitions, and, in anticipating your question, I think a similar prohibition should apply in District law.

Mr. HOGAN. Is there a difference between the political arms of, let's say, the labor unions as opposed to their, or to be differentiated from their educational arms or entities?

Mr. THOMPSON. In the labor union organizations?

Mr. HOGAN. Yes.

Mr. THOMPSON. Yes, there are differences. The law, as amended by the 1971 Act, expressly permits the contribution to the formation of political activity funds, say, for labor union members and it permits dissemination of any kind of publication or propaganda or whatever you want to term it, by the unions themselves so long as it is confined to the membership.

Now it would still prohibit, under the old prohibition under 610, an out and out contribution by a labor union to a political candidate or for his benefit, but it does permit operation of a political action committee administered by union personnel, but financed through volunteer contributions by the members, and it also permits from union funds the dissemination of political literature of any kind if the union does it to its members.

Mr. HOGAN. Is that the so-called Political Action Committee thought of as the Political Action Committee?

Mr. THOMPSON. Yes.

Mr. HOGAN. Is there another arm? Is there a general education arm that is set up?

Mr. THOMPSON. Take, for example, the AFL-CIO. Their member education fund is very closely associated with their Political Action

Committee fund, and the Committee on Political Education—(COPE) and—PAC, I believe, is the way it is referred to. We are in the process of auditing some of the major union committees at the present time and we have run into the problem of how well and how discreetly they separate their two activities financially, the political education of its members on one hand, and the political activity, which is the transmission of volunteer membership funds to political candidates, on the other. They are administered jointly, usually.

In most cases, the question has come up whether some of the union costs of administering this political action part of the COPE operation should not be considered as a contribution to political activities in reporting.

Mr. HOGAN. You are talking about candidates for campaign?

Mr. THOMPSON. Yes.

Mr. HOGAN. When do you expect them to report?

Mr. THOMPSON. I do not know, Mr. Hogan. We do not even have a draft in from the field yet.

Mr. HOGAN. Do you have any other report finished?

Mr. THOMPSON. On that subject?

Mr. HOGAN. On the political action side?

Mr. THOMPSON. I do not believe that we do, pertinent to your interests here.

Mr. HOGAN. We had some testimony yesterday having to do with those associated with Federal grants. Have you had any problem with individuals who manage or monitor Federal grant programs involving themselves in political activity?

Mr. THOMPSON. To my present knowledge, Mr. Hogan, we have not had occasion to investigate and have not encountered this in our audits directly.

Mr. HOGAN. Is there any prohibition against this kind of thing?

Mr. THOMPSON. Not in the election laws. I think as a general proposition there would be some conflict-of-interest statutes that might apply or the Hatch Act, although I could not cite a provision.

CAMPAIGN COMMITTEES

Mr. HOGAN. Going into the question of individuals, whether they designate themselves as undesignated political committees or what. Assuming you have a committee or a group within an area who give coffees or teas or cocktail parties or what have you, on behalf of their candidate, under Federal laws that exist now or as contemplated, is that going to be required to be reported on behalf of the candidate if they do?

Let's assume that you have an entity in the city that sponsors coffees throughout the city on behalf of a particular candidate or slate. Would they be required to report under Federal law? Should some provision be included in this bill for that kind of activity?

Mr. THOMPSON. Well, on the Federal level they could be required to report in two ways. One, if their activity runs past the \$1,000 mark in a year, this brings them within the reporting criteria as a political committee. This is a general, simplistic statement, but the other part would be if an individual or a group which does not qualify

as a political committee, generates as much as \$100 in contributions or expenditures, not through a committee, not through an established reporting committee, then that person or that group has to make its own report under Section 305 of the Federal Election Campaign Act.

Mr. HOGAN. Do you see anything in either one of these bills similar then?

Mr. THOMPSON. I believe so in H.R. 12638. Section 204 has a \$50 level instead of the \$100 level but it is comparable to Section 305 of the present Federal law.

Mr. HOGAN. Now getting back again to the Political Action Committees or the political arms of corporations, would they be required to report on the two bills that we have here?

Mr. THOMPSON. I believe so, yes.

Mr. HOGAN. For activity fund-raising and volunteer contributions on behalf of a particular candidate or slate of candidates?

Mr. THOMPSON. Yes, they would. Again, you have got to have a definition of a political committee and if the activity of the labor organization or the corporations organization brings them in within that definition, then they are brought into coverage of the act.

The term political committee, for instance, in Mr. Fauntroy's bill means any committee, association, group or organization which accepts contributions or makes expenditures for purposes of influencing an election, and in H.R. 13539, it is any committee, association, political fund or other organizations sponsored by or affiliated with a corporation or labor organization that is engaged in permissible activities under Section 610 of Title 18 of the United States Code which we discussed a moment ago. And then you have got to refer to the definition of what contributions or expenditures are, and this refers, again, to the payment of anything to influence or finance directly or indirectly election campaigns.

So generally speaking, they would be covered, I believe, in both bills, and subject to their qualifying under the criteria that relate to their precise activities.

Mr. HOGAN. Turning for a moment to the question of what individual candidates may do with the balance left in their campaign funds, required to report under the Federal law, are they required to report what they do with those funds ultimately?

Mr. THOMPSON. Yes, that is correct. The reporting requirement goes on and on and on, so long as they have those funds, that is, for campaign committees as long as they have debts and obligations.

Mr. HOGAN. So that there is full disclosure of it. It is just the question that you have no control over what they may do with it. There is no standards as to what they may do with it. They may use it to pay off the debts of prior campaigns or use it for future campaigns, or do almost anything they want to with it.

Is that correct?

Mr. THOMPSON. That is correct. Anything that is legal they can do with it.

Mr. HOGAN. Presumably, if they were not going to run for a campaign in the future, presumably they could use it for mailouts to constituents or something like that?

Mr. THOMPSON. Yes, there is absolutely no specific control in Federal law that I know of that limits it. Now you have got some application of

the Income Tax Code possibly, depending upon the uses that a candidate might make of the funds, and there may be some other related laws, but I do not think that this constitutes any prohibition on what they can do with the funds. It is just that it might subject them to income tax or it might bring some other law into play.

Mr. HOGAN. Has there been concern expressed by individuals that you follow the Federal legislation on the House Administration Committee on the Senate side? Has there been concern that if there is to be public financing of campaigns, that there be adequate controls placed on it, because obviously, if there are no controls placed on what the balances are in the accounts under his Federal contributions, or even if there is income tax check-ups, really what they are doing is using public funds for almost any reason?

Mr. THOMPSON. That would be the case—the only law that is on the books now that provides for public financing is what we refer to as the Dollar Check-Off Statute, which created the Presidential Election Campaign Fund for financing Presidential campaigns in general elections. Now in that statute there are some provisions which have to be fleshed out with regulations. Since the Comptroller General has the responsibility for administering that act with regard to the distribution, we are beginning to become aware that we are faced with the problem perhaps of trying to define what constitutes “qualified campaign expenses” as that term is used in the act. That is the purpose, the only purpose for which money can be spent. But the law is not explicit on what constitutes a qualified campaign expense.

We have to face up to the problem sooner or later whether we should, as administrators, and whether we can define it.

Mr. HOGAN. Are the reports filed under the Federal law subject to the false statement statute, the Federal law?

Mr. THOMPSON. I am sorry. I did not quite get the question.

Mr. HOGAN. Reports that are filed under the Federal Campaign Law either as is or as composed, are they subject to the false statement statute of the U.S. code?

Mr. THOMPSON. Yes, they would be.

Mr. HOGAN. Is there provision in each of these bills that would subject those reports to an equal false statute statement provision?

Mr. THOMPSON. I do not think there needs to be an expressed provision. I believe that Section 1001 of Title 18 would automatically extend to cover that. Generally speaking, each case has to be looked at on its merits. Just what is the statement?

Mr. HOGAN. But does it apply with reports filed with the District Government?

Mr. THOMPSON. I am not sure really. There may be a comparable provision in the D.C. Penal Code.

Mr. HOGAN. I do not know of one right offhand.

Mr. THOMPSON. If there is not, I would doubt that the Title 18 provision would prevail. But again, I would have to reserve.

[Mr. Thompson later supplied a further statement to the subcommittee as follows:]

Section 205(a) of H.R. 12638 and section 11(a) of H.R. 13914 provide that reports or statements filed pursuant to either bill must be “verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.”

Section 22-2501 of the D.C. Code describes the crime of perjury in pertinent part as follows:

"Every person who, having taken an oath or affirmation before a competent . . . officer, or person, in any case in which the law authorized such oath or affirmation to be administered . . . that any written . . . declaration, deposition, or certificate by him subscribed is true, wilfully and contrary to such oath or affirmation . . . subscribes any material matter which he does not believe to be true, shall be guilty of perjury . . ."

This appears to indicate that willful falsification of statements or reports required to be verified by oath or affirmation could be prosecuted as perjury.

We have not found any legal authority for concluding that the District of Columbia is a "department or agency of the United States" for purposes of 18 U.S.C. 1001. Therefore, it is not clear that the submission of false statements or reports to any agency of the District of Columbia government is a violation of that provision.

In our comments on H.R. 13914, we pointed out that section 6(e)(1) of that bill (page 20, lines 6-10) makes it a crime to file or make false statements to the elections commission.

Mr. HOGAN. And I gather that finally what you come down to is the fact that if there is going to be a commission, the commission issues the regulation and that thereafter the administrator takes it over and their executive actions taken thereafter, either on the civil side to enforce compliance, or—

Mr. THOMPSON. Or referred to the appropriate law enforcement agencies.

Mr. HOGAN. Yes, for prosecution, and the reason for that is that obviously the commission is slow acting normally. You always get into the question, if you establish a commission, of whether they have to follow administrative procedures as opposed to administrative action, which is normally thought to be outside the ambit of the DCACA or the Federal.

Mr. THOMPSON. This is precisely one of the considerations.

Mr. HOGAN. Thank you, Mr. Chairman.

REPORTING OF FUNDS

Mr. ADAMS. I just have one question, Mr. Thompson, that is on page 3 of your report. You say you endorse the provisions of H.R. 12638, which requires separate reporting of loans, proceeds from ticket sales or fund-raising events and proceeds from sales of political campaign paraphernalia. The provisions of that bill at line 14 indicate they are to report the total proceeds from (a), the sale of tickets from each dinner, lunch, rally, and other fund-raising event organized by such committee and (b), mass collections made at such events.

I gather that those are aggregate reports rather than attempting to determine the amount for each individual ticket which would trigger in all of your other reporting requirements.

Mr. THOMPSON. Yes, that is at least partly true, Mr. Chairman. Let me go back.

I think, if you receive as a candidate a contribution of more than \$100 from an individual from the sale of a ticket to a dinner or fund-raising event, or if it is dropped in a hat at a rally, technically, under the definition of "contribution" in the statute, you are required to report that as an individual contribution, with all of the details in identifying the contributor, and so forth. Now, what this means, what

the particular provision you refer to means, is that as a matter of providing more complete disclosure and a better audit trail, we will say, that the total amounts raised at each individual rally should be identified somewhere separately. But that does not take the place of the requirement earlier that individual contributions of more than \$100 should be reported with the name, address and occupation, and so forth.

This simply means that, in a separate schedule, the way we visualize it, the committee would say the dinner on April 4 at such and such a location resulted in tickets in the total amount of such and such an amount. It is kind of an extracurricular summation, really, that is required. Now, this was not always this clear, I might add. Our present forms do not address themselves to this point very well, but the Clerk of the House and Secretary of the Senate—and we have endorsed it—have changed their forms this year to require these things to be set out separately on a separate schedule. And again, it does not take the place of reporting individual contributions, or it does not take the place of the requirement to keep records on individual contributions when they are over a certain amount. It simply is an added bit of information to show that the rally in the high school football field at a certain time collected \$350, or something like that.

MR. ADAMS. That has been one of the major problems. What happens if you have such a rally? How do you account for all of the proceeds?

MR. THOMPSON. I know it is. It is a tremendous problem.

MR. ADAMS. Thank you very much, Mr. Thompson. We appreciate your testimony, and your colleague's being here to supply you with additional information which was requested by Counsel, regarding the Fraser bill.

MR. HOGAN. May I ask one further question on that?

MR. ADAMS. If it is very brief, Mr. Hogan.

MR. HOGAN. It will be very brief.

How are they going to handle the Federal check-off that has been made so far on the Presidential elections? Is it going to be handled as a trust fund item, or will it appear as a line item in 1976?

MR. THOMPSON. I am not sure, but it will probably be a line item.

MR. HOGAN. So if there is a check-off here, it will probably be handled the same way?

Is that right?

MR. THOMPSON. I would guess so, because there is an authorization in the check-off bill. It is limited to the total amount checked off.

MR. HOGAN. Thank you.

MR. ADAMS. Thank you very much, gentlemen. We appreciate your being here this morning.

MR. THOMPSON. Thank you.

MR. ADAMS. It is our understanding that Mr. Arata is not here to testify this morning. However, we will insert Mr. Arata's statement at this point.

Our next witness will be Ms. Martha Swaim, Vice-President and member of the D.C. Board of Education.

[The material referred to follows:]

TESTIMONY OF MR. CLARENCE A. ARATA, EXECUTIVE VICE PRESIDENT,
METROPOLITAN WASHINGTON BOARD OF TRADE

Mr. Chairman and members of the Subcommittee on Government Operations: I am Clarence A. Arata, Executive Vice President of the Metropolitan Washington Board of Trade. The Board of Trade is an area-wide organization composed of some 5,000 business and professional leaders in this community representing over 1,500 firms, of which the majority are in the District of Columbia.

We appreciate the opportunity to state our views on H.R. 13539 and H.R. 12638, both Bills pertaining to campaign practices in the District of Columbia. We wish to state that due to the time constraints, we have not had the opportunity we would desire to make a full study of these two Bills; therefore, our statement today will deal with the overall objectives covered by the Bills rather than dwell on administrative details.

We are well aware of the fact that this venture into proscribing rules of operation for an election as broad as the forthcoming elections will be is truly a "first" for the District of Columbia, and therefore a lack of experience in this area and the need for experience may dictate that any limitations—if any—should be separated into primary and general (or special) elections. Further, due to a lack of innercity organized political factions, greater latitude may be indicated for this year's elections than may be necessary for elections in the future.

In this context, it may well be desirable at this time to consider whether the City Council should be given the authority to establish guidelines for elections.

Our organization, the Board of Trade, has consistently endorsed the philosophy of home rule for the District in the recent past. We feel that a strict interpretation of the meaning of home rule would dictate that either the present appointed City Council or, certainly the elected City Council, should the vote for the Charter prevail, be given the right to determine its own election laws.

We do not question—in fact we endorse the theory—that there should be regulations requiring strict reporting, auditing, and accounting of campaign funds. We also feel that there should be full disclosures of campaign funding as a necessity for amounts above reasonable campaign contributions or campaign expenditures. In fact, we believe that contributions above \$100 for any one candidate should be subject to reporting.

Unless we have misread or misinterpreted both of these Bills, there is no provision in either of them for any political action committee which might have multiple, or a "slate", of candidates. If any provision is made for this type of activity, it appears to us that in such case contributions of over \$1,000 might be required to be reported and disclosed.

We are aware of the fact that Senator Mathias has proposed legislation which sets a total for candidate funds on a basis of the number of registered voters rather than a flat dollar amount for the office sought. This idea may be a better approach, but we do not agree with the severe limitations in the proposed Mathias Bill on personal contributions; for example, \$250 for a Mayor candidate, or \$200 for a City Council candidate.

We note that in Delegate Fauntroy's Bill, limitations of expenditures for various political offices graduate from \$90,000 for the Mayor or Delegate down to \$10,000 for a member of the City Council elected from a ward.

We also note that in Chairman Diggs' Bill, the amounts are left open, presumably to secure the benefit of suggestions during the course of your hearings.

We believe that Delegate Fauntroy's limitations are too low and would suggest the following limitations for the various offices to be voted upon:

Mayor/Delegate.....	\$300, 000
Chairman, City Council.....	\$200, 000
At-Large Council Seats.....	\$100, 000
Ward Council Seats.....	\$60, 000

The questions of financial disclosures, campaign committee structure, and whether there should be expanded responsibilities of the Board of Elections or the establishment of a campaign finance commission—we are not prepared to comment on at this time due to the lack of sufficient opportunity to study these items.

We will be happy to give more study to these subjects if you wish and report our comments to you at a later date.

Mr. Chairman and members of the Subcommittee, we thank you for the opportunity to express our views to you today.

Mr. ADAMS. Ms. Swaim, I understand that you wish to present your statement orally, and the committee would be pleased to receive it.

**STATEMENT OF MARTHA SWAIM, VICE-PRESIDENT AND MEMBER,
D.C. BOARD OF EDUCATION**

Ms. SWAIM. Yes, I would like to do that. I can provide copies at a later time.

I appreciate the opportunity to talk to the committee about the bills that are before you. I want to just give you a little bit of information about my campaign, since that is the experience from which I speak.

As you know, I ran for the Board of Education in 1968 and again in 1971. The first time, the Elect Swaim Committee spent \$600, the second time, \$1,000, including the \$100 filing fee. The major sources of funds for those campaigns were small contributions, and a few major fund raising events. Expenditures were entirely printing and paper, bought at the cheapest rates possible. One reason I could not do mailing was that it was impossible, as it still is, I understand, to get a list of voters from the Board of Elections. My local credit union, Hospitality, was my depository. The volunteer treasurers kept notebook records, from which I compiled the report filed.

In the main, therefore, I support the bills that are before you, because they set requirements that basically follow what I did in the operation of my campaign. Looking at the bills specifically, I have the following observations.

REPORTING REQUIREMENTS

I think that, for the usefulness of candidates in the District of Columbia, the bills do need some clarification on a number of points. One example, I think, is the point of minimum reporting requirements. The bills, wherever they state minimums, state them in a negative fashion; that is, that reporting is required above a certain level, rather than stating that below \$10, you do not need to report.

There are a number of sections in the bill where requirements are either that the contribution be in written form, or that certain kinds of records be kept as stated, and they are stated backwards, at least from the point of view of the general reader. And it seems to me it would be easier if the bill was written so that, if you clearly said, number one, any contribution under \$100 can be in cash; number two, any contribution above that has to be using a written instrument. Second, at least by my reading, you have not prohibited in your bill what is generally referred to as laundering of political contributions.

LIMITATION OF EXPENDITURES

I feel that the Commission idea is too complicated, that the maximums for expenditure are much too high, that the family contribution limit is entirely too high, specifically on these five points. The sections that I find obscure and misleading are as follows: the section 1(f) in both bills states as follows, that gifts and expenditures include "the transfer of funds between committees." Do you, in this phrase, intend

to exclude in-kind services as a matter that must be reported if transferred between committees? If you do not, could you state that? I certainly assume that you do not mean to exclude it.

Mr. ADAMS. How do you transfer in-kind services between committees?

Ms. SWAIM. Well, for example, a ward committee could receive services from another committee, such as literature.

Mr. ADAMS. That is an item.

Ms. SWAIM. Excuse me?

Mr. ADAMS. Literature is an item.

Ms. SWAIM. You feel that that is clearly covered by the language in the bill?

Mr. ADAMS. No. I just have a little trouble trying to figure in-kind services, at least as most of us think of them, where somebody either volunteers or gives time, or in some fashion gives that kind of service. But anything of a physical nature that you have, whether you have a stack of pamphlets or something else, I think is an item. I did not mean to interrupt you, except I knew you would not get back to that, and I did not quite get what your point was.

You are talking about, when you say in kind, you mean something other than cash and check. Is that what you mean?

Ms. SWAIM. That is right. The way the phrasing reads there, it seems to me to clearly apply to cash and checks, but it is not quite clear to me what the status is of other kinds of contributions between committees, such as the use of phone banks, the use of the same people to do work for one committee, and for another committee, and particularly in the case of ward committees. If those kind of reporting requirements about contributions from other committees are not clear, your funding limitations on ward committees could easily become meaningless. The potential for fund raising is much greater for city-wide races and slates, and I think it is important if the ward ceilings are going to be maintained that the relationship between different kinds of fund raising organizations of the city and the reporting requirements be very clear in the bill.

On the second point, about the question of laundering of contributions, again I am reading this, obviously, from the point of view of a layman. Nowhere that I can see does the bill prohibit or set a penalty for what is called laundering of expenditures in Title III. Neither the Diggs bill requirements of payment by check, or the more complicated Fauntroy provisions for records by business and occupation, state that if a political committee writes a check to Mrs. Jones for printing, and then Mrs. Jones pays somebody else for another purpose other than what is written on the face of that instrument, that that violates the act. From my point of view, obviously, it would violate the spirit, but it seems to me that it might be beneficial to you to be a little more explicit in that matter.

I support, in general, the entire section about reporting requirements in both bills. I think that the total effect of the section is going to be the increased campaign costs for very small campaigns, simply because volunteers may not be able to keep the records that are required. I think that, therefore, it will become very important that the Board of Elections provide very simple and expedient forms for rec-

ords. Otherwise, it will be very difficult to get volunteers to do the record keeping that is involved.

Record keeping is going to make it harder, for example, to pay moonlighting printers, and people who are working on offhours. On the other hand, from my point of view, those troubles are worth the effort simply for the usefulness of public information. I would hope that the committee would examine the bill from the point of view of small campaign operations to try to make the requirements as simple as possible, so that they do not overburden a small volunteer campaign.

I did, in my written testimony, ask the question of whether you are sure that the Federal forms are, in fact, what you want to require, as required in the Diggs bill, whether they require more technical competence than would normally be present in a volunteer campaign. While I was listening to the previous testimony, I looked over the forms, and everything that was involved in the campaigns I ran could be written on one section of those forms, and I do not personally find them too complicated or too burdensome to use in local campaigns.

BOARD OR COMMISSION

Title III, which has to do with the Board of Elections, or an independent commission, from my point of view is a case of taking a good thing too far. From my point of view, I do think a small, separate staff with a certain amount of independence is needed to enforce the act, but it seems to me that it could report to the current, part-time Board of Elections. They already pay three Board members \$11,000 annually for their services on the Board of Elections, and I guess both as a person who has run for an office and is a taxpayer, I have to raise a question about whether we do need a group of commissioners at \$125 a day, in addition, for the purpose of enforcing this act.

It seems to me that the sections which discuss the duties of the Commission you might want to attribute to the staff that you would plan to add to the Board of Elections, and combine those two sections of the two different bills.

LIMITATION OF CAMPAIGN SPENDING

My fourth argument is about section 401 (a), the limitations of campaign spending. I recognize that I am going to make an argument that probably is neither popular, nor has its time come, but I am going to take the opportunity to make it anyway. I believe very strongly that the limitations discussed in the bill are entirely too high. I recognize the fact that they do represent, in many ways, the prevailing ethic of American political campaigning, and that is that one cannot run a campaign without high television expenditures. We are basically talking about a mayor's campaign here, which will come around to \$180,000, and I do not see any way to justify that expenditure unless we are talking about television time.

I just want to call to your attention that there are parts of the western world where there are elections, where people do not consider the expenditure of large amounts of money on television time necessary for the process of a democratic election. There are a number of places in western Europe and Great Britain where finances for campaigns

are limited, so that it is not possible to pay for campaign time, or use campaign time for elections. I do not know the history of that development in those countries. From my own point of view, I would like to speculate that it may be that they have learned the lesson that we have yet to learn, and that is the awful power of a demagogue to promulgate lies on television.

Mr. ADAMS. Are those not all parliamentary systems, where you run by party, and the individual is not really considered at all?

Ms. SWAIM. Well, certainly people run by party. However, the individuals do campaign.

Mr. ADAMS. It is my understanding, though, that in England, for example, and in Germany, the examples that you mentioned, that the campaigning done by wards is done on the basis of the party that you run for, and the individuals are not even required to be in their very districts and run; and, in fact, do run from districts, often, that they have never been in or spent any time in. And they run under their label, and therefore the campaign is nationalized.

Now, I think that is very different from what you are talking about in the Board of Education race here. I did not think they have any non-partisan races that operate under that type of condition.

Ms. SWAIM. Your observation that they operate under a parliamentary system is correct. I do not think it is quite accurate to state that individuals who run for Parliament, say, in England, do not actively campaign in the districts they represent, even though they are—you are quite right—running under different circumstances, they do campaign, particularly in close, swing districts. They campaign very hard, they campaign personally, their limits are set so that they can do, I think, one or two mailings to every voter in the district, and they may keep a small office. But they do not do the kind of campaigning that is done here.

Mr. ADAMS. They do not have primary elections, do they?

Ms. SWAIM. No, that is correct. From my point of view, television, more than any other media, can be used for complete distortion. Any media can be used for that purpose, but the emotional persuasiveness of television presentation is incomparable.

In addition, high campaign spending makes elected office somewhat like an extensive club, available, basically, to those who can pay. I believe that campaign limits should assume mail, they should assume the cost of radio and phone expenditures, which would come, by my own estimates, to about roughly 50 percent of what these bills now proposed. I think, in addition, it would be a great assistance to persons campaigning without extensive financial resources or party connections if it would be easily possible to get a hold of voter registration lists. It has not been in the past, without expenditures of a substantial amount of money.

Our last point is, I do feel that the family limitation is too high. I guess my argument in this case is pretty much out of the same perspective. I see no reason why campaign regulations should permit a family, because it has extensive financial resources, to in effect buy an election. Your limits on family contributions would make it possible for a ward race in the District of Columbia to be financed entirely by family and personal income. Personally, that bothers me.

I hope that, in your consideration of the bill, you will go full steam ahead. The general requirements, I think, are very useful. I hope that you will look at the detailed language from the point of view of its potential use by many different small, volunteer campaigns in the District, and that you will seriously consider the arguments that I have made about lowering your maximum limitations on campaign expenditures. I think that that is an area in which we could use some leadership. Thank you.

Mr. ADAMS. Thank you, Ms. Swaim.

Mr. NELSEN?

Mr. NELSEN. Thank you, Mr. Chairman.

VOLUNTEER COMMITTEES

I just wondered, how do you handle volunteer committees? We will say that a candidate is running, and here are some friends who decide to have a little, sort of independent operation going, and advocate the candidacy of the candidate of their choice. How do you get that all under the umbrella of expenditures and activities, because certainly that would be something to contend with?

Ms. SWAIM. My assumption is that the provisions of these bills that require anyone who solicits campaign funds for a person who may intend to run must provide that kind of financial information, and whatever reporting requirements are set, either by the act or by the Board of Elections.

Mr. NELSEN. This is always a factor that we have presently run into; the maze of volunteer committees that spring up here and there. To police them all, the person with the most resources usually has the most committees going, so I can see it would be a factor. And I assume that, as you say, it would come under the umbrella.

Thank you. No more questions, Mr. Chairman.

Mr. ADAMS. Thank you.

There is a provision in H.R. 12638. When you use the colloquial, your bills, or our bills, this is not quite accurate, in that I am not a sponsor of these bills, and I do not know whether Mr. Nelsen is or not. But we are using these as the basis, and probably will go to a Committee print.

Ms. SWAIM. I see.

Mr. ADAMS. On page 22 of H.R. 12638, the one introduced by Mr. Fauntroy, it provides that 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. Now, that is directed at the so-called laundering provision, and I just wondered if you felt that—

Ms. SWAIM. My concern was about expenditures, not contributions.

Mr. ADAMS. Well, explain to me how that would work, because I am not quite certain what you are worried about in some person making an expenditure in the name of another person. That would not be a contribution to a campaign. I mean, what are you focusing on?

Ms. SWAIM. I guess my concern is that the intention of the act is to provide for the public an accurate record of where people's money comes from, and where it goes.

Is that not correct?

Mr. ADAMS. That is disclosure, generally, yes.

Ms. SWAIM. And my assumption is, and maybe this is an incorrect assumption, that we want to end up with records that will show that the \$50,000 collected for this campaign was spent for these purposes.

Mr. ADAMS. Well, that is required, but—

Ms. SWAIM. And the Board of Elections would have available—quick reply, I suppose, is the word, depending on how they organize things—back-up written records that would make it possible for a candidate to demonstrate that, in fact, this amount of money was spent for this particular purpose, and if you have no prohibition at all against the use of funds for a second or third purpose, other than what is on your written records.

CAMPAIGN EXPENDITURES

Mr. ADAMS. Wait a minute. Do you mean we have said you have got to report what you spend?

Ms. SWAIM. Right.

Mr. ADAMS. And what you spend it for?

Ms. SWAIM. Yes.

Mr. ADAMS. I do not understand how it could be spent for a second or third purpose. Can you give me an example of what it is that you have in mind?

In other words, let us say that you collect the Board of Election rate of \$1,000, and you spend it for literature. Are you talking about giving that literature to somebody else, is that what you are talking about?

Ms. SWAIM. That could be an example. You attribute it as an expenditure for literature in your campaign, which is in fact used in some other campaign.

Mr. ADAMS. This is what Counsel has stated to me, and this is why, as I say, I have a problem. Then you have got to report that as an expenditure, because you are giving a contribution, and the other person has to report that they received it. So, you have the transaction disclosed.

Ms. SWAIM. Well, maybe I am making something more complicated than is required.

Mr. ADAMS. The reason I ask these questions is that we had some people draft the campaign initiative law, and our state, too, who had experience in small campaigns. And it is an incredibly bad piece of legislation, because it has a lot of things like this in it, and people are forced to report to an extent that they give up. And this is one reason that it has got a lobbying provision in it. We have had three Supreme Court decisions on the lobbying requirement, because they say they run into the First Amendment and freedom of speech, and I do not know how many people we have had resign from office because they are required to disclose their financial condition, and they are people like yourself. They are basically in volunteer positions; school boards, sewer districts, court commissions, and so on. And it is required that they have to list all of the people who are their clients if they are in a law firm or a business, who they do business with, and so on and so on. So they all just got out.

And that is why I am asking you what this thing is. Frankly, I want to leave this as bare-bones a bill as possible, so that the later elected people can devise their own system. And I was just trying to find out what you are referring to as an expenditure that would not be reported under this?

Ms. SWAIM. Maybe another way to get at the problem, and some of the other problems raised by Mr. Thompson, is to, rather than setting detailed kinds of requirements, to set out the procedures or penalties for all places where there are flagrant abuses of sections of the act, and look at that, rather than spelling everything else and dotting all the i's and crossing all of the t's.

I am concerned about the position that he took that it is difficult or impossible to enforce campaign requirements. It seems to me that that is just an impossible position to be in if you are going to take the bill seriously, and I wonder if the committee has considered making violations of the Practices Act at some level grounds for disqualification from office?

Mr. ADAMS. I am sure we will consider that at some point. There are two theories in politics on what these laws should be. One is disclosure, and let the election take it, and the second is forcible penalty.

I have just one more question. Do you think the so-called minor party candidates, or in small elections like you have in a ward, we should have an exemption of \$100, \$200, maybe \$500; if the campaign and total expenditures are below that, they should be exempted from the law?

Ms. SWAIM. Do you mean from any reporting requirements at all?

Mr. ADAMS. Other than filing that you are a candidate, and swearing under oath that you have spent less than \$500. Yours very truly, Ms. Swaim.

Ms. SWAIM. I suppose that would be a possibility. I mean, having gone through this Federal form, which I gather is the most complicated possible, I find that for my campaign, I would have to fill out one page, and it really would not be much more complicated than filling out a form that said, I spent less than \$500, signed Ms. Swaim.

Mr. ADAMS. Thank you very much. We appreciate your testimony. You were very kind to be here this morning.

Ms. SWAIM. Thank you.

Mr. ADAMS. We have one more witness, Mr. Thornell Page of the Afro-American Bicentennial Corporation.

Mr. Page, we have a call of the House on, and if you can wait for a moment—is that a quorum call or a vote?

Mr. DEPUY. I think it is a quorum call.

Mr. ADAMS. I will go answer and come back. Can you wait for a moment?

Mr. PAGE. Yes.

Mr. ADAMS. I do not know what Mr. Nelsen's schedule is.

[Pause.]

If you will wait just a moment, we will answer and be back.

[Discussion off the record.]

Mr. ADAMS. The subcommittee will come to order again.

Mr. HOGAN. Mr. Chairman, could I interrupt, please, for a moment?

Mr. ADAMS. Yes, sir.

Mr. HOGAN. I had intended asking Ms. Swaim about what her position was on public financing, and she has said, after you adjourned to go to the floor, she indicated that she did have a position on that. She failed to tell the committee and would like to do so by correspondence.

Mr. ADAMS. Without objection, then, her statement on campaign financing will be accepted and placed in the record immediately following her testimony that she presented.

Mr. HOGAN. Thank you, Mr. Chairman.

Mr. ADAMS. Mr. Page, I apologize for the committee having to interrupt its timing and for your having to wait at this point.

We are very pleased to receive your testimony, and as I have indicated to the other witnesses, however you would like to present it—you may read it, summarize it, and place it in the record, or proceed in whichever fashion you would like.

STATEMENT OF THORNELL K. PAGE, REPRESENTING THE AFRO AMERICAN BICENTENNIAL CORPORATION, THE CAPITOL EAST COMMUNITY ORGANIZATION AND THE GO-TRASH COALITION

Mr. PAGE. I will be as brief as possible; I realize the day is getting late.

Mr. Chairman and staff, I appreciate this opportunity to share with you my views on political campaign financing and regulations.

I represent the Afro-American Bicentennial Corporation, the Capitol East Community Organization, and the Go-Trash Coalition. These are nonprofit organizations interested in community development.

I have participated in most partisan and nonpartisan campaigns in the District since 1960. I am a doctoral candidate at Virginia Technical Institute, and I have completed numerous research projects in participatory democracy. My experiences will constitute the basis for my recommendations to you.

I think probably what Ms. Swaim said about the ward and School Board campaigns, you have to see it in its proper perspective.

First of all, a ward campaign for School Board in the District of Columbia is like comparing a Volkswagen to a Mercedes when you think of mayoralty candidates and the City Council. And I would agree that probably the reporting requirements are a little strict for small School Board campaigns in the ward. But from what I have seen on a citywide basis, I would agree that they are not too extensive or restrictive.

From my observations, one's ability to get elected to public office depends directly upon his personal ability to finance a campaign, or his ability to raise money, neither of which should be prerequisites for public service.

Most political campaigns are expensive. Therefore, only the affluent can afford to run successfully for citywide or District-wide public offices.

I am sure this Committee has enough foresight to recommend enlightened legislation to the Congress to assure that the District of Columbia's political process will not develop into a closed shop, limited to the rich and well-to-do.

Ideally, public financing of political campaigns is desirable and needed, but I do not feel that is possible at this time. Therefore, I would like to recommend the following alternatives.

ALTERNATE TO PUBLIC FINANCING

To encourage more participation in the political process in the District of Columbia, average income persons who are serious candidates—those drawing 10 percent of the votes on a ward scale or city-wide—should be reimbursed for certain campaign costs, such as mail, transportation, and probably the services of auditors to comply with the regulations if you are going to use them.

To encourage small contributions, donations up to \$100 should be deductible from the Federal and District income taxes.

The most expensive expenditures in most local campaigns are those for media time—radio, television and newspapers—and provisions should be made to achieve equality of paid media time. The major TV and radio stations should sell a total of one hour to each mayoralty and City Council Chairperson candidate; 30 minutes for each at-large candidate; and 15 minutes for each Ward candidate. Each candidate must be charged the same advertising rate.

The major TV and radio stations should be required to provide a limited amount of free time for all candidates on an equitable basis. The amount of time can be determined by the D.C. Board of Elections and representatives of the media.

All broadcasts, free or purchased, must be made within a period of 40 days prior to the elections. The 40-day period would end at least 48 hours before the election. The purpose of this time limit is to prevent the campaign from beginning too soon, thus becoming extremely expensive, and from including last-day broadcasts which might, in some instances, misinform the public before rebuttal is prepared.

Finally, I vigorously support the bill introduced by Senator Charles Mathias, to create a powerful District of Columbia Commission to enforce strict campaign financing regulations. However, I believe H.R. 12638 provides a more representative method for selecting members of the Commission. It states, "The Commission shall be composed of five members, not more than three of whom shall be members of the same political party." Also, members of the Commission would be appointed by the Chairman of the Council and the Mayor, rather than all of them being appointed by the Mayor.

I believe these steps would be very helpful in providing all District residents with an equal opportunity to seek public office in a fair and impartial system.

Thank you.

Mr. ADAMS. Thank you very much. That is a very interesting and excellent statement, Mr. Page.

LIMITATION OF CAMPAIGN TIME

I am interested in your idea on page 3, about the limitations on the period of the campaign. I just happen to sit on the Interstate and Foreign Commerce Committee also, and the District Committee does not have jurisdiction over the media as to what they can and cannot do.

And I might state to you that we have had two or three bills very similar to what you have had here. In 1968, we even got one so far as passing the Senate and the House, but it never got out of conference, on equal time. But we could perhaps control the limits of time of a campaign by saying that no one could accept contributions or make payments prior to a certain date.

What would you think of that as an alternative?

Mr. PAGE. I think that would be a good step. However, I believe in the District of Columbia, since we use it as a prototype for so many things, I think probably we ought to take the opportunity and go a few steps further and try out some of these ideas that all of us have around the country, about how to improve the political process. Therefore, I think probably the media in the District of Columbia, as a way of cooperating with the community, might be interested in self-regulations in some way, as it relates to that.

Mr. ADAMS. It is my understanding now, though—and I ask this as a question, because if you have different information I would like to have it—that the media do require—and I cannot remember whether this is by statute or if it is by their cooperative efforts—when they sell time, that the same amount of comparable time is offered to the opposing candidate; and that both are charged the same rate.

Now, if this is not so, I would appreciate hearing from you about that.

Mr. PAGE. I do not know if that is true. But what I do know, to offer time—one candidate being able to buy time and another not being able to buy time—I have some problem with that, and I think probably people ought to be able to have the ability to buy whatever is needed. But it creates a terrific imbalance, and I guess maybe that is why I am supporting some kind of subsidies so that a candidate who is not financially able might be able to buy a certain amount of time.

Mr. ADAMS. Now we have, by general statute, limited the amount of media time that can be used in Federal elections.

Would you favor that kind of a limit?

Mr. PAGE. I certainly would. I am not sure what the time should be; I used one hour for citywide mayoralty and City Council, but I am not sure that amount of time is the appropriate amount. First of all, I doubt if very many people in this city could pay for that kind of time. But I just wanted to share this with the Committee so you could begin to think about what would be an appropriate amount of time.

Mr. ADAMS. Thank you, Mr. Page.

Mr. HOGAN, do you have some questions?

Mr. HOGAN. Just one question.

These are non-profit corporations that you are affiliated with?

Mr. PAGE. Yes.

Mr. HOGAN. Do they get any Federal grants or funds or anything?

Mr. PAGE. Well, no Federal grants. The Bicentennial Corporation, we had a contract with the National Park Service, but it was not in the term of a grant.

Mr. HOGAN. Do they endorse any of these—will they be endorsing candidates or anything like that?

Mr. PAGE. Normally they do not endorse candidates as organizations. Individuals may endorse candidates. Of course there is always the

possibility—you see, what has happened in the District of Columbia, we have been babes in the woods. Something is coming up here that people who have not been close to campaigns cannot anticipate.

So, in answer to your question, I do not know what they will do whenever the big guns are brought out.

Mr. HOGAN. Off the record.

[Discussion off the record.]

Mr. ADAMS. Mr. Page, your statement is very helpful, and I think—are you finished, Mr. Hogan? I am sorry.

Mr. HOGAN. I did indeed.

Mr. ADAMS. The committee appreciates it, and I think your comment is very well taken that the elections in the District, and particularly such as the Board of Education elections, I do not think are relevant as to what is going to occur. That is why we are trying to pass a bill to at least put some perimeters around the election so that it will not be simply bought outright by someone.

I do not guess you were probably here yesterday at the opening statement when we started the hearings. It is the belief of a number of us on the committee that we should not try to place permanent legislation into effect, waiting for the elective government to decide and fight out among themselves, with the experience that they will have had, what kind of a law they may eventually want. But that we should try to prevent gross abuses at this time, and I think your comments you have made are helpful; and it may be that we will try to approach the media and see if we can get something to balance this out a little bit, as you mentioned.

Mr. PAGE. All right, thank you.

Mr. ADAMS. Thank you, Mr. Page.

The subcommittee will stand adjourned until 7:30 this evening, when it will meet in Room 500 in the District Building, which are the City Council chambers, at which time we will proceed with the Board of Education, the D.C. Republican Committee, Common Cause and as many others as we can hear at that time.

[Whereupon, at 12:55 o'clock p.m., the subcommittee adjourned, to reconvene at 7:30 p.m. the same day.]

possibility—you see, what has happened in the District of Columbia we have been babes in the woods. Something is coming up here that people who have not been close to campaigns cannot anticipate.

So in answer to your question, I do not know what they will do when the big guns are brought out.

—Mr. Hosen: On the record.

Discussion of the record.

—Mr. Hosen: Mr. Tamm, your statement is very helpful, and I think—
are furnished. Mr. Hosen: I am sorry.

Mr. Hosen: I did not do.

—Mr. Hosen: As a committee representative, and I think your own record is very well taken into the election in the District and particularly such as the Board of Education election, I do not think are very far from what is going to come. That is why we are trying to pass a bill to select some persons around the election so that it will not be simply brought out by someone.

I do not guess you were probably here yesterday at the opening of the session when we started the hearings. It is the belief of a number of us on the committee that we should not try to place permanent legislation into effect waiting for the elective government to decide and fight out among themselves with the experience that they will have had which landed a law they may eventually want. But that we should try to prevent gross abuses at this time, and I think your committee has made me helpful; and it may be that we will try to approach the matter and see if we can get something to balance this out a little bit.

as was mentioned.

Mr. Tamm: All right, thank you.

Mr. Tamm: Thank you, Mr. Tamm.

The subcommittee will stand adjourned until 7:30 this evening, when it will meet in Room 500 in the District Building, which are the City Council chambers, at which time we will proceed with the Board of Education, the D.C. Republican Committee, Common Cause and as many others as we can hear at that time.

[The adjournment at 12:35 o'clock p.m., the subcommittee adjourned, to reconvene at 7:30 p.m. the same day.]

CAMPAIGN PRACTICES IN THE DISTRICT OF COLUMBIA

THURSDAY, APRIL 4, 1974

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON GOVERNMENT OPERATIONS OF
THE COMMITTEE ON THE DISTRICT OF COLUMBIA,
Washington, D.C.

The subcommittee met, pursuant to notice, at 8 p.m., in room 500, District Building, Washington, D.C., the Honorable Walter E. Fauntroy, acting Chairman of the Subcommittee, presiding.

Present: Representative Fauntroy (presiding).

Also present: Harley Daniels, Legislative Assistant to Rep. Fauntroy; Jacques DePuy, Subcommittee Counsel; John Hogan, Minority Counsel; Dale MacIver, Full Committee Counsel; and Ralph Ulmer, Professional Staff.

Mr. FAUNTROY. The third of a series of hearings by the Subcommittee on Government Operations of the District of Columbia Committee will come to order as we consider campaign reform and financing reform legislation.

It is a privilege to hold this hearing in the District Building in the Council Chambers. And as we begin the hearings, I want to state first that my colleagues on the Committee, who vote as members of the House of Representatives, are all on the floor at this time as the House is in session this evening considering the supplemental defense appropriations bill. And our distinguished Subcommittee Chairman, Mr. Brock Adams, was therefore unable to be with us tonight.

At the hearings, however, are Mr. Jacques DePuy, who is the Counsel for the Subcommittee on Government Operations, to my left. On my right is Mr. Daniels, who is Legislative Assistant in my office. To his right is Mr. John Hogan, who is our minority Counsel on the District Committee; and finally, the minority staff man, Mr. Ralph Ulmer.

The witness list has been prepared, and we call as our first witness Mr. Marion Barry, Jr., the President of the Board of Education, who will be accompanied, I suspect, by Mr. John Gibson, and perhaps joined at some point by Ms. Virginia Morris, Member of the D.C. Board of Education for Ward 7.

Mr. Barry?

STATEMENT OF MARION BARRY, JR., PRESIDENT, D.C. BOARD OF EDUCATION, ACCOMPANIED BY JOHN GIBSON

Mr. BARRY. Thank you, Congressman Fauntroy.

Let me first indicate that Ms. Morris will not be present tonight. She decided to go to Houston earlier than she anticipated for the National Association of School Boards. I will be leaving tomorrow night.

All of us will be representing the District of Columbia School Board, so she will not be here. And I would like to just give my statement. I think a lot of the views that I have reflect her views, because we talked about this before she left, so I am not speaking for her but she, perhaps, agrees with many of the things I am going to say.

Mr. Chairman and members of the Governmental Operations Subcommittee, my name is Marion Barry, Jr., and I am President of the D.C. Board of Education, in addition to a lot of other things. As you all know, members of the Board of Education are the only locally elected public officials of the city and as such we belong to a small number of individuals who have thus far experienced the campaigning expense for an elected office.

ELECTION OF DELEGATE

Mr. FAUNTROY. Mr. Barry, I did take note of your statement here, but I just wanted to clarify the fact that under H.R. 12638 the Delegate would be subject to the same restrictions as imposed on other candidates in the District of Columbia locally, and the only restriction is with respect to reporting. And as I have indicated in the record heretofore, it seems to me that rather than simply duplicate the reporting forms, that the reports made under the Federal law would be made available for the local.

Mr. BARRY. My concern in reading the bill is that I do not think the present Federal law is stringent enough. In fact, your bill and even Congressman Diggs' bill in my view goes beyond, in some instances, the Federal applications of the law as applies to Congressmen and Senators. My own view is since Washington is unique and that since we are shaping legislation, it ought to be spelled out more specifically that the Congressional seat, no matter who holds it, would come under the same extent to the letter of the law as other local offices, because Washington, as you know, has a strange situation.

We are half a State sometimes, and halfway a city sometimes, and halfway a county. And so we get all mixed up. I thought all of us should come under the same requirement. That was my intent there recognizing that you do come under the Federal law, but I do not think the Federal law is decent at this point. This is sort of a lot left to be desired in my view.

Mr. FAUNTROY. You may proceed.

H.R. 12638 AND H.R. 13539

Mr. BARRY. Mr. Chairman, I would like to state my general opinion concerning campaign finances before I speak on the merits of H.R. 12638 introduced by Congressman Fauntroy and H.R. 13539 introduced by Congressman Diggs. I had thought of appearing before the Committee with a plea for your consideration of tabling the entire matter until the newly elected legislative body of the District of Columbia has a chance to deliberate on the matter and take appropriate action, for I feel that the time has long since passed when the Congress of the United States should burden itself with the direct government of the 800,00 people of the District of Columbia.

However, since it is apparent that more than likely we are going to have local elections in the fall, I am convinced that there needs to be some legislation in this area even though it may be changed later by the locally elected government. Therefore, I have decided to give full testimony on the proposed legislation.

Additionally, many people with whom I have spoken feel that it is insulting to the people of the District for the Congress to attempt to pass such legislation for the District of Columbia while at the same time refusing to revamp those practices which govern the elected offices of the House of Representatives and the Senate of the United States. Furthermore, Section 206 of H.R. 12638 would exempt the Congressional delegate race from such campaign finance restrictions that would be imposed on other organizations and individuals seeking elective office in the District of Columbia.

PUBLIC FINANCING

Mr. Chairman, I personally feel that all campaigns should be financed from public coffers and that at least 60 percent of campaign expenditures be paid for by taxpayers.

Now, I find that very, very important because in the aftermath of Watergate and other kinds of electoral political kinds of actions that have been detrimental to our electoral process, it seems to me you eliminate the need for candidates to go out seeking large gifts if you have public financing; and secondly, I think it allows a significant number of our citizens to allow for a well planned campaign.

As we know, 35 to 40 percent of the people in the District of Columbia over the age of 18 earn less than \$5,000 a year, which means you are putting an undue burden on those persons who, because of economics, are segregated and discriminated against because they cannot raise large sums of funds. So I do think public financing would do that adequately.

Now, my 40 percent figure would also add some incentive to a person running. I do not believe that the public coffers should pay 100 percent of the candidate's fees, because it does not give that candidate any initiative to go out and raise a little money on the side somewhere. So I want to point that out as a factor.

In that connection, I think that that financing should be no more than 20¢ per person of voting age put on such expenditure for the Offices of the Mayor and the Delegate and reduced scales for the other offices in proportion. If we used the figure of 20¢ as the figure, there would be some \$70,000 for the races to use as incentive and as a goal.

I have worked for many years in the District of Columbia and elsewhere around the nation with and among organizations and people who feel that there is a need for campaign finance controls. We have witnessed over a number of years the control of elections and those elected by money barons and money brokers who own or head corporations.

Interest groups and concerned individuals, who are also affected either positively or adversely by certain types of legislation and who did not have money to help elect their candidates, were left to the whim and wish of organizations and individuals with limitless coffers.

I am and have been for many years an advocate of one person-one vote, and with this philosophy played a part in helping to enfranchise hundreds of thousands, if millions, of new registered voters who today are making unprecedented gains throughout the South and urban centers.

However, what we discovered was that one person-one vote means little if candidates of your choice do not have the monies to keep up with the inflationary costs of political campaigns. Sometimes I get the feeling that through the stepped up efforts of registering blacks and other minorities, we may have been fattening frogs for snakes.

Mr. Chairman, I could go on a long time in this area. However, I am sure that it would not serve to answer all of your practical questions on the two bills before your committee.

TITLE II

Therefore, I will devote the remainder of my comments on the legislation before us. Much of the intent in Title II of the bills must be lauded, however, in order to accomplish those portions of the bills dealing with "organization of political committees," one must have access to a lot of money or dedicated individuals who do not have to work for a living to keep up with the entire city.

Title II of these bills would also make the candidate responsible for the collection of such funds. This does not, if the candidate himself does it, encourage monetary participation on the part of the masses of the people. If anything it, may prove to serve as a deterrent demanding therefore that the politician seek \$1,000 from 100 people rather than \$10 from 10,000 people.

I have no problem with the concept of central depositories in which all contributions would go. In Section 201, the intent of 201(b) may be good in the long run, however, you could have a situation where citizens, against the expressed wishes of a potential candidate, may form a draft committee to encourage his candidacy.

POLITICAL COMMITTEES

And again, I would like to expend a little on that. In this country draft committees have almost become in themselves political animals of American history. And in my reading of the bill, there is no way that a draft committee could be put together and could raise monies to encourage a certain candidate to run if they had to get the candidate's permission. Most candidates who I talk to are reluctant to be drafted, and are also reluctant to give their names to the committee or give their expressed approval to raise money.

So maybe the bill could be amended somewhere so that you could make a provision for drafting committees to be formed without the approval of the potential candidate, but those drafting committees would be subject to the same finance reporting procedures.

And another provision of that, it seems to me, would be if there are monies left over from that draft committee's effort, unlike today where you can take a \$25,000 or \$30,000 lump sum and then transfer it to the candidate's committee and sort of hide it under some money; maybe that money ought to be refunded to the contributor and they can give it again to the candidate once he or she decides they are going to run.

DEPOSITORY OF FUNDS

In Section 202(a), I feel that through a central depository of funds, a candidate will be able to keep a closer track on the origin and distribution of campaign finances. Again, I can speak from personal experience on that where there were several different committees raising money for myself, and I could not keep track of that; and yet, I was legally responsible for that.

But I think the 10-day limitation may be too proscribed and may tend to over burden some candidates, particularly those candidates who have a mass based organization where there are a lot of small sums of money and who may not have experienced bookkeepers who can keep track of the money; and at the same time run a campaign at the same time in terms of reporting. So maybe that ought to be changed a little bit.

Therefore, I feel that this particular section would discriminate against the less oiled organizational machinery.

In Section 201(a, b, c, d) of H.R. 12638 and Section 202(b) of H.R. 13539, both bills, would require registration of campaign depositories and safe deposit boxes to help thwart the possibilities of a secret coffer and campaign shenanigan, and I agree with that.

As I have stated earlier in my testimony, I feel that Section 206 of H.R. 12638 which exempts the District of Columbia Delegate of the House of Representatives from coverage under legislation which affects every other elected office should be changed. I reiterate for your committee that the upcoming political campaign should be governed by no more stringent legislation than governed Congressmen and Senators at this present time.

LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

Before I deal with limitations on contributions and expenditures, I would like to support those sections in both bills which prohibit contributions and expenditures by corporations and labor unions in behalf of any particular candidate or campaign organization. This does not preclude, however, in my view, the encouragement of individual contributions.

I am personally in favor of limitations on the use of candidates' personal and family funds and feel that the figure \$25,000 is too high. A more realistic figure would be \$5,000 in my estimation. However, even the figure of \$1,000 would seriously limit a number of good prospective candidates.

I am also in favor of tax incentives for campaign contributions and feel that any contribution below \$100 should be totally exempt from taxation for \$10-25 for some people are large percentages of their take-home pay.

Additionally, I am in favor of an agency to enforce the Reporting and Limitation Law. However, I lean more favorably to the concept in H.R. 13539, Sections 301 and 302, which give additional staff and powers to the Board of Elections for such enforcement.

Again, it does not really matter to me as long as we have a very stringent commission to do it, and if, particularly the home rule section, if there be some way that the Board of Elections, as it is

appointed with the advice and consent of the Council, if that can be done then I think that gives us the same thing.

Limitations on personal contributions should vary with the office. For this reason, I am more inclined to accept the provisions in H.R. 12638.

For the provisions of campaign expenditures, I feel that H.R. 12638 is headed in the right direction. However, the reality of my campaign indicates that these expenditures may be somewhat drastically low.

If there were legislation which limited the costs of newspapers, television and radio advertisements, these may be good ballpark figures. However, no such legislation exists and the reality of it is that these media of communication must be effectively used to transmit as much knowledge on each candidate as possible, especially in city-wide elections.

Given the reality of these expenses, I would make a suggestion that at-large races for Mayor, Delegate and Chairman of the City Council should be \$75,000, \$75,000 and \$50,000 respectively. Member of the City Council At-Large, Member of the School Board At-Large, Member of the City Council Ward and Member of the School Board Ward should be \$25,000, \$20,000, \$15,000, \$10,000 and party offices, \$2,000 respectively.

There should be a \$1,000 contribution limitation to all candidates for local office in other words, no one person should be able to give more than \$1,000 to all the candidates who happened to be running, and there should be no contribution of more than \$5,000 for any one source, which again limits many illegal and unethical kinds of contributions.

Limitations on contributions and expenditures from candidates' personal and family funds should be no more than \$5,000.

Mr. Chairman, I would like to thank you again for this opportunity to appear before your Committee, and again I would like to emphasize that we really have to work hard to make sure we have some stringent campaign laws for the District of Columbia that are reasonable, and will allow the citizens in their first flight towards liberation and political freedom to move unhampered by what may turn out to be, in some instances, to be a Puddlegate.

In my efforts to offset the Puddlegate in Washington, I would suggest the legislation be made retroactive to January 1st, 1974. I think there are some legal problems with this type of things, but the intent is to find a way where those contributions, which have been given to respective candidates, can now be recorded even if there is a draft committee; so that you can get some kind of reporting, because I am convinced that he who pays the piper, plays the tune.

Mr. FAUNTROY. Thank you so much, Mr. Barry, for your very careful analysis of the ills before our subcommittee. Let me just comment on the last statement first.

H.R. 12638 does have I think in Section 602 a provision that makes it applicable as of January 1st of 1974, and I am glad to get this kind of support because it does not appear in the legislation.

REPORTING TIME

I have just three questions to ask on the basis of your testimony. The first has to do with the ten-day limitation.

Now, what would you recommend would be a more reasonable period for the filing of reports prior to election?

Mr. BARRY. Prior to?

Mr. FAUNTROY. Yes. I think that your point on page 4 is that the 10-day limitation may be an overburden, could be overburdensome to the candidates with small staffs and the like?

Mr. BARRY. As I understand it, we were talking about the length of time which a campaign organization and a candidate had to report gifts as well as expenditures.

Mr. FAUNTROY. Yes. Ten days after receiving?

Mr. BARRY. After receiving.

Mr. FAUNTROY. I see.

Mr. BARRY. I would think that a more reasonable time would be at least 20 days. My own view is that it is not the reporting that is important; it is what is recorded that is important. And if we have those stringent requirements which require people to keep accurate and adequate records, whether or not it is ten-days or 20 days, it would be better because when you are getting \$10 or \$15 contributions, which we would encourage in the first place, the bookkeeping is not the easiest thing in the world, particularly if you are running a campaign at the same time you are trying to raise money.

So I would think that 20 days should be a reasonable time. Again, the emphasis should be on what is reported because you can take 10 days and report nothing, and 20 days and report adequately. So I would say 20 days would be reasonable.

CONTRIBUTIONS BY CORPORATIONS AND LABOR UNIONS

Mr. FAUNTROY. Secondly, with respect to your argument that corporations and labor unions should not be able to make direct contributions to the campaigns of political candidates, do you feel that these corporations and labor unions should be allowed to have political committees by which those corporate or collective contributions may be made; or should we go all of the way and rely upon individual contributions as a means of running campaigns?

Mr. BARRY. I think we ought to go all of the way. We know that there are ways that corporations and labor unions sometimes find ways of adverting the intent of the members' will to put the money to certain things, and a small number of people make major decisions about candidates.

I just think we ought to go all of the way and prohibit it period. That is not to say that those same organizations should not be allowed to participate in non-partisan voter registration drives, getting out the votes because of the drives, and it does not mean that labor unions should not endorse candidates.

I believe very firmly that every organization or every person has the right to endorse who he or she wants to. It does not prohibit the members of that organization participating in the campaign, but again we know in this city when radio time or TV time costs \$6,000 or radio time costs \$2,000 or \$3,000, which we all know; so we know money can be a factor in this whole thing.

So I think we ought to go all the way and prohibit it right across the board, because political committees may through subterfuge hid what they really want to do in the first place.

MONITORING FINANCES

Mr. FAUNTROY. A final question on the monitoring and enforcement of the campaign finance limitations and laws here; I note that you suggest that it would be little consequence as to whether or not it was Board of Elections, which had this responsibility, or a separate commission.

Now, I wondered what your reaction to the possibility that the members of the Board of Elections, appointed as they are by the political head of the city, I wonder if they might not be as independent in their scrutiny as the law would allow?

Mr. BARRY. Well, I mean, Congressman, whenever you have these many hundreds of people, there is no way to stop from stealing. Thieves will steal, you know, if they are basically that way.

Now, you can make as a consequence of that stealing, like cutting their hands off or something like that, and that might help. But I do not know how you can prevent a situation where even the Commission—well, as I understand your bill, which is part of H.R. 12638, does repeal D.C. Code Section 1-1113, and sets up a commission.

Now, as I understand it, and I am not quite clear as to how this commission comes into being and would appoint, but as I understand it—you see, the problem with any of these things is who appoints them and whether there is check and balance. Maybe you can enlighten me a second on who appoints?

Mr. FAUNTROY. I have, since introducing the bill, given more consideration to this question, and come to the view of late that because of the enormous amount of power, which is turned over to the elected officials, that perhaps we need to insulate the commission or the authority, which would monitor campaign finance practices by employing a judicial nomination commission procedure, which we had made a part of the home rule legislation with respect to the appointment of judges.

And I am at this point just really groping for whether or not we sacrifice the independence for, what appears to be from the testimony thus far, from the Board of Elections at least, whether we sacrifice that independence from the more economical route of simply bolstering the present Board of Elections staff, which staff and board are appointees of the Mayor.

Mr. BARRY. Well, it seems to me that there may be some ways—and again, I do not know exactly the answers to some of these problems—but I would think there would be some way of insulating and maybe it is even possible to put another layer between the Mayor and the City Council where they would have to take from a list of people, just

as the Judiciary Commission does now for the President of the United States. It is required by law. He cannot appoint anybody he wants to, it has to come from that list of people.

So that may be another way of doing it. Again, I do not think we can do too much. If people are going to steal, and maybe I am a pessimist, but if they are going to steal, they are going to steal. But maybe we can make it more difficult.

So I appreciate your concern, and maybe there could be another layer between the appointment process and how that appointment originates there.

Also, I would assume on your views in this matter, that however this commission is set up, that they would be residents of the District of Columbia at the least, and have to live here.

MR. FAUNTROY. Thank you so very much, Mr. Barry.

MR. DEPUY?

MR. DEPUY. Thank you, Mr. Chairman. Just one question, Mr. Barry.

LIMITATIONS ON EXPENDITURES

Mr. Fauntroy's bill would set up expenditure limitations in each election, that is, separate limitations in the primary and in the general. Now, on your recommendations for limitations for the various offices, you do not make it clear whether these are total for the entire campaign or for each election.

Is it your intention that these be the total?

MR. BARRY. For each.

MR. DEPUY. For each?

MR. BARRY. Otherwise, I think, if you do not make it clear as to each, you are not even going to get to the run-offs; so somebody might spend all of that money up front, and not have anything left over to be spent.

Quite frankly, if we had a different kind of city, I would opt for even lower spending amounts, but recognizing we have 800,000 people and that you cannot pound the pavement and meet all of these thousands, you have got to pay for television and radio. So even \$75,000, in my view, is too high, but recognizing the fact that you have got to use the radio and the papers, since you do not have a large paper system here to do anything with, that is for each one of them.

REPORTING REQUIREMENT

MR. DEPUY. My second question is, you mentioned earlier on this 10-day requirement that there may be some burdensome provisions for some candidates who only spend a small amount of money.

Would you favor or think there is some wisdom in, perhaps, exempting candidates who might only end up spending \$200 or \$300 or \$400 from the reporting requirements provided that they, perhaps, keep the records on contributors and expenditures in case they go over that amount? Considering that there may be a lot of candidates who find it difficult to raise funds and in fact, only spend a small amount of money, would you feel they might be discouraged by the bureaucratic requirements and the like?

Mr. BARRY. Well, my thinking is that we ought to be equitable about the matter, and whoever is running, whoever gets enough petitions signs to be a given candidate, ought to come under the requirements of the law. I realize that more than likely that people who do not raise much money probably will not win, quite frankly. But I think that they ought to be required to report because the same kind of pressures can be put on a person if somebody gives you \$400 as they are if you raise \$40,000. It just gets to be degrees.

So I would say for everybody.

Mr. DEPUY. Thank you, Mr. Chairman.

Mr. FAUNTROY. Counsel?

Mr. HOGAN. Thank you, Mr. Chairman.

PUBLIC FINANCING

Mr. Barry, on page 2 of your statement, you indicate that you feel that all campaigns should be financed by public coffers, and at least 60 percent of the campaign expenditures should be paid for by the taxpayers. Then you go on to say that the additional 40 percent should be subject to the campaign provisions, subject to the limitations of public law, such as the bills that are presently before this Subcommittee.

Is it your position only 40 percent should be subject to these two bills, or how would this 60 percent be controlled?

Mr. BARRY. If you notice in the two bills before us, it combines the raising of funds and how that comes about, and the reporting of the expenditures of funds. My own view is that 100 percent of the expenditures should be reported. That is different than how you raise it.

So if you raise the 60 percent—and according to my formula that is about 20¢ per person, but still after you spend that, you still have to report that to the Commissioner, or whatever the body is that you will have to report it to. So I separate out expenditures from what it takes to raise it. So 100 percent would have to be reported.

My own view is 60 percent would be free to spend anywhere you want to spend it, either all on one item or all on five items, but you have got to report it in the same manner as if you get the 40 percent.

Mr. HOGAN. I was just totalling up your figures here on page 5 of your report. And I would assume that if your limitations were set forth there, that is the limitations that you are talking about, that would be something over \$500,000; so that if 60 percent of that were paid for out of public funds, that would be something probably in excess of \$3,000.

Was that about what you figured the public financing could cost?

Mr. BARRY. No. I think I should clarify this somewhat. This is a very complex situation.

What the latter part of my statement does, it recognizes the probable unreality that the Congress of the United States is going to finance these elections from the public coffers. And the figures you see on page 5 are figures without public financing. If I were talking about strictly public financing, these figures are much lower because if you had five candidates running for mayor, under the present system, there would be a disproportionate amount of public relations going on; whereas if

everybody got the same base, that would not take place because everybody would have a shot at it, a shot at the radio, a shot at television, and a shot at bumper stickers.

I should have made it clear that I am talking about the probable reality that the Congress will not pass the bill to give us public financing.

Mr. HOGAN. One of the questions that I had asked some of the people who had testified before the committee before is whether they believe that this Committee bill should apply to the individuals who will be running for office in the advisory neighborhood councils.

Do you believe that the same provisions should apply to these people?

Mr. BARRY. I think so. I believe right across the board we should have very stringent kind of campaign races and raising of monies and expenditures; because with the idea of the neighborhood advisor concept, you want to take government to the lowest denominator.

And if you notice in my testimony, particularly for party offices, I went very low; you know, down to \$2,000, because again you do not want this thing to be a matter of money. You want it to be a matter of who is committed to work in the city, and who can muster some people to work for them. But I do think it should apply right across the board to every election that is sanctioned by the law, and is held by whatever group is holding the elections, whether it be the Board of Elections or whatever it is called.

Mr. HOGAN. And if there were public financing, the people who would run for the advisory neighborhood councils should be able to participate also?

Mr. BARRY. No question about that. It should be right down the line.

Mr. HOGAN. On the last page, you indicate that you want the bill to apply retroactively. I assume you are talking mainly about the reporting provision and also, of course, limitations?

Mr. BARRY. Right. I mean the whole thing. I assume that we are going to run into difficulty about how we do that, unless there is something in there that deals with draft committees, because most of the potential candidates in Washington and so forth sort of depend on committees that sort of speak for them and announce the candidacies, except a few.

One of our candidates for Mayor, Mr. Griffin, is sitting here. He is one of the few I know who has announced.

Mr. HOGAN. He has announced?

Mr. BARRY. Yes, loud and clear.

LOBBYING

But I think it should be retroactive to all portions of the bill.

Mr. HOGAN. Finally, Mr. Barry, Congressman Nelson has indicated an interest in either an amendment to one of the bills or separate legislation to go along with this; a bill that would control lobbying.

Now, I assume that those lobbying provisions would apply immediately. In other words, there will be individuals who are currently, for instance on the City Council, who will be running in the forthcoming elections. So that the lobbying provisions, if they were implemented, would apply immediately.

Do you support that kind of provision, since it would be protective of the public interest?

Mr. BARRY. You mean the people who lobby with the Congressmen and Senators?

Mr. HOGAN. Well, it would be similar to some extent to the lobbying registration and reporting provisions that apply.

Mr. BARRY. You mean to councilmen?

Mr. HOGAN. It would be a local bill that would apply to the Council, to the Mayor, as it does apply Federally to the Congress and the Senate, and to Federal officials elected.

Mr. BARRY. I am not as familiar with the Federal lobbying law as I probably should be, because I have not engaged in that business that much in any official capacity. If it means registering as a registered lobbyist, or if it means reporting certain expenditures—does it mean that?

Mr. HOGAN. Yes.

Mr. BARRY. If it means that, then I would be in favor of that also. But I would not want to tack anything on the bill that would make it so heavy that it would not fly. I am not sure how other people would feel about that, and if it becomes burdensome to be tacked onto this bill, I do not think we should have it, because I do not think you are going to have a large number of local people registering as lobbyist in the City Council.

I think you are going to have a lot of unofficial lobbyists who are going to be kicking down doors and everything else. In other words, I do not want it to sink the whole bill.

Mr. HOGAN. Thank you, Mr. Barry, for your testimony.

Mr. FAUNTROY. Thank you again.

Our next witness is Mr. William M. Bartlett, Treasurer of the D.C. Republican Committee.

Mr. Bartlett, welcome to the witness stand.

STATEMENT OF WILLIAM M. BARTLETT, TREASURER, D.C. REPUBLICAN COMMITTEE

Mr. BARTLETT. Thank you, Mr. Chairman.

Mr. FAUNTROY. Mr. Bartlett, you have a prepared statement which you may exercise the option of reading or summarizing it if you like.

Mr. BARTLETT. Well, I can presumably summarize it to save some time.

I have been Treasurer of the D.C. Republican Party for about two years, and these observations of mine are experience that I have had over the two years in campaign reporting and trying to interpret the law and trying to keep out of jail.

EXPENDITURES

H.R. 12638 says that if there is a vacancy in the Chairman or Treasurer's position no expenditures can be made and no monies received. I realize this was taken from Public Law 92-225, but still think it is ridiculous. In my party, neither the Treasurer or the Chairman, either collectively or individually, has the authority to

spend money without further approval. The section could cause serious problems in the event of sudden incapacity in either office, and seems to serve no useful purpose.

CAMPAIGN COMMITTEES

In H.R. 12638 it states that there can be only one central committee per candidate and all monies for that candidate must funnel through this committee. What happens if four or five candidates wish to work through the regular party organization?

Does this mean that the regular party organization should not be a clearinghouse for all candidates? Are we not creating another administrative nightmare within political organizations?

I am opposed to setting up another bureaucracy without first investigating the possibility of using something that already exists. In H.R. 13539 the Board of Elections is given additional powers, whereas in H.R. 12638 a new commission is created. I recommend giving the Board of Elections this responsibility.

Gentlemen, both of these bills put stipulations as to amounts of monies that can be contributed by any one individual, facility for disclosure by candidates and their committees and at least one of the proposals legislates rather stiff penalties for non-compliance.

I would like to make the following recommendations to this group.

RECOMMENDATIONS PROPOSED

One, if there is to be an election commission to cover the broad spectrum of elections within the District of Columbia, then let the appointments, whether they be by the Mayor or Chairman of the City Council, be approved by the whole Council.

Two, in requiring reports let us make them as simple as possible with an eye towards having D.C. report forms identical to GAO and House election report forms and the filing dates the same also. In this manner, the volunteer treasurer, of which I happen to be one, will not have to spend all his time filling out reports.

Three, I, too, would like to broaden the base of candidate support by having the people who can afford \$5 or \$10 also contribute. I also believe that some of the campaign contribution limits are unrealistically low. We are comparatively new in this area.

I would ask each of you to look into your States to see what is being done. After all, the States that you represent have been doing this a lot longer than the District of Columbia residents.

I did not know who was going to be here, Congressman Fauntroy, and I would ask some of the Congressmen sitting in this committee to go back to their States because they have had an awful lot more experience than we have in the District of Columbia; and would ask them to go back and see what they do in their own particular States.

Four, I believe that having to report any contribution over \$200 within 48 hours of receipt would also create a hardship and is unnecessary unless that contribution is received after the last report is filed, before the election. My reasoning is that the contribution will show up on the next report which will still be prior to election. To

avoid administrative misinterpretation, I suggest the word "last" be changed to "final."

Five, I am opposed to any form of government subsidy or matching fund. My reasoning is this; the people we elect are supposed to run our government. Should that same government contribute to their campaign?

I do not think so. Nor should people be forced to support their opposition through expenditures of their taxes for this purpose.

Six, a suggestion for the District of Columbia campaign financing law might be to encourage TV stations and radio stations to offer public service time, equally to the major candidates. After all, the bulk of campaign money goes for TV and radio time. Public service time could significantly reduce campaign costs.

I would hope that we could begin to find ways of cutting down on campaign costs. I would hope that we could come up with a plan that would be uniform nationwide, so that we could not all drown in paperwork or have to spend even more in hiring batteries of lawyers and accountants.

I certainly do appreciate the opportunity of appearing before you.

BROADCASTING

Mr. FAUNTROY. Thank you so much. I have simply two questions. First is on page 3, where you suggest that the D.C. campaign financing law encourage TV and radio stations to make public service time available to the major candidates.

How would we arrive at who is major and who is minor?

Mr. BARTLETT. That has been a perennial problem, I guess. I am not sure I have the answer to that question, sir. I would just think that perhaps those candidates who are—no, I had better back off and say I am not able to answer that. I am sorry. I just do not know how you can define major.

Mr. FAUNTROY. I raise that question because the limited experience we have had with electoral politics here has created situations where there have been a great many people running for office, and where I have found the difficulty of trying to define who is major and who is minor.

Mr. BARTLETT. I guess perhaps the only way is, I believe, you do have in the District of Columbia an opportunity for write-in candidates. Maybe a major candidate would be one who has succeeded in finding a place on the ballot.

Mr. FAUNTROY. Very good. I think that is a reasonable solution.

LIMITATIONS ON EXPENDITURES

The other question has to do with the limitations. You have expressed your views generally about the limitations included in at least one bill on campaign expenditures, but I wonder if you might care on the basis of your own experience locally with campaign efforts to suggest to us what should be the outside limitations on campaign expenditures for an election, and the outside limitations on campaign contributions by an individual?

Mr. BARTLETT. Well, my experience has only been in really two races. Both of them had been for delegate. It is very difficult for me to answer.

I know that one of the candidates spent over \$100,000 in a losing cause, and another candidate spent maybe \$50,000 or \$60,000 in a losing cause. I think the one who spent \$50,000 or \$60,000 had about the same percentage of the vote as the one who spent over \$100,000.

So it is kind of difficult to set a limit until you know what the costs are. I am just in favor of cutting down costs, but my experience is very limited in that in the Council races, I have no idea whether you should set a limit for the Mayor for one amount, and for the at-large candidates another amount, and so forth.

Mr. FAUNTROY. All right.

Thank you, Mr. Bartlett.

Counsel?

Mr. DEPUY. Thank you, Mr. Chairman. Just one question.

CAMPAIGN COMMITTEES

You seem to be troubled by the fact that the bills require that one central committee be responsible for reporting and for accounting for contributions and expenditures. Apparently you feel that is to the detriment of the regular party central committee or the party organization.

As I understand the bills, party organizations can still function, and if they support more than one candidate, that is if they support the ticket of nominees, they would have to allot their expenditures so that each candidate would report it in his own individual filing, as to what was spent, so that each candidate would not go over the expenditures maximum numbers, assuming there are some.

I wonder if you could put your finger a little more distinctly on what the, in fact, problem you find us discouraging the use of party organizations?

Mr. BARTLETT. There again, I think that not in the government bureaucracy, but I think you are setting up a very complicated mechanism which I think will probably be a whole lot simpler for the government to handle and check on for checks and balances in this reporting procedure, and simpler for the candidates if they could go ahead and report their financing and be responsible, all of them, to the same organization; instead of having to set up five or six different organizations, which would be one for each candidate.

I am not sure I answered your question.

Mr. DEPUY. Well, you have made a little different point.

Would you then suggest that each candidate file with the existing political committee?

That is, so there is one committee that each candidate files with? Is that how you come out on that issue?

Mr. BARTLETT. Well, if you have a regular party organization—in other words, I would like to see them so that they could, if they wanted to, use that route rather than having to set up their own separate committee.

There again, it costs money. It costs money to set up committees. And if they can use something that is already in existence, why would they

have to set up their own and perhaps pay salaries within that one separate committee?

Mr. DEPUY. Okay. Thank you very much.

Mr. FAUNTROY. Counsel?

Mr. HOGAN. Thank you, Mr. Chairman. I would like to pursue this a little bit.

I think part of the problem here is enforcement, and I think one of the reasons that they want to have a single committee for a particular candidate is so that the audit trail is clear, and so that is the responsibility of that particular treasurer or that particular candidate, and it can be zeroed in on in particular.

It seems to me that if they used a central committee, such as your's, for two or three of them, that there might arise some difficulty as far as enforcement is concerned. As I understand the campaign committees on the Hill, let us say for the Senate and the House, they have campaign committees, as you know. And I think that what they do is they parcel off their funding to the individual candidates, and the individual candidates up there, as I understand it, then report that as a contribution of their campaign. And they make a report.

Let us assume that the House Election Committee gives \$10,000 or \$5,000 or \$3,000 or \$1,000 to a particular candidate, then that particular candidate reports that. Would not that be a better way to handle it than leaving the responsibility and also the reporting rests with the individual candidate?

Mr. BARTLETT. Maybe it would. All I was doing was, perhaps, offering an alternative if the candidate did not want to set up its own machinery or did not have the wherewithall. Somebody mentioned here just a few minutes ago about if a person only raised \$400 and were running a campaign, should that person have to report on the expenditures and so forth and so on.

And I just wanted to offer an alternative. That is all.

Mr. HOGAN. I am looking now at the report that is filed with the House of Representatives, and the treasurer unfortunately is the guy that has to sign this thing. And I am not sure that the treasurer would want to sign for four or five people.

Mr. BARTLETT. I do not mind signing for it if the money comes through me. What I would mind signing is if the money came through somebody else, and I did not know where it was. Certainly I would not mind signing for it if I knew it came through me.

Mr. HOGAN. I understand.

REPORTING

On page 3, you indicate that your complaint about the last and the final reporting of contributions over \$248. What the General Accounting Office has suggested to the Committee is that the last report before the elections be filed anywhere from ten—and I think probably 15 days is better before the election, and then if significant contributions are received, and I suppose \$200 would be one, that those would be reported on an ad hoc basis within, let us say, 24 or 48 hours after receipt.

Then there would be the regular, final report after the election. And if that kind of procedures were adopted, I assume you would not have a problem with that procedure??

Mr. BARTLETT. I thought that is what I was suggesting.

Mr. HOGAN. I see.

Mr. BARTLETT. That is only where the contribution is received between the final report, before the election, and the election. Do you see?

Mr. HOGAN. Yes.

FUNDS BY TAX CHECK-OFF

Then finally, I noticed that you opposed the government's subsidy or matching funds. You are silent on the possibility of a tax check-off, but I assume that your opposition would extent to that also?

Mr. BARTLETT. No.

Mr. HOGAN. In other words, you would favor the tax check-off?

Mr. BARTLETT. I am not sure. I am neutral on the tax check-off if a person wants to contribute in that manner. I just do not think we ought to appropriate money out of the general treasury for paying for somebody's campaign.

Mr. HOGAN. But you understand that if there is a check-off, a voluntary check-off, that in effect that is what you are doing. In other words, if on your Federal income tax returns currently for Presidential elections, you are authorized to do this, you know, it says \$1 of your tax payment goes to the Presidential election fund, you understand you are doing that? No matter how you cut it, that is public financing whether that is put in a trust fund or no matter, that is what it is.

Now, assuming that is what it is, do you still prefer the check-off or are you still neutral?

Mr. BARTLETT. I think I have been trapped. I am not sure——

Mr. FAUNTROY. Shame on you.

Mr. BARTLETT. Maybe you are right, Mr. Hogan. I think maybe I am opposed to any form of public financing. And my logic is that: one, the people are elected to run the government, and I do not think that the government should pay for those people who are supposed to tell the government what to do.

Mr. HOGAN. I do have one further question. Congressman Nelson has indicated that he would like to introduce a local lobbying bill which would apply, presumably, for the current election. This would call for registration and disclosure.

Do you favor that kind of provision, whether it is an independent bill or a bill that would go along with this one?

Mr. BARTLETT. Are you referring to a registration lobby, I mean, in other words, if you are going to register as a lobbyist?

Mr. HOGAN. It would be similar to the Federal bill for local government. It would require registration and disclosure and expenditure of funds, reporting, and this type of thing.

Mr. BARTLETT. I think it is appropriate.

Mr. FAUNTROY. Thank you so much, Mr. Bartlett.

Mr. BARTLETT. Thank you, Mr. Fauntroy.

Mr. FAUNTROY. Now, may we hear from Richard W. Clark, Special Assistant to the President, Common Cause; accompanied by Ms. Linda Heard, Staff, State Issues Program?

Welcome, Mr. Clark, to the witness stand. I cannot help but comment on the indispensable role played by your organization in the lobbying for self-government and making possible these hearings, which we now have on the campaign finance reform legislation to govern what will be our local elections after May 7th.

STATEMENT OF RICHARD W. CLARK, SPECIAL ASSISTANT TO THE PRESIDENT, COMMON CAUSE; ACCOMPANIED BY LINDA HEARD, STAFF, STATE ISSUES PROGRAM

Mr. CLARK. Thank you for the compliment. I hope you are not going to be too disappointed tonight, because we are not going to make many specific recommendations on spending limitations and so forth. But our comments will be relatively general.

But I do want the Committee to be aware that we got some very detailed recommendations, and check lists as what we feel might be adequate for legislation affecting the District. And I will get into that a little in the testimony, but by and large, it will be statement of principles.

Mr. Chairman, I am Dick Clark and a resident of the District. And the testimony tonight is on behalf of Common Cause, which is a national citizens' lobby, and which also has over 6,000 members in the District of Columbia.

FINANCING CAMPAIGN

I feel that the issue of campaign financing is of paramount importance to the District of Columbia as it moves toward its continuing campaign to fulfill the right of suffrage and self-government.

The powers and responsibilities granted by the proposed charter to locally elected public officials will affect numerous aspects of the lives of the citizens of the District of Columbia. These elected officials will shape vast areas of public policy, including transportation, housing, education, delivery of social services and so forth.

It has long been a principal tenet of our democratic system of government, that is that the individuals popularly elected to fulfill such critical areas of responsibilities, that they must be accessible and accountable to the people they represent.

One of the components of such a system of responses and effective government is the procedure for regulating the financing of campaign. It is a logical extension, however, of the principle of Home Rule that primary responsibility for this regulation resides with the charter government of the District of Columbia. I think it would be inconsistent with the thrust of the charter itself for Congress to further impose its will on the future government.

However, there is presently no city council to enact such legislation, the existing regulations are grossly inadequate, and the city council and mayoral elections are rapidly approaching. Common Cause, which has almost since its inception been a strong proponent of home rule,

therefore urges the Congress of the United States to take steps to promote action on campaign finance legislation for 1974 elections only.

And I am not suggesting which way that be done. Perhaps there are two ways: one is that Congress act directly; and there is also the possibility that they could pass enabling legislation so that the local council could do it. I am not sure about the legality of that, but it is something that could be explored.

Events of the past year, which are well known to all of us, dramatically demonstrate how the system of financing campaigns may affect the accountability and responsiveness of public officials. Candidates are too easily beholden to large givers with special interests and demands.

Contributions are too often offered to ambitious candidates with a quid pro quo understanding that: "Take the money but do not forget my legislative needs."

Such a contribution is not a donation, but rather an investment to help insure political outcomes desired by the giver. As a lobbyist, I can assure you that when special interest contributions sit around a table on any legislative issue, and particularly as it affects the Congress and as I understand, it is the same at state levels and some local jurisdictions, the lobbyists sit around and determine which legislators they are going to take, and they are going to try to influence.

And I would say in the vast majority of those cases, it is people they have given contributions to; and therefore, believe or feel that these candidates or office-holders, rather, owe them some allegiance.

As a matter of fact, I can think of an example yesterday where I happened to be working on consumer protection agency legislation, which is before the Congress. And I remember very vividly one lobbyist, whose organization happens to be a major contribution to a large number of Congressional campaigns, was standing off the floor of the House of Representatives literally bellowing out as the members of the Congress came out, "this is a yes vote," or "this is a no vote" on the various amendments that were being offered.

I think that this is the kind of activity and the kind of thing that goes on that is what the intent of this legislation is all about.

To be specific, there is, for example, the Senator Minority Leader of Florida, a neurosurgeon, freely admits, according to the Miami Herald, soliciting \$12,000 to \$14,000 in contributions from the medical profession. In the words of the Minority Leader, "When I panhandle the medical people, I tell them as far as the Senate is concerned, I can be more effective than three or four lobbyists."

The citizens of the District of Columbia, because of their proximity and continual exposure to the scandals of "Watergate" may be more aware of the gravity of the problem of financing campaigns than most other citizens across the nation. D.C. citizens are also aware of the forthcoming election of a Mayor and City Council. I feel that the citizens will want assurance that their new government will be free from the corrupting influences of money in politics.

NEED FOR LEGISLATION

I happen to be a participant in a recent meeting of community activists in which this legislation, which is now under discussion, was

discussed at that meeting. One of the people in the group felt that the legislation was unnecessary, that it was unduly burdensome, that it may have had some Constitutional questions and was generally opposed. But I think a very pointed statement was made by one of the people who was also participating in that discussion and who, incidentally, happens to be a wife of a Congressman. And she said to the other person, "Do you really believe without some kind of control on campaign financing in the District of Columbia that the building codes are ever going to be changed?"

Citizens may gain some solace in knowing that the principle of campaign finance regulation has already been established in the District of Columbia. Upon passage of the charter some provisions of existing campaign finance law will apply to mayoral and city council candidates.

Each candidate and each supporting independent committee must file, for example, with the D.C. Board of Elections reports of contributions and expenditures both 5 days before and 30 days after each election. Independent committees must appoint a treasurer and chairman and register with the Board of Elections. No single independent committee may receive contributions or incur expenses in excess of \$100,000.

Existing law contains additional provisions which apply to candidates for public office other than Mayor and City Council. I have included, for your use, a copy of the existing campaign finance statute of the District of Columbia.

It is commendable that some provisions to regulate the financing of campaigns do exist. The existing statutes are, however, devoid of some of the basic and essential components of good campaign finance regulation. For example, there is no independent enforcement agency nor provisions to limit the total candidate expenditures. In other ways it is deficient, including inadequate reporting and disclosure provisions and inadequate contribution limitations.

I would like to review now the elements which Common Cause regards as essential to effective campaign finance legislation.

First of all is full public disclosure; the first requirement is adequate and timely public disclosure of contributions offered directly or indirectly to a candidate. The reports should be accurate and extensive but simple enough to give the citizen a clear view of who is supporting the candidate and the nature of all expenditures.

REPORTING

I think these reporting requirements are particularly significant when you consider that most likely the information contained in such reports are going to serve as a basis for legislation that would come at a later date, or perhaps perfecting the legislation depending on what happens between now and the time that the new government takes effect.

At least two pre-election disclosure filings—one 30 to 40 days and one 7 to 10 days before each election—are necessary to insure ample opportunity for public scrutiny and dissemination of information concerning the campaign reports. Continual post-election reports must

also be required until no surplus or deficit remains in the account, thereby insuring a public accounting of all campaign financial transactions.

Current D.C. election law provides for only one pre-election and one post-election report. The reports should disclose the name and address, occupation and principal place of business of each contributor in excess of, we suggest, \$25 in the aggregate, as well as the date and amount of the contributions; and name and address of each payee receiving more than \$25 and the amount, purpose and dates of the expenditures should also be included.

Granted, the thresholds for disclosure of contributions and expenditures are arbitrary amounts. A threshold of \$25 will, however, adequately inform the voters of the nature and extent of the support and financial activity of the candidate, without being overly burdensome to the candidate.

LIMITATIONS ON CONTRIBUTIONS

Second is contribution limits; it is essential to limit the amount a person may contribute directly or indirectly in support of a candidate. By imposing campaign contribution limits, we permit a citizen to express his views by giving, but not in such a large amount that the contribution may win him favored treatment from a public official. The size of the contributor's wallet should not determine the importance of his cause.

The limits should also be graduated according to the office sought, and apply separately to each primary, special and general election. In addition, contribution limitations should bear some percentage relationship. And as contained in one of the bills, at least we feel that one percent or less might be a good suggestion. And contribution limitations should bear some percentage relationship to the limitation on total expenditures.

It is of utmost importance to the first mayoral and council elections of the District of Columbia that reasonable, but tight contribution limits be established and stringently enforced. Current information indicates that there will be numerous candidates in the September and November 1974 district elections.

The small contributions of the average citizen of the city will therefore be spread among many candidates. Candidates will experience difficulty in raising sufficient funds; there is no question about that. Without adequate contribution controls, large special interest givers with bottomless purses may therefore easily influence the outcome of the election by supporting a few elected candidates. We feel this is one of the key abuses that campaign reform is intended to eliminate.

Additionally we recommend that contributions from the general fund of corporations and unions be prohibited. Governmental decisions are of great importance to corporations and unions. Such organizations have dramatically demonstrated their willingness to use the campaign contribution as a means to help insure favorable political outcomes. The Congress must follow the precedent it has set in Federal legislation by prohibiting contributions by unions and corporations in the District of Columbia as well.

LIMITATIONS ON EXPENDITURES

Third, expenditure limits; our duty not only lies in safeguarding the rights of citizens—we must also be attentive to the rights of candidates. Candidates must be assured of reasonably equal opportunity to present their positions and goals to the public. Money is the medium by which purchases this access. Therefore, good campaign financing legislation must limit the total expenditures incurred in support of a candidate.

Reasonable limits on expenditures, as with limitations on contributions, should be graduated according to the office sought and should apply to all expenditures incurred in support of the candidate.

We also feel criteria or empirical data which may be of use in establishing contribution and expenditure limits can be gleaned from the previous campaign finance experiences of the District of Columbia from the experiences and localities of other states across the Nation and from the research and rationale available from the Federal experience.

As you are probably well aware, there are a number of Federal bills now pending, I think there are four campaign finance bills, as a matter of fact, and each of those bills they have developed some rationale and some formulas as to contribution limitations and justifications for why these limitations should be imposed.

I think that we are not talking necessarily in a vacuum and that our decisions do not have to be arbitrary. We for one would like to offer our assistance in looking at some of the races around the country. Common Cause has monitored some campaigns particularly in New York, New Jersey, Texas and Massachusetts, and their findings should be of interest to the committee.

We would like to make the reports of these campaigns available if you so request.

Enforcement is another very important concept and component of any campaign finance legislation. We would suggest that for effective administration and enforcement of campaign limitations and disclosure requirements, that each candidate should be required to designate a single campaign committee to receive contributions and incur expenses in support of the candidate.

CAMPAIGN FUND DEPOSITORY

Candidate should also designate a single campaign bank depository through which all financial transactions shall pass. Such a system would simplify accounting procedures, provide more understandable reports and make it easier for candidates to meet their legal responsibilities.

ENFORCEMENT AGENCY

Finally, and perhaps most importantly, a good campaign finance law must provide for a strong and independent enforcement agency. Members should be appointed in a manner that shelters them from influence by other public officials. There must be balanced representation in terms of partisan affiliation. No public official should be a member of the agency. And I repeat that here; no public official should be a member of the agency.

The agency must have powers to investigate alleged violations of the act on its own initiative or upon complaint by any citizen; to subpoena witnesses and evidence; to report suspected violations of law to an appropriate law enforcement agency; and on its own initiative, to seek court orders requiring compliance with the law.

Much can be done to correct the unhealthy influence of money in politics through effective campaign disclosure and limitation legislation; particularly if such a statute is enforced by an independent enforcement agency. Nevertheless, such legislation offers only a partial solution to the problems of escalating campaign costs, the undue influence of special interest money and the tremendous advantage which incumbents over challengers have regardless of party.

Even a cursory examination demonstrates the skyrocketing costs of campaigns and the role of big-money in state and local politics. For example, a candidate spent at least \$80,000—and probably several times more—to gain a seat on the New York City Council.

A candidate for the New York State Assembly expended \$258,000 to win the election; and a Virginia gubernatorial candidate in the 1973 election received, from a single couple, a gift of \$144,000 in stock, plus a loan of \$50,000.

PUBLIC FINANCING

Someone has to pay the costs of political campaigns. Common Cause thinks it would be far preferable if we shared the costs of our electoral process and thus took politics out of the hands of the few who can afford to pay.

This may be accomplished by a system of public finance which matches small private contributions with public funds. As the Committee is well aware, public finance has gained increasing momentum in recent months.

The effects of Watergate and mini-Watergates across the country made 1973 the year of State reform of campaign finances. And the District I feel is a city-state, and therefore I believe what has happened at the state level probably applies easily as well to the District of Columbia.

STATE LAWS

At least 13 States passed substantive campaign reform legislation—New Jersey, Florida, Iowa, Hawaii, Nevada, California, Maine, Nebraska, Utah, Maryland, Texas, Oregon and Massachusetts. Kansas and Minnesota have already acted in 1974.

Six States—Iowa, Rhode Island, Utah, Maine, Montana and Minnesota—have already established a \$1 income tax check-off for the purpose of publicly financing campaigns. Several other States—Maryland, New Jersey, Massachusetts, Wisconsin, Kentucky, California and Connecticut—have had legislation introduced or are considering a system of matching small private contributions with public monies in order to publicly finance their elections.

The record speaks for itself—enactment of campaign reform legislation at this time is not a bold or radical step. Indeed, the number of newly enacted, effective statutes indicates that a wave of state campaign reform is sweeping the Nation. The wave of reform has been largely in response to citizen demands that something be done to curb the unhealthy influence of money in politics.

There is one case in Texas which provides us with an example of how citizen action and concern may effect legislative reform. This is the well-publicized Sharpstown bank scandal, which was the Sharpstown bank, which was a stock-manipulation scandal which erupted in early 1971.

Not for a year and a half was there a noticeable citizen response. But finally, when the people got their chance in the 1972 election, they responded by throwing out the governor, lieutenant governor, speaker and over half of the State legislature. In 1973 the Texas legislature passed bills providing for open meetings at all levels of government, availability of public records, and significant reforms with respect to lobbying disclosure and conflict of interest as well as campaign finance.

The District of Columbia is in a uniquely opportune situation. Unlike Texas and certain other states, we are not responding to a local scandal of political corruption which necessitates massive remedial action. However, we should not sit with our backs to the problems, waiting to be ambushed.

A campaign finance statute comprised of the essential components will assure candidates equal opportunity in attaining the office they seek; provide citizens with the information needed to intelligently cast their votes; shield public officials from corrupting attempts to use campaign contributions to purchase access.

Already some individuals have publicly announced their candidacy for Mayor or the City Council, or have expressed an intense interest in becoming a candidate. Some individuals have even begun raising funds to support their candidacy. Indeed, the campaign has already begun. Now is the time to insure that the precious and hard won first step in the struggle for self-government will not be lost.

And I am sure you are aware, there is a standard line going around when they are asked to be candidates everybody seems to say, "no, I do not think I will run; it is such a mammoth task." But then they say, "it looks as though I am going to be drafted."

I once again would like to note the experiences we have had in some of the state campaigns across the country, and the three monitoring projects which we have relatively detailed information on what has occurred in those campaigns. We would like to make that available to the Committee, as well as our very detailed check-list on specifics as to the details of reporting requirements and disclosure requirements.

Mr. FAUNTROY. Thank you so much, Mr. Clark, for your very fine statement. We certainly would like to have that information.

Mr. CLARK. Incidentally, I would like to mention that Ms. Linda Heard, who is accompanying me, was part of our state issues program's staff, and is also prepared to make some commentary on what is happening across the states if we have time.

Mr. FAUNTROY. Certainly.

Would you care to add anything to what has already been said?

Ms. HEARD. Yes, I guess I would like to add several things. We have been working rather extensively with various states across the country to become familiar with what they have done and what their problems and concerns are. Their problems and concerns have showed us various ways many of the problems of campaign finance can be dealt with.

In working with the states and working with the citizens, we have found that there is great concern, and there is a hope that definite

provisions will be outlined that can prevent some of the abuses of the campaign financing situation.

We do have information available that may be of use to you on the provisions which the various states have enacted and which various states are considering. We also have copies of existing laws which we circulate because we feel that they deal effectively with the various aspects of good campaign finance reform legislation.

If you are so interested, we will be happy to provide copies of those existing laws.

MR. FAUNTROY. We are interested and we would be very pleased to receive those copies.

Counsel?

MR. DEPUY. I just have one question, Mr. Clark.

Would you care to take a position on the issue of the tax credit, which is proposed in one of the bills before this Subcommittee?

Would you feel that to be a desirable attempt to encourage small contributions?

MR. CLARK. Yes. I think that was a very healthy provision and a step in the right direction, assuming that it can be enacted. We tread relatively lightly on the question of public finance, but we do feel very strongly about it, that in one way or another it could be done. We are prepared to discuss some of the specific ways in which we feel it could be implemented in the District.

MR. DEPUY. Thank you very much.

MR. FAUNTROY. Counsel?

MR. HOGAN. Thank you, Mr. Chairman.

We have seen a great deal of Mr. Clark in the last six months, and it is a privilege.

MR. CLARK. Well, unfortunately not so much in the last few months.

MR. HOGAN. We are happy to hear from you. I always listen to you and I might add I read with great interest what Common Cause has to say even if they take a full-page ad in the Washington Post to say it.

MR. CLARK. As a Republican, I would accept that as a friendly remark.

FINANCING CAMPAIGNS

MR. HOGAN. Turning to the tax credit situation, I do not claim to be well informed in election procedures or at least as not as well informed as you people are, but I have heard Congressmen and a number of other elected officials say from time to time that they would rather have 25 \$1 contributions than a \$25 contribution, or they would rather have 2,000 \$1 contributions than a \$2,000 contribution: because they feel, I think, and rightfully so, that the individual who puts their money on a candidate will vote for him, and thus they gain the support of that individual.

I wonder whether in having the check-off and having the public financing if you are not sterilizing the campaign. In other words, you are putting a third party between the giver, that is the donor, and the individual whom we might back. Actually he is really backing all candidates. He is not putting a dollar on a particular candidate.

I wonder if perhaps we are not sterilizing the campaign and whether in the process you might leave the participation of the voters either

at its current low percentage in national elections and local elections or lower without generating that kind of support behind a particular candidate, and participation in elections on election day.

Would you care to comment?

Mr. CLARK. Yes. I will not pretend to say that I have got a hard and fast answer to that one. I think that is something that sociologists would have to examine.

However, I think what we are dealing with is a question of several evils and perhaps a lesser evil. I think you have to look at it that pessimistically. I think that one way or another we need to get on with the question of public financing.

I agree that there perhaps are certain risks. However, with respect to the matter of whether it stymies political participation, I think there are candidates who are interested in political parties and individuals that are interested and there are organizations that are interested, and so there are many, many ways of fostering political participation, and thereby kind of balancing off the different concerns.

I cannot say, again, that what you are saying is not correct, however the dollar check-off provisions which have been advanced—well, I just think it is a relatively minor contribution. For many people, it is incidental because hopefully it would be set up in a way that would be very, very easy for them to make their contribution.

Also most of the campaign public finance proposals that I have seen do make provision for the party to maintain a role, a very active role in the campaigns. So it is not a total withdrawal of public participation or individual participation.

Mr. HOGAN. Well, let me get down to some cases. Do you think that you would have the commitment to Common Cause and the membership that you have if you got your money from HEW, let us say, if you got your budget each year from HEW based on a \$1 check-off from every taxpayer in the country.

Mr. CLARK. If you are asking me that personally, since I am a staff member, that is difficult to say. I have a different kind of role.

But again, here, I understand what you are saying and I agree that there is a possibility here. I think that the issues involved in the campaign will count, too. For example, I think there will be far more interest in campaigns this time than there was before, which has nothing to do with whether or not people contribute. I think the accessibility to the media and the way in which people are able to make the case is also important. In fact, it may allow individuals to make a far stronger case before the public and turn them on and more so than without public financing. And whether that has to be through the check-off or not, you know, I imagine there are other ways that it could be done.

Mr. HOGAN. Well, I wonder if Common Cause, since it does get involved in these programs, and does get involved in them nationally, I wonder if it has ever undertaken either with their commitments or with their funds a campaign in a State where you go out and you examine individual elections.

In other words, have you ever gone into an area, a particular sample area, an experimental area, and undertaken a campaign on your own of inciting the kinds of voluntary contributions on the part of the

electorate to give to individual candidates of their choice, and to foster this kind of thing; so that we would have some basis on which to evaluate such a program?

Mr. CLARK. No. I have not. No, we have not. But again, I say that there are many factors involved. There is the access to the media.

One suggestion has been made that we subsidize the media or some way provide free TV time for candidates. I think this is a good way, and another way, as I have indicated already, there are a number of ways of generating support. So I think it is not an all or nothing situation and the question you raise is a very valid one.

But the direct response to your question is no, we have not.

Mr. FAUNTROY. May I just add that, as you know, by the decision of the Chairman of the Committee, the public financing questions are not properly before this Subcommittee at this time. And in as much as we are averaging 40 minutes per witness, and having heard three in 2 hours, my calculations are that we will get through at 1 a.m., if we continue to do this.

I do not want you to think that I am not interested in staying as long as the citizens wish to testify on this matter and counsel and the members of the Committee wish to question. I hate for you to get that idea about me, but I do want to get to bed by midnight.

Now, having said that, counsel, do you have any more questions?

Mr. HOGAN. I have one observation. I would ask that Common Cause appear before the Rees Committee, the Subcommittee which I understand is going to consider this matter, and that they give some thought to the discussion we had and possibly discuss it with Mr. Gardner, who is the head of Common Cause.

Mr. CLARK. Incidentally, he does not make the decisions for Common Cause.

Mr. FAUNTROY. Now, just a minute, Mr. Hays informed us on the floor of the House that he does.

Mr. CLARK. I understand that.

LOBBYING

Mr. HOGAN. You heard me, I am sure, indicate that Congressman Nelsen is interested in a lobbying provision. I note from your testimony here you favor that kind of thing.

Would you favor such a provision for the local lobby bill?

Mr. CLARK. Yes, we would support that kind of legislation but in terms of timing, I think that, unless you can give me some justification why the Congress should act on it. I think that it is more properly something that the local council to respond to. However, you might mention to Mr. Nelsen that we do have a model lobby disclosure legislation proposal which we tried to introduce in the Congress, and at the current moment, we are trying to find a Republican co-sponsor. So you can pass that on to him.

Mr. HOGAN. Well, we have a copy of your proposal, but I should point out to you, as I did to Mr. Barry, that you have members of the City Council sitting who will be running for election, and I assume that this lobby control and disclosure would be just as important now as it would be after the election. That is my view.

Thank you, Mr. Chairman.

Mr. CLARK. Yes, there is a possibility that that is the case. I would have some reservations about the timing of it now.

Mr. FAUNTROY. Thank you very much, Mr. Clark and Ms. Heard, we certainly appreciate your testimony here.

Mr. HOGAN. I apologize for taking too much time.

Mr. FAUNTROY. No, that is all right.

Mr. CLARK. Incidentally, there is one thing that I did not mention, and that is we do have two memos on the constitutionality of campaign finance and public finance that we would like to leave with the committee.

Mr. FAUNTROY. Thank you.

Our next witness is Mr. Arturo Griffiths, Director, Washington Ghetto Industrial Development and Investment Corporation Foundation and announced candidate for the office of Mayor.

Mr. Griffiths, it is certainly a pleasure on behalf of the committee to welcome you to the hearing, and we will be anxious to hear your testimony.

STATEMENT OF ARTURO GRIFFITHS, DIRECTOR, WASHINGTON GHETTO INDUSTRIAL DEVELOPMENT AND INVESTMENT CORPORATION FOUNDATION; ANNOUNCED CANDIDATE FOR THE OFFICE OF MAYOR, ACCOMPANIED BY ARTURO GRIFFITHS, JR.

Mr. GRIFFITHS. Thank you, Mr. Congressman, and first I want to introduce my son, who is a member of the Spanish community that does a wonderful job in helping others go forward. As a matter of fact, he is a sacrificial lamb in every aspect to help his brothers and sisters go forward. He accompanies me in most places on account of me not being in the best of health.

First I want to say that I want to congratulate the ones responsible for the legislation that is being put together. It arouses attention for one thing. It is obvious that this type of legislation is not only probably needed in Washington, D.C., but it is needed all over the country where our illiteracy rate is predominant.

Now, illiteracy is a big item in our country and every move that we make to try to get rid of it is going to be to our interest. People have voted constantly, because you are good looking, because you are rich, because your father was rich or something of that kind, or that you have on an Ivy League suit. That is no criteria for the voting.

I think in all of the legislation that is being proposed that we should make every effort to have a complete education in the vote. We must also realize that the vote is sacred and confidential. Regardless of what contribution you might have, a guy goes into the booth and he votes as he pleases.

VOTER EDUCATION

Now, we cannot discourage anyone in any form. Regardless of who he is, if he is a thinker, if he is someone looking for the benefits of his children and his children's children, he cannot be discouraged.

Now, as a member of the impoverished community of Washington, D.C., of the real poor, I am dedicated to help all concerned to lift the standards, to make a man know he does not have vote for you because you have money.

It was very discouraging to me to read about a candidate employing a director of his campaign, and there was \$476 that was involved to pay for that campaign manager. Now, in my case, speaking for the very poor, for the very significant in every way, \$476 is a great deal. I would open an office on U Street or on 7th Street or in the Spanish community and give away money. That is what I would do. So the vote would not be what I would be involved in as much.

My duty here would be to educate my community. I mean, we have not even leared what Americanism is, and this is unfortunate by nobody wants to teach our community what it is to be a good American, and to educate them about voting.

And now, one of the other things is we live in communities but unfortunately, we do not really know our communities. If it is a black community, people are basing their concepts on the guy they heard robbed the liquor store or a guy that killed somebody. But when you look at statistics, this is a very insignificant amount of people that are involved in these type things particularly in black communities.

I also want to say that black communities might be among the best communities in the world. They are passive and they are loving, and they are respectful. So do not count and feel that there is not a thinking black community, because this is not true.

The same way goes for the Spanish community. People would say they are impoverished and they have less learning than other communities so they are not thinking. But this is not true.

So basically, I hate to see us go down the drain like we are, and yet ignoring the basic idea that the education of the vote is so important. We have not learned what the vote is, and what its technicalities might be, and what its sacredness might be, and what the existence of our children and our children's children might be. This is unfortunate.

We have too many people today that are looking to really enjoy the fruits of what the pay that they get are or the positions that they get are or the particular status aspects that they acquire are, but I am not that type of a man. I want to see our community go forward.

All of these things brought together today in campaign reform has been discussed in our country for many years. Fellows like Robert Hutchinson from the University of Chicago have demonstrated that the illiteracy rate is so high that problems of this kind will exist, and we will never be able to solve it.

What is illiteracy, you might say? And I would say unfortunately we have illiteracy at PhD levels. This is unfortunate. People with a degree, a PhD, are illiterate as has been indicated by Robert Hutchinson.

I want to say we have a distinguished Washington, D.C. community based on the concepts of economic planning, and a community really for all. We have this community.

But we have got people that have got to realize that people from the white communities are very distinguished too. There are a lot of people here, a lot of young people of our community, that have come together and tried to destroy the elements of the old thinking. They have really asked, what is it they are going to vote for? And they do not want to be harnassed in any form. They want to, at least, assume the freedom of choice concept, and if the freedom of choice concept is not established, everybody is going to be in trouble.

The voting process in this country has discouraged many people. I recall when I put my hat in the ring to become the Mayor of the city, which is the aspiration of every American citizen, a guy says, "I love you." And he says, "You are my friend," and he says, "You have all of the talents in the world to be a good mayor," but he said, "Do you have any money?"

I said, "no, unfortunately." I did not think I would have to buy the vote. And here I am trying to change the ideas completely so that you do not buy the vote but you give an education to the communities of what the vote means to you.

So under these circumstances, in my view, an immense program should be put together to give the citizens of Washington, D.C. an education on what the vote actually means.

So all I am saying is, all right, legislate and so on, but you are legislating for what? All I am saying is let us get our people educated of what the vote means to them and the sacredness of it.

I did not get a written statement together because, as I told you, I am from the poor and the very poor and the insignificant, from the people who did not eat yesterday and did not eat the day before; so all I am here to give is the benefit of my observations. So that is my story.

Mr. FAUNTROY. Thank you, Mr. Griffiths. You have made some very salient points, and you can rest assured that your words have been taken down, word for word, and will appear in writing.

Counsel?

Mr. DEPUY. No questions.

Mr. FAUNTROY. Counsel?

Mr. HOGAN. Mr. Chairman, I would like to welcome this witness and say I am very happy to see you.

Mr. GRIFFITHS. Glad to meet you.

Well, I have come to these meetings, as a member of the community, to learn and I imagine you gentlemen are up there to educate us one way or the other. I can be held by the hand and taught, too. That is all I came here to understand because I would like to be taught, too. And if you men are assuming the leadership role of our community and do not have us, we, the poor people, the means of learning, I cannot understand it.

So it is very hard because I do not think people have really discussed this whole area of educating people to the vote. And I would really like to know what you think about it. As I say, I do not know all about it, but I do look forward to my leadership having an idea of what is going on.

Mr. FAUNTROY. As I say, there is little to quarrel with the points you have made about the importance of education as to the value and the importance of the vote. So I will not take you up on that.

Now, if you want to bring up some extraneous matters like whether or not ministers should be engaged in politics, I would discuss that, but that is not germane to this hearing.

Mr. GRIFFITHS. No. Well, I am not saying that, Reverend. You must understand that as a fellow from the sticks of this community, that freedom of choice is very important to me. Freedom of choices has to be not discouraged under any circumstances.

That is why I fight for it. The freedom of choice is our biggest freedom, that is one of the reasons why I think every citizen should be given equal opportunity.

Mr. FAUNTROY. Certainly; that is why I cannot quarrel with the points you make.

Mr. Griffiths, before you leave, would you kindly have your son state his name for the record?

Mr. GRIFFITHS, Jr. My name is Arturo Griffiths, Jr.

Mr. FAUNTROY. Oh, you are junior? Well, glad to have both of you.

Our next witness is Mr. Anton Wood, Statehood Party nominee for the office of D.C. Delegate.

Is Mr. Wood here or a representative of him here?

[No response]

Mr. FAUNTROY. Our next witness is Mr. Allan Budka, President, Socialists Workers' Campaign.

STATEMENT OF ALLAN BUDKA, PRESIDENT, SOCIALIST WORKERS' CAMPAIGN

Mr. BUDKA. Thank you, Mr. Fauntroy. It is clear from the statement that was issued on behalf of our Campaign Committee, we cover areas other than just the funding of campaigns. I will try to restrict my remarks basically to the funding with a few comments on the other points that have been mentioned.

I think that the fair election practices that are talked about, probably a great deal a response to the Watergate happening around Washington, as was pointed to by the representative from Common Cause; however, I think that the proposals put forward so far both at a national level and a local level will not put an end to activities such as Watergate. We saw some tremendous resourcefulness on the party of CREEP to bypass already existing legislation. And I am sure that even in the future we would also be witness of such resourcefulness.

So that I think that in addition to the fact that the legislation proposed and being discussed would not be adequate to handle questions like Watergate, there is also a block to minority parties, whether they be the Socialist Workers' Party or the Statehood Party or the People's Party. I want to touch on a few of these points.

For instance, on the basis of the tax check-off—and I say this for the record more so than for discussion—but as now established, the check-off is for a majority party to be registered and for a minority party, it would require five percent of the vote, which in the '72 elections would be four million votes.

MINORITY PARTIES

I do not think that there are any existing minority parties right now that could qualify under such stipulation. In addition to that is, that the setup puts a charter on the continued dominance of the political system by just two major parties; the Democratic and the Republican Parties.

I think that some of the points brought up by the Republican Treasurer and the gentleman from Common Cause on time avail-

ability to candidates is an important avenue that should be looked into by the committee members. I think it is important to keep in mind that it not just be held to so-called major candidates but to all candidates.

On the point that the Republic Treasurer made on the reports and how difficult it is to file a report, it sort of made me smirk a little because you can imagine if the treasurer of the Republican Party with the resources of the party including legal staff and so on has difficulties with the reporting, you can imagine then the difficulties of someone from the Socialist Worker's Party or some other minority party that does not have those resources to also meet the requirements of the report systems as now set up. They are extremely complicated and time consuming.

BROADCASTING TIME

I think one of the major points in general fair campaign practices to be looked at perhaps by this committee is the whole question of equal time. The equal time provisions are important and the steps being made to cut those back. Those are one of the few guarantees of allowing minority parties an opportunity to present their views equal to that of the Democratic and Republican Parties without tremendous expense for media time.

The gentleman from Common Cause pointed to the large amounts of money being spent for the media.

REPORTING

I think that the other major problem with the filing of the report is that as listed the names and addresses and occupations of the donors to political campaigns are to be reported. In most cases this does not present a problem. However, in the case of minority or so-called radical parties it does present a problem, as is the case with my party, the Social Workers Party and other parties having the contributors to their campaigns harassed by members of the FBI or local police officials.

In addition to that, I would just like to state—and I will keep my remarks very brief—I would just like to cover two other brief points, which may not be within the bounds of this committee to deal with, but I think are something that the members of the committee should keep in mind in the discussion of the D.C. fair campaign practices.

PETITIONS

Those are, first of all, the point on the petitioning. As the petitioning requirements within the District of Columbia are set up now, the candidates of the Democratic and Republican Parties can be assured a place on the ballot with less than 100 signatures where a statehood party can be placed with less than 100 signatures while a party like the Socialist Workers Party takes some 25,000 signatures to place five candidates on the ballot.

Also you have the simple fact that in the District of Columbia the petitions of the Socialist Party in 1971 were removed from the Board

of Elections by a representative of the FBI and I think that represents a harassment of individuals who may not agree with the party but believe that the party has a right to participate in the electoral process.

HATCH ACT

The other point I just want to touch on briefly is on the current legislation on the Hatch Act, and why I think it was a tremendous move for the 1974 elections to allow citizens to run. I think it is sort of a little bit ironic that while allowing citizens to run for office in the 1974 elections, and this is on a one-time basis, that it also prevents them from supporting and actively campaigning for candidates. The Hatch Act was set up, if my history is correct, to prevent corruption particularly, perhaps, of individuals of a higher employment level than postal workers and individual clerks and typists, etc.

In a city like the District of Columbia certainly that restrictions on a large number of residences who work for the Federal Government, that restrictions from participating in the electoral process is something that needs to be considered very gravely.

Just one other point, and that is the point made by the gentleman from Common Cause on the Congress legislating for the District of Columbia on fair campaign practices. While I am not entirely sure that I agree there should be this even for one year, I should hope that would be the maximum amount of time that the legislation would be considered for, and that the elected representatives for the city council be allowed to set any further campaign fair practices legislation that they would deem would be best for the citizens of the District of Columbia.

I just wanted to touch on some points that were not covered in my prepared statement since everyone here has a copy of my statement.

Mr. FAUNTROY. Thank you.

And your statement in full will be placed in the record.

[The statement of Allan Budka in full follows:]

STATEMENT OF ALLAN BUDKA, CANDIDATE FOR CITY COUNCIL CHAIR, ON FAIR CAMPAIGN PRACTICES IN D.C.

I am coming before this committee to call upon them to initiate legislation to insure fair election practices for all the political parties and all the voting residents in D.C.

First of all, none of the three bills before the Committee now—by Fauntroy, Diggs, and Mathias—to control D.C. campaign financing and to set spending limits for campaigns can solve the problem of corruption and excesses in contributions to the candidates of the Democratic and Republican parties.

The Watergate scandal has taught us that as long as the giant corporations, the business interests, and a tiny minority of millionaires continue to finance the candidates of the Democratic and Republican parties, these candidates will function in their interests. As the Watergate events revealed to the American people, campaign fund limits in no way prevented the corporations from making illegal contributions through various channels. The ITT contribution to the Republican party to fund their convention in San Diego is one example; the contributions by the milk industry, the airlines, and the oil companies to Nixon's campaign are others.

Public financing through Fauntroy's bill doesn't remove this corruption either. He would have the candidates who receive the greatest support from the business interests of the Board of Trade receive equal funding through a certain formula from public taxes! This hardly solves the problem of inequities in campaign funding.

The Socialist Workers Party calls for public funding of publicity for all candidates who are running for office on an equal basis. The mailing out of brochures with candidates views by the Board of Elections would be one way of educating voters on the positions of the candidates, so that the voters could decide who best represents their interests.

Another aspect of fair campaign practices is the end to restrictive petitioning requirements for parties which are not already on the ballot.

A candidate of the Democratic or Republican party can be on the ballot in a primary by securing only 100 signatures. The Socialists Workers Party, on the other hand, must secure over 25,000 signatures to insure ballot status for its slate of candidates.

These inequitable requirements for small parties place an undue burden on them. These parties, which for the most part are not funded by the business interests in D.C., must spend an inordinate amount of their time petitioning just so the citizens of D.C. can have the right to vote for them. It is thus doubly difficult for them to get out their ideas. On the one hand, they do not have the funds of the Democratic and Republican parties and on the other hand, they are forced to spend their time, money, and volunteer help to fulfill time consuming requirements to get on the ballot.

The Socialist Workers Party calls upon this Committee to initiate legislation to abolish the Hatch Act. In a city where the Federal and D.C. governments are the largest employers, the enforcement of the Hatch Act prohibits over one third of D.C. voters from campaigning for candidates of their choice.

If proposals go through Congress, government employees would be able to run for office in this election. However, these same employees cannot take an active part in campaigning to support a candidate!

Supporters of the Home Rule charter have applauded the institution of an elected Mayor and City Council. However, what benefits do D.C. residents derive from this election when tens of thousands of government employees are denied their democratic right to participate in campaigns for candidates of their choice.

Once again special legislation like the Hatch Act cannot prevent governmental corruption. The crooks who are elected to office like Nixon and Agnew are a product of the two party system in which the Democratic and Republican parties function for the benefit of the large corporations.

Fair election practices cannot be insured by legislating who contributes how much to a candidate of these two parties. It cannot be insured by preventing government employees from engaging in their democratic right to support candidates of their choice.

Fair election practices will result when the Congress and the Board of Elections guarantee that every candidate has the right to ballot status without undue requirements and when the citizens of D.C. have the right to actively support those candidates in the elections.

Mr. FAUNTROY. We do understand that it is the essence of your testimony that you would prefer a public funding for all candidates?

Mr. BUDKA. Yes, sir.

Mr. FAUNTROY. Thank you so much.

Counsel?

Mr. DEPUY. Just one question, Mr. Chairman.

Do you have any recommendations as to how contribution limitations may affect special parties like yours, that as you point out are somewhat at a disadvantage or having a difficult time having access to the general public and so forth? Do you have any recommendations to us on contribution limitations?

Mr. BUDKA. I think that the points on the limitations are, for the most point, not something that we even consider. I mean, the \$100 contributions would be very few and far between for parties of our size or other parties in the District of Columbia, maybe like the Statehood Party or the People's Party, etc.

On one of the bills about the matching fund, when you are talking about campaigns, there are a large number of candidates usually in the

District of Columbia not all of the Democratic or Republican Parties who would be, as Mr. Griffiths pointed out, in the position where \$400 is a substantial amount of money; so that the matching funds are a little bit out of order. You would be matching \$400, perhaps, for one candidate and up to thousands of dollars for other candidates.

So I think there is an inequity involved there.

On the point of the tax check-off, perhaps individuals should be allowed to indicate any party that they would like that tax check-off to go to.

Does that answer your question?

Mr. DEPUY. Thank you.

Mr. FAUNTROY. Counsel?

Mr. HOGAN. Mr. Chairman, thank you.

What if there was no indication as to where the funds should go, what is your position as a minority party as to how the funds should be split up if there were tax check-offs, you know, \$12 or whatever it happened to be?

Mr. BUDKA. Well, if there were no, as you say, no means to indicate where that should go, I think that one solution, and I think it is a very simple way and people may think it ludicrous, but that it just be divided up evenly.

Mr. HOGAN. Thank you.

Mr. FAUNTROY. Thank you so very much.

Our next witness is Dr. Ellis Haworth, President, Federation of Citizens' Association.

**MRS. E. B. MORRIS, VICE-PRESIDENT AND SECRETARY,
FEDERATION OF CITIZENS' ASSOCIATION**

Mrs. MORRIS. Dr. Haworth happens to be ill. I found out late this afternoon that I would have to take his place.

My name is Mrs. Edward B. Morris, the First Vice-President and Secretary of the Federation of Citizens' Association. I expect to be very brief.

There had been to our knowledge no advance publicity as to H.R. 12638 and H.R. 13539 so that they might be referred to the law and legislation committee for study and report at the regular meeting of the Federation on March 28, and their existence and the dates of public hearings thereon were discovered only by coincidence.

Therefore, they were considered in general at that March 28th meeting to obtain a consensus and then referred to the Executive Board for final analysis and recommendation. The Board then held a special meeting on March 30 and does now present the following position statement on behalf of the Federation.

OBJECTIONS TO H.R. 12638

One, H.R. 12638 has provisions which we find objectionable for the following reasons:

(a) We concur that there should be limitation on contributions and expenditures in campaigns for public office, if these rules can be enforced effectively and economically, and there should be public disclosure of such contributions.

However, we oppose use of public funds from the D.C. budget to "match" private contributions. This would cause taxpayers to support candidates with whose views they are not in accord. Also, there is always difficulty in stretching budget funds to cover essential services, and additional diversion of these funds could result in still higher taxes, which many can ill afford if they are to eat.

(b) Use of public funds would mean that taxpayers in the 50 States would be contributing to D.C. local elections through the Federal appropriation to the D.C. budget.

(c) No provision is made in the bill for GAO help in auditing political contribution and expenditure reports. It suggests making comparison reports, and a whole new bureaucracy could therefore be set up though elections are periodic, not continuous.

(d) No time limit is set for receiving contributions and detailing expenditures.

H.R. 13539

Two, H.R. 13539 seems to be generally acceptable except that the limitation on permitted personal expenditures seems high, but it is a limitation much to be desired. Now, that was the \$25,000 amount.

Three, only after our Board meeting did we learn of a bill on the same subject introduced by Senator Mathias. Its provisions on "dos" and "don'ts" to guide conduct of public officials should be considered for possible inclusion in any House legislation.

The Mathias bill is understood to call for creation of an independent Election and Ethics Commission to supervise a new requirement that all District candidates, elected officials, and employees above GS-15 grade level file periodic personal financial statements showing, among other things, all sources of income and business involvements.

We just happened to consider the matter of personal financial statements in our discussion and were unanimously opposed to such statements as an invasion of privacy and likely to deter many well qualified persons from seeking public office.

Also, the setting up of such a Commission, which of course would then want a staff, would be, as remarked earlier, another drain on revenues badly needed for essential services to citizens of the District of Columbia.

Therefore, the Federation of Citizens Association does recommend passage of H.R. 13539 with some lowering of permitted personal expenditures and in particular asks that there be no compromise which would include "matching" funds from the D.C. budget. This bill answers objections to H.R. 12638 as outlined herein.

We also recommend study of the Senate bill with possible inclusion of features which might be desirable, but rejection of any required personal financial statement.

We thank you for the opportunity to express our views. It would be helpful if news media would give publicity well in advance of public hearings so that greater input of public sentiment might be obtained, and also especially helpful for groups representing large segments of the population to be on your mailing list to receive copies of bills which are referred to your District of Columbia Committee.

For many years there was such a mailing list and it was extremely helpful. Bills could be sent to secretaries of such organizations for referral to the appropriate committee.

Mr. FAUNTROY. Thank you, Mrs. Morris, for your testimony particularly for your mention in the final paragraph for the need for the news media giving adequate public notice of these meetings when they are appraised of them.

Mrs. MORRIS. Well, it used to be very helpful to receive copies of the bills in the mail. As Secretary of the Federation for 20 years, I used to get copies of every bill, I believe three copies, and refer them to our appropriate chairman, who might want to give one to the subcommittee chairman, and I kept one for myself when I would write letters with regard to them. It really was helpful.

Now, you have to go up to the Hill and get them, and it is not always convenient.

Mr. FAUNTROY. Yes, that is a very valid point you make.

LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

Mrs. Morris, on the question of your support of H.R. 13539, I wonder if you have given any consideration to limitations which are left blank in that bill, but which we would have responsibility for in this committee for recommending?

Mrs. MORRIS. I was trying to remember. The Sunday Star had recommended limitations for each of the three bills in its editorial, as I remember it. And it was my recommendation that the Diggs' bill has the highest limitations of any of the three bills.

Am I right on that?

Mr. FAUNTROY. Yes, on contributions.

Mrs. MORRIS. On contributions? Yes.

Mr. FAUNTROY. On individual contributions and the like, but I had really reference to the expenditures' aspect of it. We are trying to arrive at a figure for the maximum expenditures that might be made in a particular campaign.

Mrs. MORRIS. I believe your bill says \$90,000 for mayor and so on, does not it?

I do not think we went into that specifically. There was a limitation, which we were happy to see on it, and it did not seem terribly high although you sort of have to have some rich friends, or else have an awfully broad public support to reach even \$90,000, I would think.

Mr. FAUNTROY. Counsel?

Mr. DEPUY. No questions.

Mr. FAUNTROY. Counsel?

Mr. HOGAN. Mr. Chairman, thank you.

There is no provision in either of the bills, and you may not have had an opportunity to discuss it before the Federation, but if you do have an opportunity to discuss it, or if you have your own views on the question of whether or not there should be some provision, either in the bill or a bill on campaign financing, or an amendment to the bill having to do with registration and reporting on lobbying; do you have any views?

Mrs. MORRIS. We had not considered that at all.

Mr. HOGAN. Would you consider it and let the Committee know?

Mrs. MORRIS. The matter could be referred to our law and legislative committee.

Mr. HOGAN. Would you do that and let us know?

Mrs. MORRIS. Yes.

Mr. HOGAN. I think that would be helpful.

Mrs. MORRIS. And I might remark in regard to the question you asked the others about check-offs on your income tax return, I cannot speak for the Federation but my husband and I are both strongly opposed to that, and would never put in a check-off. Any campaign contributions we want to make, we will make directly and not through check-offs in an income tax return.

Mr. HOGAN. I might say, Mrs. Morris, I am sure it is true of the majority staff and it certainly is true of the minority staff, that if you call any of us for a copy of the bill, I am sure that if they are available, we would be happy to send them out.

Mrs. MORRIS. You do not always know what is available. That is the thing. When I was on the mailing list, I got everything on law and legislation, public safety and whatever it seemed to be. But now we do not know what is available. We have no record.

Is there a record of every bill that is introduced that you could keep up with them? I wrote to the House Document Room recently for this Rees amendment—

Mr. FAUNTROY. The Rees amendment?

Mrs. MORRIS. I do not know whether I got that or it was some other. No, it was on the identification cards in lieu of drivers' licenses that the District Consumer Complaint Office is trying to get public sentiment on, and to encourage public hearings on that bill, because they have had so many complaints in that regard. And they called me and wanted to know our position on it, and I said we were one of the groups that asked that such legislation be introduced.

I wrote to the Document Room and got copies of that legislation, but unfortunately I believe the first four pages or the first two pages were that bill, but on the next page, it had some other bill that had absolutely nothing to do with the subject matter. So I got a combination of two bills, and I have no idea what either of them is.

If there is any correct copy of the bill on the identification card matter, I would appreciate having a copy for our next Federation's meeting.

Mr. FAUNTROY. I will ask counsel to supply that.

Mrs. MORRIS. That was no help at all.

Mr. HOGAN. We will be happy to provide that, Mrs. Morris.

Do you have some kind of an information sheet that you and the Civic Association send out to the members of your association indicating legislation pending that might be of interest to them?

Mrs. MORRIS. We would be very happy to have anything of that sort, and perhaps included in the notice of meetings to member bodies, but we do not have it.

Mr. HOGAN. Fine. We will see what we can do about it.

Mr. FAUNTROY. Thank you.

Our next witness is Mrs. L. Len, private citizen.

Welcome, Mrs. Len.

MRS. L. LEN, PRIVATE CITIZEN

Mrs. LEN. Mr. Chairman, thank you, and the gentlemen serving to your right and left.

First I would like to apologize for this room being so vacant tonight. However, we do not feel responsible, the few of us who are here, at

least in the audience. The attendance is a disgrace, and it just proves the lack of communication between the Subcommittee and the citizenry of the District of Columbia. This has happened before, and we hope this will serve to inspire a local organization to come up to the Hill and work with the two District Committees, whoever you assign to work with us, in order to formulate some plan whereby these hearings may be communicated down through the media, both by air and by paper, by newspapers.

There seems to be little conflict of interest. Please do not take this personally, Mr. Chairman—

Mr. FAUNTROY. That is all right. Go ahead.

Mrs. LEN. I remember at the Democratic Convention in Miami, I came back from there and mentioned something to you about it. I do not take things personally, as you know. It just seems a little bit unethical for a person who sponsors a bill to be Chairman of the hearing. It may be done in many instances, but there are perhaps other people who could have chaired; however, we are happy to have you here to get first hand information on our reaction to the bill.

Mr. FAUNTROY. I hope my chairmanship does not intimidate you, and I hope there is nothing to stop you from saying what you would otherwise say if I had not been here.

You can place on the record anything you wish.

Mrs. LEN. Thank you.

May I first ask about your bill; who was the author? You sponsored it, but who is the author of the bill?

Mr. FAUNTROY. I am the author.

Mrs. LEN. You gave them the ideas, but who actually formulated the terminology?

You know, everybody has somebody who formulates ideas and somebody who formulates the terminology. The President when he is working has and so on. I wonder who is the person who coordinated with you.

Mr. FAUNTROY. Well, I have a legislative staff. My legislative counsel is with me. We have access to the Library of Congress.

Mrs. LEN. I just want to know who is the person who actually sat down and put down "every person who receives a contribution;" who actually wrote that? It is a just of interest. We would like to know.

Mr. FAUNTROY. Will you allow me to answer your question?

Mrs. LEN. Sure.

Mr. FAUNTROY. Then I will answer you a second time. I said I have a legislative staff. My legislative assistant is here, Mr. Harvey Daniels and a number of people generally participate in the process of shaping a piece of legislation.

Mrs. LEN. Right.

Mr. FAUNTROY. It is primarily my legislative staff but we had the help of drafting specialists on the Hill.

Mrs. LEN. Right. There always has to be a good, strong leader though.

I had a very pleasant visit with Mr. Daniels on the phone within the last 24 hours, so I had a feeling he might be the composer, which is very pleasant and proper.

Mr. FAUNTROY. Wonderful.

Mrs. LEN. I would like you to know that I do represent the Naylor Good Hope Citizens' Association, which is in the southeast section of Washington. Their president happens to be present.

FINANCE COMMISSION

On your bill, Mr. Fauntroy—Delegate Fauntroy—would you kindly turn to Title III, "District of Columbia Political Campaign Finance Commission," and in Section 301, where it says, "Two members of the Commission shall be appointed by the Chairman of the Council with the approval of the Council."

Mr. FAUNTROY. Yes.

Mrs. LEN. We would like an addendum there that there be part 3, that "The Board shall provide two seats each for the President (or his designee who must be a member of said federation)".

So it is "two seats, one each for the president of the D.C. Federation of Citizens and Civil Associations."

Mr. FAUNTROY. Oh, I thought—oh, we will consider that. I thought you meant the President of the United States.

Mrs. LEN. That is all.

Now, I am trying to find the paragraph but it is Title III, Section 302, "powers of commission" at (8) (d), where it states "the Commission shall prepare and submit."

It is on page 19 of this bill, the bill that was printed.

Mr. FAUNTROY. Yes, I have the place.

Mrs. LEN. "The Commission shall prepare and submit to" and this is our recommendation, Mr. Fauntroy, that the following be included: "The Commission shall prepare and submit to the citizens via public hearings," and then it continues; "to the Mayor" and so on. Before an estimate of expenditures and appropriations should be submitted to the President of the United States or to the City Council, we feel public hearings should be held on that.

Mr. FAUNTROY. Right.

Mrs. LEN. On page 16, and I am backing up here, but still Title III at (e) where it states, "The Commission is authorized to request and receive the services of employees of the District of Columbia" and so on.

Now, do you have any specific departments in mind that they would be receiving this help from? Could you explain that please?

Mr. FAUNTROY. Just a second. You are in Section 303?

Mrs. LEN. On page 16 of this here.

Mr. FAUNTROY. Well, I do not have that.

Mrs. LEN. All right. It is Title III, Section 301.

Mr. HOGAN. It is at page 21.

Mrs. LEN. It states "the Commission is authorized to request and receive the services of employees of the District of Columbia Government in assisting the Commission in carrying out its responsibilities under this act."

Please explain the depth to which you would expect the District employees to be involved and what departments do you think might be needed?

How do you mean this, or what is your thinking behind it?

Mr. FAUNTROY. Well, of course, any departments that would enable us to validate or confirm information provided the Commission by a campaign committee would come into play here.

Mrs. LEN. Did you mean it only for confirmation of information, or did you mean it that they perhaps should serve as administrative officers or office help in order to help execute your responsibilities, or the responsibilities of the Commission?

Mr. FAUNTROY. I would certain feel that if the people employed by the government could be of assist to the Commission in carrying out the responsibilities, that those persons, that those agencies should make themselves available to the Commission for this very important work.

Mrs. LEN. That is true, but you still have not answered my question per se, Delegate Fauntroy or Mr. Chairman. We would like to know, is the thinking behind this for the confirmation of information only, or is it that they are to be called on for duties and perhaps counsel would know?

Mr. FAUNTROY. I am telling you.

Did you hear me?

Mrs. LEN. Yes, but you did not answer.

Mr. FAUNTROY. Well, let me say again, Madam, that if any agency can be of assistance to the Commission in carrying out its duties, and its duties are more than just receiving information and confirming information, they ought to be made available.

Does that answer your question? Do you understand that?

Mrs. LEN. 50 percent of it. In other words, if you needed three secretaries for three days, do you feel like you should be able to take your work over to them and let them do it, or let them come and help you?

Is that the idea, also as well as confirming information?

Mr. FAUNTROY. I have been using all and inclusive terms, Madam. I said any service, any services of an individual or an agency of the District Government in my judgment should be made available to the Commission to perform its very considerable responsibilities.

Mrs. LEN. Well, should this Commission have a staff of its own? Should they have their own clerical and secretaries?

Mr. FAUNTROY. Yes.

Mrs. LEN. They should?

Mr. FAUNTROY. Certainly.

Mrs. LEN. Thank you.

AMENDMENTS PROPOSED

On the bill H.R. 13539 at page 9 of this bill, where it states "Registration of Candidates and Political Committees"—

Mr. FAUNTROY. Section 202?

Mr. HOGAN. Is that page 8?

Mr. FAUNTROY. Sections 8 and 9?

Mrs. LEN. Oh, excuse me. It is page 10, Title III, "Board of Elections, Additional Powers," Section 301 (f) (g) and, Mr. Chairman, if there is no (h), we would like to recommend that an addendum of (h) be placed in to say; "The Board shall provide two seats, one

each for the President of the U.S. Federation of Citizens', and Civic Association, or his designee but that designee must be a member of the Federation."

Now, is there a (h) to this at "functions of the Board" where you have (f) and (g)?

Obviously, there must not be an (h) because you go on to Section 302.

Mr. FAUNTROY. That may well be the case. This is, as you know, an amendment.

Mrs. LEN. We are recommending that in Title III, Section 301—

Mr. FAUNTROY. Yes, that we would have to add that?

Mrs. LEN. You would?

Well, then, we would like both bills to include this (h).

Mr. FAUNTROY. Precisely.

Mrs. LEN. Now, on page 12 "General Accounting Office to Assist Board" at Section 303 where it says, "The Board may in the performance of its functions," and we would like the word "may" struck and the word "shall" to replace it.

So it would read; "The Board shall in the performance of its functions," and it would read; "The Comptroller General shall provide."

In other words, we want "may" changed to "shall." There is a difference in the two words.

Now, in Section 303—would read; "The Board shall in the performance," and then it goes down to Section 303. Now, that could be (a) and then our's would be 303 (b); "Within 60 days of the close of campaign, all registered candidates must file with the GAO a complete report disclosing all receipts and expenditures." And that is it.

Should I repeat it?

Mr. FAUNTROY. No. We are having it taken down verbatim.

Mrs. LEN. Well, we feel like these candidates should file with the GAO and in that way it becomes a matter of public record.

Those are the recommendations. I think that is all.

Mr. FAUNTROY. Thank you.

Mrs. LEN. Please wait a minute.

Now, was this handed out (indicating)? It states "Some provisions of bills on D.C. campaign financing. And I want to know was this handed out by you folks?

Mr. DEPUTY. That was made available by the Committee.

Mrs. LEN. The Committee staff? It is very effectively done.

Mr. FAUNTROY. Thank you.

Mrs. LEN. H.R. 13539, Section 303, provides that the Board of Elections and various officials "shall" request assistance from GAO.

You are summing it up here evidently in this sheet, and we would like that changed from "may" to "shall." And then we have added that "within 60 days" after, and so we are just repeating possibly this, but we want to be sure.

Now, we would like to endorse Mr. Barry's recommendations on the draft commission.

Now, when hearings like this come up, we do not mind our taxpayer's money being spent on advertising the hearings, but please give us a full page ad next time and compare the two bills like this

summary. This is a good summary. One full page in the Star and one full page in the Post would have just been an invaluable contribution.

Well, of course, the room would have been filled. Also, the mention of 25 people giving \$1 or 2,000 people giving \$1,000 or two or three people giving \$1,000—well, I had quite an experience 20 years ago in promoting machinery both commercial and residential and farm. And we would much rather have 100 satisfied customers with \$100 or \$150 piece of machinery than we would 25 customers with a \$5,000 piece of equipment; because there we have 90 more people or 95 more people or 75 more people advertising our product, and that is promotion to have satisfied customer.

So this, in turn, is free promotion for the candidate. Now, if they accept the \$1 contribution, it will be very difficult to maintain a list of the people who have contributed \$1 because can only contribute once. You cannot have some people contribute \$1 one week and \$1 the next week. These points might arise in your discussions as being liabilities in implementing this.

We would like to make another suggestion. We would like to put this down in the record and have you folks take it back and we will contact the Senate side and ask for their opinions. We would like the two District Committees in the House and the Senate to meet at the beginning or the second or third month when your Congress convenes for the next session. And if you have any legislation coming up for the District of Columbia, we would like both committees to get together with our legislative committees of the two D.C. Federations at a round table discussion right here.

We had a very effective one that Ted Meyers chaired with the citizens' federations. And if you just twice a year would get together with us in that way, the rapport would be much better.

Please let us have an expression from you on that. Please take that back to your Committee.

Now, one other point, and this is my closing suggestion—oh, and by the way, has any provision been made to guarantee in both bills there will always be the right to have write-in names at the polls?

Mr. FAUNTROY. Yes. This bill has nothing to do with that at all.

Mrs. LEN. It will not be in conflict with that?

Well, we wholeheartedly endorse that the Election Board should assume responsibilities here instead of setting up a whole new commission; that is another bureaucracy which will cost thousands and thousands of dollars.

Now, in closing again, this is a wonderful opportunity for an organization, preferably a citizens' association, to work with the two committees on the Hill in providing some kind of regulation for these public hearings.

Now, do any of you folks up here now know whether or not there is on the books any regulations by which you must consider when you are holding these public hearings? Does anybody know?

Mr. FAUNTROY. I will refer that matter to minority counsel to respond.

Mr. HOGAN. I yield to the Chairman. I think that is a question he might want to respond to.

Mrs. LEN. Last year this arose when I tried my best to get some information from the House District Committee. After speaking with several people, they were perhaps too fresh in their positions to know, but as these people are replaced, you know, you are in for ten years or twelve years, and then you are replaced by someone else, these things should come down automatically.

I am referring to the regulations. There are regulations somewhere I assume?

Mr. FAUNTROY. Yes.

Mrs. LEN. So, you folks someone go back and we will give you a couple of weeks, but we will be coming back because we would like to know where the regulations are, because we want to get a copy of them and really study them. We want to study these regulations to see if there is some way that we can improve on the communication between the District Committees and citizens.

In closing, Plato many years ago said, which is very appropo to today, "A wise man, if he does not wise up and part in the affairs of his government, will be ruled by unwise men."

Thank you, Mr. Chairman, and good night.

Mr. FAUNTROY. This hearing series comes now to a close, but we will keep the record open for a period of 5 days to receive any additional testimony.

Thank you and good night.

[Whereupon, at 10:30 p.m., the subcommittee adjourned.]

[Subsequently, the following additional material was filed with the committee:]

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
CITY COUNCIL,
Washington, D.C., April 4, 1974.

Hon. WALTER E. FAUNTROY,
c/o Government Operations Subcommittee, District of Columbia Committee, U.S.
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN FAUNTROY: This letter responds to your request as Chairman of the Government Operations Subcommittee hearing on April 3, 1974, that I submit testimony by letter on two subjects.

Responding to your request for specific suggestions regarding the maximum expenditure permitted by a candidate for membership on an Advisory Neighborhood Council, I feel that a sum of \$500 should suffice. I am assuming that ANC members will represent specific neighborhoods with total populations not exceeding 2,500 persons, regardless of how many such neighborhoods belong to a given Council. If the new City Council should change this figure, my suggestion would be subject to revision upwards or downwards.

Regarding my suggestion as to maximum contributions, contained in the table attached to my testimony and identified as No. 4, I was mistaken in the belief that local candidates for Mayor and City Council might be running in an election during which there was no Delegate race as well. Accordingly, my suggested maximum contribution by an individual to all candidates in any campaign should read \$7,000. As provided in my suggestion No. 2, no more than \$2,000 of this \$7,000 could be contributed to any candidate for Mayor or Delegate. This would leave \$3,000 for all other candidates if the maximum were contributed to individuals running for both Mayor and Delegate. Accordingly, if a contributor should choose not to contribute to any candidate for either Delegate or Mayor, he could contribute up to \$7,000 among Council candidates, subject to my limitation No. 3 of \$1,000.

I appreciate the clarification raised by Mr. John Hogan in questioning my meaning in attachment to my testimony, where, under contributions, I use the term, "in any year." In order therefore to make my meaning clear, all references to "any year" should be deleted from the table in the attachment. Regardless of whether the contribution is made before or after a given campaign, and regardless of the calendar year in which the contribution may be made, my suggested maximum contributions apply to one election campaign. This would include both the primary and the general election if a candidate is involved in both.

Very truly yours,

JOHN A. NEVIUS,
Chairman, City Council.

FEBRUARY 5, 1974.

THE CONSTITUTIONALITY OF LIMITATIONS ON INDEPENDENT EXPENDITURES
ADVOCATING THE ELECTION OR DEFEAT OF CANDIDATES FOR FEDERAL OFFICE

(Prepared by Kenneth J. Guido, Jr., Director of Litigation, COMMON CAUSE)

Legislative proposals providing for the public financing of federal elections and limiting the role of large private donations are presently pending before the Congress. The proposals allow limited contributions to political campaigns and limited amounts to be spent independently by individuals and groups advocating the election or defeat of specific candidates. The constitutionality of limiting independent expenditures advocating the election or defeat of specific candidates has been challenged by the opponents of public financing on the ground that it is patently invalid in violation of the First Amendment.

(189)

Opponents of public financing legislation claim that the recent decision of *ACLE v. Jennings*, C.A. No. 1967-72, decided by a three judge District Court for the District of Columbia on November 14, 1973, prohibits placing limitations on the amount that can be spent independently advocating the election or defeat of a specific candidate. In so arguing, the opponents of public financing of elections have misstated the holding of the case. They also have ignored important Supreme Court precedents cited approvingly in *ACLU v. Jennings*, *supra*, upholding the regulation of similar independent financial activity.

In order to correct this misunderstanding, this memorandum was prepared analyzing *ACLU v. Jennings*, *supra*, and the Supreme Court precedents it cites approvingly.

In *ACLU v. Jennings*, *supra*, the plaintiffs had attempted to place a paid advertisement in the New York Times and were denied the opportunity to do so by the newspaper because they were unable to provide the newspaper with the candidate certification that the paper felt was required by the Federal Election Campaign Act of 1971 and regulations promulgated thereunder. The text of the advertisement the plaintiffs sought to have published did not advocate the election or defeat of any specific candidate. Instead, the proposed advertisement expressed the ACLU's opposition to the Nixon administration backed legislation designed to limit court ordered busing in desegregation cases. The advertisement listed, in the form of an "honor roll", the names of 102 members of the United States House of Representatives who had previously opposed this antibusing policy. The ACLU was found to be a non-profit and non-partisan organization whose named purposes are to protect and to defend rights guaranteed by the Constitution. The ACLU was also found not to have intended to aid in the election or re-election campaign of any political candidate by attempting to place the advertisement.

The ACLU contended that the certification requirements of the statute were unconstitutional prior restraints upon First Amendment freedom and that the disclosure provisions of the Act were vague and unclear, allowing for their potential application to the ACLU, and therefore violated their members' rights of association and privacy guaranteed by the First, Fourth and Ninth Amendments.

The Court agreed with the ACLU that the procedures to insure compliance with the media spending limits were unconstitutional prior restraint upon First Amendment freedoms, but held that the disclosure provisions of the Act were not applicable to the ACLU and did not violate the rights of association and privacy guaranteed by the Constitution.

The opponents of public financing contend that the decision in *ACLU v. Jennings*, *supra*, declaring the enforcement scheme of Title I of the Federal Elections Campaign Act of 1971 unconstitutional, supports their position that limitations upon independent expenditures in support of or in opposition to a specific candidate are unconstitutional. Title I established limitations upon the spending upon communications media expenditures which may be made on behalf of or in opposition to candidates for federal office. To effectuate compliance, the statute required any person desiring to purchase an advertisement on behalf of such a candidate to obtain a certificate from the candidate that the media expenditure does not exceed his spending limit.

The regulations promulgated under authority of Title I further provided that the sponsor of an ad derogatory to a candidate must either indicate the source of the funds or sign a disclaimer that no opposing candidate authorized its purchase. Additionally, the seller of the advertising time or space, under threat of criminal penalties, was required to take reasonable precautions to verify the accuracy of the disclaimer, and resolve any reasonable doubt in favor of the need

In reviewing this statute, the Court was of the view that the ACLU and similar organizations which are "non partisan and politically unaffiliated . . . may submit matters for print which, although issue oriented, will nevertheless be viewed by the media, and understandably so, as requiring FECA certification." Slip Opinion, *supra*, at 19. As a consequence, the Court concluded that, under the scheme established by the FECA, "[a]nyone wishing to voice views on public issues which inherently touch upon Federal candidates and their positions must first either (1) obtain the imprimatur of a candidate on whose side they may be allied concerning any given issue or (2) in the case of 'derogatory' statements they must make representation as to non-authorization or non-consent." *Supra* at 20. In either case the Court felt that candidates wield "potential veto power over attempts to communicate public views," *supra* at 21, since "[c]andidates favorably named in ads, or those whose consent to derogatory advertisements may be

implied, are provided with the opportunity of effectively blocking publication by refusing to make the requisite certification statement." *Supra* at 20. Consequently, the Court struck down Title I and its implementing regulations as overly broad prior restraints upon *non-partisan* and *politically unaffiliated* speech on nationally important issues.

The Court found that the mechanism established under the FECA to insure compliance with the media expenditure limits was unconstitutional. But the Court did not decide that limitations upon independent expenditures urging the support of or opposition to a particular individual's candidacy were unconstitutional. In fact, as Supreme Court opinions cited favorably by the Court in *ACLU v. Jennings, supra*, at 13, reveal, limitations upon independent expenditures advocating the election or defeat of a specific candidate are permissible.

SUPREME COURT PRECEDENTS

The Supreme Court has thrice upheld the validity of the 1925 Corrupt Practices Act's flat prohibition of union contributions and *independent expenditures* in connection with political campaigns, 18 U.S.C. § 610, although it has avoided passing upon the constitutional questions raised by such a prohibition. *United States v. CIO*, 335 U.S. 160 (1948); *United States v. UAW*, 352 U.S. 567 (1957); *Pipefitters' Local 562 v. United States*, 407 U.S. 385 (1972).

In *United States v. CIO, supra*, and *United States v. UAW, supra*, the Supreme Court defined the permissible scope of limitations upon independent expenditures. In *United States v. CIO, supra*, the union was indicted for publishing a weekly periodical, at the union's expense, which went to those within its membership or those who had subscribed to it, that contained an endorsement of a candidate for Congress in violation of the Corrupt Practices Act. The District Court dismissed the complaint, finding unconstitutional the section under which the union was indicted, which prohibited political expenditures by any labor organization in a federal election. The Supreme Court upheld the lower court's decisions but did so on statutory, not constitutional, grounds and, in so doing, took great care to explain what was a legitimate limitation on independent expenditures. *Supra* at 112, 120. Additionally, the Court explained why "expenditures" were included within the prohibition:

When Congress began to consider the Labor Management Relations Act of 1947, it had as a guide the 1944 presidential election, an election which had been conducted under the above amendment to the Act of 1925. In analyzing the experience of that election, a serious defect was found in the wording of the Act of 1925. The difficulty was that the word "contribution" was thought to be confined to direct gifts or direct payments. Since it was obvious that the statute as construed could easily be circumvented through indirect contributions, § 304 extended the prohibition of § 313 to "expenditures."

In the 1957 *United States v. UAW, supra*, opinion, the Supreme Court elaborated upon its opinion in *United States v. CIO, supra*, of nine years earlier. In the *UAW* case, the union was indicted for the use of union funds to purchase television broadcasts urging the support of certain Congressional candidates. The District Court held that the statute prohibited expenditures in support of candidates for federal office. *Supra* at 584. The Supreme Court reversed the decision of the District Court and made it clear that independent expenditures to communicate with non-members of the union were prohibited by the statute.

The Court, in reaching its decision, traced the history of prohibitions upon corporate and union contributions and expenditures:

The concentration of wealth consequent upon the industrial expansion in the post-Civil War era had profound implication for American life.

No less lively, although slower to evoke federal action, was popular feeling that aggregated capital unduly influenced politics, an influence not stopping short of corruption.

In the '90's many States passed laws requiring candidates for office and their political committees to make public the sources and amounts of contributions to their campaign funds and the recipients and amounts of their campaign expenditures. The theory behind these laws was that the spotlight of publicity would discourage corporations from making political contributions and would thereby end their control over party policies. But these state publicity laws either became dead letters or were found to be futile.

The first statute prohibiting corporate contributions was enacted in 1907, prohibiting money contributions by corporations. *Supra* at 575. This Act was strengthened in 1925 by extending its coverage to in-kind as well as money contributions and penalizing the recipients of contributions as well as the contributors. *Supra* at 577. In 1943, Congress extended the prohibition on corporate contributions to unions. *Supra* at 579. Despite this provision, unions were reported to have made enormous financial outlays in connection with the 1944 national election. *Supra* at 581. Finally, fully aware of the problem, Congress extended the prohibition on corporate and union contribution to expenditures. In explaining the reason for the extension, Senator Taft, a member of the conference committee was quoted by the Supreme Court as having said:

"... In this instance the words of the Smith-Connally Act have been somewhat changed in effect so as to plug up a loophole which obviously developed, and which, if the courts had permitted advantage to be taken of it, as a matter of fact, would absolutely have destroyed the prohibition against political advertising by corporations. If "contribution" does not mean "expenditure", then a candidate for office could have his corporation friends publish an advertisement for him in the newspapers every day for a month before election. I don't think the law contemplated such a thing, but it was claimed that it did, at least when it applied to labor organizations. So, all we are doing here is plugging up the hole which developed, following the recommendation by our own Elections Committee in the Ellender bill."

In distinguishing *United States v. CIO*, the Court observed that that case presented a different situation:

The decision in that case rested on the Court's reading of an indictment that charged defendants with having distributed only to union members or purchasers an issue, Vol. 10, No. 28, of "The C.I.O. News," a weekly newspaper owned and published by the CIO. That issue contained a statement by the CIO president urging all members of the CIO to vote for a certain candidate. Thus, unlike the union-sponsored political broadcast alleged in this case, the communication for which the defendants were indicted in the CIO was neither directed nor delivered to the public at large. The organization merely distributed its house organ to its own people. The evil at which Congress has struck in § 313 is the use of corporation or union funds to influence the public at large to vote for a particular candidate or a particular party. (Emphasis added.)

Thus, as this discussion reveals, the Supreme Court was sensitive to the fact that since expenditures can be made in such a way as to circumvent contribution limitations, independent expenditures as well as contributions may be limited. Although the Court refrained from ruling on the constitutional issue, its opinions clearly reflect a recognition of the need for expenditure limitations.

The permissibility of regulating First Amendment rights varies with their mode of expression, and usually the nonverbal exercise of such rights, particularly when joined with acts which are not necessarily communicative, is more susceptible to regulation than is pure speech. Giving and spending money do not constitute acts of verbal communication. In the words of Professor Paul Freund of Harvard Law School, "We are dealing here not so much with the right of personal expression or even association, but with dollars and decibels. And just as the volume of sound may be limited without violating the First Amendment."

For First Amendment purposes, giving and spending money is communicative action with a potential for disrupting normal political processes; in this respect, it is analogous to picketing or demonstrating. As Justice Douglas stated in his dissent in *Communist Party v. Subversives Activities Control Board*, 367 U.S. 1 (1967):

"Picketing is free speech *plus* (citations omitted) and hence can be restricted in all instances and banned in some . . . Though the activities themselves are under the First Amendment, the manner of their exercise or their collateral aspects fall without it.

"Like reasons underlie our decisions which sustain laws that require various groups to register before engaging in specified activities. Thus, lobbyists who receive fees for attempting to influence the passage or defeat of legislation in Congress may be required to register. *United States v. Harriss*, 347 U.S. 612. Criminal sanctions for failure to report and to disclose all contributions made to political parties are permitted. *Burroughs v. United States*, 290 U.S. 534. . . . In short, the exercise of First Amendment rights often involves business or commercial implications which Congress in its wisdom may desire to be disclosed. . . ." *Supra* at 173-74.

The limitations on independent expenditures contained in proposed federal legislation are simply a nondiscriminatory regulation of the manner in which First Amendment rights are exercised. Such limitations are neutral with respect to the content of political expression. They do not operate censorially to suppress unpopular views, and they do not single out persons who advocate particular political beliefs, or penalize anyone for association with persons or organizations oriented to such advocacy. If they did so, they would be unconstitutional. See *e.g.*, *United States v. Robel*, 389 U.S. 258, 278 (1967); *Keyishian v. Board of Regents*, 385 U.S. 529, 604 (1967). Like the "Fairness" and "Equal Time" doctrines enforced by the Federal Communications Commission, the contribution/expenditure limitations apply in exactly the same way regardless of the viewpoint to be advocated or the beliefs of the person making the contribution or expenditure. See *Red Lion Broadcasting Co. v. Federal Communications Commission*, 395 U.S. 367, 392 (1969). These limitations do not represent a sweeping prohibition of all political expression, but instead assist in modulating the level of political discourse so that more voices may participate and so that weak voices may not be drowned out. In fact, they foster and protect the exercise of First Amendment freedoms in three ways: (1) they protect the rights of the less affluent to express themselves by running for office; (2) they help prevent the drowning out of all other political viewpoints by well-financed candidates and interest groups; and (3) they ensure the equality of the voting rights of each citizen by limiting the influence on candidates of the large contributions.

CONCLUSION

As the above cases, cited approvingly in *ACLU v. Jennings, supra*, reveal, the Supreme Court is aware of the need to limit independent expenditures advocating support of or in opposition to a specific candidate in order to avoid circumvention of contribution limitations. Thus, where there are no over-broad prior restraints of non-partisan expenditures and the statute is clearly limited to expenditures advocating support of or in opposition to a specific candidate, it will withstand a constitutional challenge.

Since the limitation upon independent activities proposed is restricted to expenditures advocating the election or defeat of specific candidates, it does not violate the proscription of *ACLU v. Jennings, supra*. In fact, it clearly falls within those political activity limitations found to be permissible in the Supreme Court cases cited approvingly by the *ACLU* court.

NOVEMBER 26, 1973.

COMMON CAUSE LEGAL MEMORANDUM ON THE CONSTITUTIONALITY OF PUBLIC FINANCING FOR FEDERAL ELECTIONS

The fairness, honesty and basic integrity of elections and post-election decision-making by elected officials is of paramount concern in the democratic society. The disclosure requirements of the Federal Elections Campaign Act of 1971 and the amendments passed by the Senate this year were important steps toward more open and fair elections. Nevertheless, more fundamental reforms are necessary, however, if the electoral process in the United States is to be freed from the corrupting influence of campaign contributions.

The recent "Watergate" scandals have vividly illustrated the corrosive effect on the American political process of large secret campaign contributions. These assorted corruptions are only the latest and more dramatic examples of a less obvious but chronic and systemic problem. In its report on the Federal Elections Campaign Act of 1971, a House Committee declared that the present system of private financing of election campaign leads:

To a closed, insulated, self-perpetuating system, dominated by special interests and unresponsive to the public will . . . which often creates the impression that only the rich can run for public office, and that a candidate can buy an election by spending large amounts of money in a campaign. . . . [It] works an inequitable hardship on the candidate who cannot compete with the resources of great wealth, but of even greater significance, it is unfair to the electorate which is entitled to have presented to it for its evaluation and judgment candidates from all walks of life and not just those persons who, because of their wealth, can conduct a campaign which resorts to techniques which are more appropriate to merchandizing a product than to familiarizing the public with a candidate's qualities as a potential public official and his program for the country. H.R. Rep. No. 92-564 at 4, 92 Cong., 1st Sess. (1971).

In a democratic society, to win an election is to win political and economic power. One commentator has recently written:

The citizen's act of voting and the election campaign which is designed to influence it are of central importance in a democracy. The rules governing elections are the primary rules by which we live together in society and by which the governed determine who their governors will be and what policies they will pursue. Elections are democracy's primary means of resolving group competition and of apportioning the costs and benefits of life in society among competing interests. They are the basic mechanism whereby the citizens make value judgments—the final and most authoritative means for democratic choice-making. No democratic process is more important or powerful, and, therefore no point of influence is more attractive to those who would skew postelection policy to their private advantage. In addition, no aspect of democracy is more vulnerable.¹

Pending before this committee are a number of proposals for funding of campaign costs by the government and for establishing a ceiling on campaign contributions and expenditures in both primaries and general elections. Although each of the proposals differ on the specifics, they are basically similar in that they recognize the need for dramatic revision of the way campaigns are financed.

Enactment of public finance legislation poses a number of constitutional questions, relating primarily to the possible infringement of the First Amendment's freedom-of-speech and freedom-of-association guarantees.² In order to be effective and still withstand these challenges, public financing legislation should contain certain basic provisions. Candidates should be provided with an adequate amount of money to finance campaigns and a realistic ceiling on campaign expenditures determined by the number of voting age residents in the relevant area should be imposed in order to insure against the freezing out of the political process non-incumbents and their supporters. Candidates of major parties should be given an unencumbered federal subsidy large enough to cover their necessary expenses, while candidates of minor parties should be allotted a lesser amount of federal support based on their strength in the last election or their showing in the present election. Both types of candidates should then be free to raise additional money in small private contributions up to the specified maximums for the election. Certain threshold eligibility requirements, such as a certain amount of privately raised funds would have to be met to qualify for federal subsidies at the primary stage, although a candidate ineligible for government funds would still be free to raise campaign funds in small private contributions up to the relevant ceiling. The total amount any individual should be allowed to contribute for the use of any Presidential, Senate, and House candidate in primary and general elections should be limited. Organized interest groups should be prohibited from using any method to amass sums of money above the individual contributors limit to support candidates for political office although organizations should still be allowed to spend money to lobby, communicate with their members, and publicize the need for legislation as long as their actions did not constitute endorsement of a candidate. All expenditures which a candidate controls, either directly or indirectly, should be charged against the candidate's allowable total.

If a citizen desired to engage in political activity for a candidate independently of the candidate, he should be allowed to spend up to the allowable limit on contributions to a candidate in that election, but he should not then be able to make a direct donation to the candidate as well. The limit on contributions should not apply to time voluntarily spent working for a candidate. Citizens engaging in independent political activity for a candidate should not be able to pool their contributions to fund an "independent" organization. Political parties should be allowed to raise funds from the general public which could be used by the party to provide up to the entire amount of private funding allowed to a candidate in the general election.

¹ Fleishman, "Freedom of Speech and Equality of Political Opportunity: The Constitutionality of the Federal Election Campaign Act of 1971," 51 *N.C. L. Rev.* 389, 466 (1973).

² For a discussion of the constitutional issues involved in the regulation of election campaign practices, see Lobel, "Federal Control of Campaign Contributions," 51 *Minn. L. Rev.* 1 (1966); Fleishman, "Freedom of Speech and Equality of Political Opportunity: The Constitutionality of the Federal Election Campaign Act of 1971," 51 *N. Car. L. Rev.* 389 (1973); Rosenthal, *Federal Regulations of Campaign Finance: Some Constitutional Questions* (1971); Redish, "Campaign Spending Laws and the First Amendment," 46 *N.Y.U. L. Rev.* 900 (1971); Court & Harris, "Free Speech Implications of Campaign Expenditures Ceilings," 7 *Harv. Civ. Lib. Rev.* 214 (1972). See also Court & Harris, "Campaign Spending Regulation: Failure of the First Step," 8 *Harv. J. Leg.* 640 (1971); Berry & Goldman, "Congress and Public Policy: A Study of the Federal Election Campaign Act of 1971," 10 *Harv. J. Leg.* 331 (1973); Roedy, "Ten Years of Florida's 'Who Gave It—Who Got It' Law, 27 *Law & Contemp. Prob.* 434 (1962); Note, "Statutory Regulation of Political Campaign Funds," 66 *Harv. L. Rev.* 1259 (1953).

The issues raised by these proposals may be grouped for purposes of discussion into two categories. The limitations on individual contributions or upon expenditures on behalf of a candidate, and the prohibitions against organizational pooling of contributions in excess of the individual limitations and independent partisan political activity raise the issue of the constitutionality of contribution limitations and prohibitions. The limitation upon the amount a candidate may spend on his campaign raises separate issues.

At times in the discussion which follows, the right of a political contributor to donate money to a candidate is grouped, for purposes of analysis, with the right of a political candidate to spend money for his election or reelection; although the right to give and the right to spend obviously entail different acts; the First Amendment questions arising from government limitations of these two rights are essentially similar. Moreover, a number of subsidiary issues are subsumed under the basic question of the power to Congress to impose ceilings on contributions and expenditures. For example, in order to be effective, a public financing system such as Common Cause advocates would necessarily entail prohibiting a candidate's spending an unlimited amount of his own personal funds in an election campaign. Since expenditure ceilings could otherwise be easily evaded by wealthy candidates, it appears to be *a fortiori* within the power of Congress to enact such a prohibition on the use of personal funds if the overall expenditure ceiling is constitutional.

Until the enactment of the Federal Election Campaign Act of 1971, federal law had contained contribution and expenditure limitations for approximately 60 years, and 29 states now have some form of these ceilings in their corrupt practices acts.³ These laws had as their primary function the dual goals of (1) reducing the corrupting influence of large campaign contributions, and (2) reducing the costs of campaigns thus reducing the pressures to secretly evade the limit on contributions. Due to virtual nonenforcement in the past of laws containing contribution and spending ceilings, there is no federal case ruling indirectly on the constitutionality of such limits, and there is only one state case construing the validity of such ceilings, *State v. Kohler*, 200 Wis. 518, 228 N.W. 895 (1930), in which the Wisconsin Supreme Court upheld against constitutional attack a statute limiting the amount which might be spent by candidates and their personal campaign committees.⁴ Although these constitutional questions merit serious discussion and careful analysis, we believe that public financing of campaigns and contribution and expenditure limits clearly pass constitutional muster under existing precedents. In fact, they foster and protect the exercise of First Amendment freedoms in three ways: (1) they protect the rights of the less affluent to express themselves by running for office; (2) they help prevent the drowning out of all other political viewpoints by well financed candidates and interest groups; and (3) they ensure the equality of the voting rights of each citizen by limiting the influence on candidates of the large contributions.

I.—Despite certain communicative aspects, contributions of money to, and expenditures of money by, political candidates partake more of action than of speech and may be reasonably regulated under the police power of the federal government.

The proposition that only "speech" and not "action" is protected by the First Amendment is now discredited, and it is clear that the Amendment at times covers more than sheer verbal communications. See e.g., *West Virginia Board of Education v. Barnette*, 319 U.S. 624 (1943) (right to refuse to salute flag); *Stromberg v. California*, 283 U.S. 359 (1931) (right to display a red flag); *NAACP v. Button*, 371 U.S. 415 (1963) (right to solicit legal business). It is still true, however, that the permissibility of regulating First Amendment rights varies with their mode of expression, and that usually the nonverbal exercise of such rights, particularly when joined with acts which are not necessarily communicative, is more susceptible to regulation than is pure speech. Giving and spending money do not constitute acts.

³ Fleishman, "Freedom of Speech and Equality of Political Opportunity: The Constitutionality of the Federal Election Campaign Act of 1971," 51 *N.C. L. Rev.* 389, 450 (1973).

⁴ Wisconsin Supreme Court declared: "It is a matter of common knowledge that men of limited financial resources aspire to public office. It is equally well known that successful candidacy often requires them to put themselves under obligation to those who contribute financial support. If such a candidate is successful, these obligations may be carried over so that they color and sometimes control official action. The evident purpose of the act is to free the candidates from the temptation to accept support on such terms and to place candidates during this period upon a basis of equality so far as their personal ambitions are concerned, permitting them, however, to make an appeal on behalf of the principles for which they stand, so that such support as may voluntarily be tendered to the candidacy of a person will be a support of principle rather than a personal claim upon the candidate's consideration should he be elected. . . . It may be replied that the act seeks to throw democracy back upon itself, and so induce spontaneous political action in place of that which is produced by powerful political and group organizations." *State ex rel. La Follette v. Kohler*, 200 Wis. 518, 228 N.W. 895, 912 (1930).

of verbal communication. In the words of Professor Freund, "We are dealing here not so much with the right of personal expression or even association, but with dollars and decibels. And just as the volume of sound may be limited by law, so the volume of dollars may be limited without violating the First Amendment."⁵

For First Amendment purposes, giving and spending money is communicative action with a potential for disrupting normal political processes; in this respect, it is analogous to picketing or demonstrating. In *Cox v. Louisiana*, 379 U.S. 536, 555 (1965), the Supreme Court "emphatically" rejected the notion that the First Amendment afforded the same kind of freedom to those who "communicate ideas by patrolling, marching, and picketing on streets and highways" as it offers those "who communicate ideas by pure speech." The Court upheld the facial constitutionality of a Mississippi statute which banned picketing in such a manner as to obstruct or interfere with free entrance to and exit from public buildings. In *Cameron v. Johnson*, 390 U.S. 611 (1968), it declared that such communicative activity was sufficiently "intertwined" with action to be regulable, and it emphasized that such a statute was "a valid law dealing with conduct subject to regulation so as to vindicate important interests of society[;] . . . the fact that free speech is intermingled with such conduct does not bring it within constitutional protection." 390 U.S. at 617. In a second *Cox v. Louisiana* case, 379 U.S. 559 (1965), the Court upheld against First Amendment attack the convictions of defendants for violating State statutes prohibiting breach of the peace, obstructing public passages, and picketing near a court house: "The conduct which is the subject of this statute—picketing and parading—is subject to regulation even though intertwined with expression and association." 379 U.S. at 563. The Court's explanation of its rationale in this case is applicable to the question of the permissibility of limiting campaign contributions and expenditures: "We are not concerned here with such a pure form of expression as newspaper comment or a telegram by a citizen to a public official. We deal in this case not with free speech alone, but with expression mixed with particular conduct." 379 U.S. at 564. See also *Central Hardware Co. v. National Labor Relations Board*, 407 U.S. 539 (1972); *Lloyd Corp. v. Tanner*, 407 U.S. 551 (1972).

That not all communicative conduct is protected by the First Amendment is clear from the Supreme Court's decision in *United States v. O'Brien*, 391 U.S. 367 (1968), upholding the constitutionality of a provision of the Selective Service Act which made it a crime to knowingly destroy a Selective Service registration certificate. The Court held that draft card burning was not "symbolic speech" protected by the First Amendment: "We cannot accept the view that an apparently limitless variety of conduct can be labeled 'speech' whenever the person engaging in the conduct intends thereby to express an idea." 391 U.S. at 376. Campaign contributions and expenditures are communicative only in the sense that burning a draft card is communicative; all such acts are subject to regulation because, in the words of the *O'Brien* Court, "'speech' and 'nonspeech' elements are combined in the same course of conduct." 391 U.S. at 376. The Court recently held that a State's prohibition of various forms of explicit sexual entertainment by live performers in establishments selling liquor did not violate the First Amendment:

"[A]s the mode of expression moves from the printed page to the commission of public acts which may themselves violate valid penal statutes, the scope of permissible state regulations significantly increases. States may sometimes proscribe expression which is directed to the accomplishment of an end which the State has declared to be illegal when such expression consists, in part, of 'conduct' or 'action'." *California v. LaRue*, 41 U.S.L.W. 4039, 4042 (1972).

Many kinds of "communications," such as deceptive advertising,⁶ certain kinds of libels, the false activation of a burglar alarm, the shouting of "fire" in a crowded theatre (c.f. *Schenk v. United States*, 249 U.S. 47, 51 (1919) (Holmes J.)) may be criminalized without violating the First Amendment because they cause

⁵ Commentary of Prof. Paul A. Freund, the Harvard Law School, in Rosenthal, *Federal Regulation of Campaign Finance: Some Constitutional Questions*, 72 (5971).

⁶ The Court has held that "purely commercial advertising" is subject to much greater regulation than communication which is not inspired by a profit motive, *Valentine v. Christensen*, 316 U.S. 56, 54 (1942); *Beard v. City of Alexandria*, 341 U.S. 622, 642, 643 (1951), although the fact that the dissemination of a communication takes place under commercial auspices does not remove it from all First Amendment protection. *Smith v. California*, 361 U.S. 147, 150 (1959); *New York Times Co. v. Sullivan*, 376 U.S. 254, 665-266 (1964). The power of the FCC to ban cigarette advertising from television has been upheld, *Banzhaf v. FCC*, 405 F.2d 1082 (CA DC 1968), cert. denied, 396 U.S. 842 (1969). These cases imply that the federal government has power to require that political advertising on television and radio be for certain minimum periods (e.g., 30 seconds), on the theory that very short "spot" ads are (like commercial advertising) intended simply to condition rather than inform and are likely to be somewhat deceptive because they convey a simplistic "image" of a candidate.

directly or embody themselves evils which the government is authorized to prevent. That a reasonable limitation on campaign contributions and expenditures is not barred by the First Amendment is indicated by the constitutionality of the federal anti-bribery law, 18 U.S.C. § 201(e). Cf. *United States v. Brewster*, 408 U.S. 501 (1972) (upholding the constitutionality of the indictment of a Senator for soliciting and receiving a bribe). A bribe is certainly a form of direct and unequivocal "communication," but no one has seriously suggested that the First Amendment protects it. Anti-bribery statutes are constitutional because they are aimed at action which, though communicative, violates notions of public policy. Campaign contributions are all too often only an attenuated form of bribery: the donation of money is likely to communicate to the candidate the information that the donor seeks either a direct *quid pro quo* (such as favorable action by an administrative agency) or, more usually, an indirect form of influence (such as access or consultation when certain decisions are pending).

II.—There is no constitutional right to make unlimited contributions to a political campaign or for a candidate to expend as much money as he chooses in an effort to be elected or reelected.

In order to foster "[e]ffective advocacy of both public and private points of view, particularly controversial ones," *NAACP v. Alabama*, 357 U.S. 449, 460 (1958), the Supreme Court has recognized an independent constitutional right of association, see e.g., *Louisiana ex rel. Gremlion v. NAACP*, 366 U.S. 293 (1961).

In order to argue that a limitation on campaign contributions/expenditures is unconstitutional because it infringes this right of association or violates the right to freedom of speech an individual is directly guaranteed by the First Amendment, however, it is necessary to demonstrate that an individual possesses an absolute discretion to make as large a political campaign contribution or expenditure as he wishes. A number of Supreme Court holdings establish the power of Congress to limit, in certain circumstances, the associational rights and the ability to participate in the political process of certain individuals and groups.

Where the governmental interest is compelling, the Court has upheld registration statutes which require the disclosure of identity of certain individuals or the disclosure of membership in certain organizations even though such disclosure will limit and impair the ability of such individuals and organizations to exercise their political and civil rights. See e.g., *Communist Party of the United States v. Subversive Activities Control Board*, 367 U.S. 1 (1961) (registration of Communist Party officials and members); *Viereck v. United States*, 318 U.S. 236 (1943); *Rabinowitz v. Kennedy*, 376 U.S. 605 (1964) (registration of foreign agents and of activities engaged in on behalf of a foreign principal); *New York ex rel. Bryant v. Zimmerman*, 278 U.S. 63 (1929) (registration of Ku Klux Klan members). Cases striking down State attempts at compelling disclosure of NAACP membership lists (e.g., *NAACP v. Alabama*, 357 U.S. 499 (1958); *Louisiana ex rel. Gremlion v. NAACP*, 366 U.S. 293 (1961)) may be distinguished on the ground that in such cases, no valid State interest in disclosure was evident: in the context of Southern hostility to civil rights organizations, the true purpose of such laws was the destruction of the NAACP.

The compelling State interest which campaign contribution/expenditure limitations foster was described by the Court in *Burroughs and Cannon v. United States*, 290 U.S. 534 (1934), a case which held constitutional the disclosure-of-contributors requirements of the 1925 Corrupt Practices Act: "Congress reached the conclusion that public disclosure of political contributions, together with the names of contributors and other details, would tend to prevent the corrupt use of money to affect elections. The verity of this conclusion reasonably cannot be doubted." 290 U.S. at 548. The Court adverted to this same rationale when it upheld the constitutionality of a statute requiring the registration of lobbyists in *United States v. Harriss*, 347 U.S. 612 (1954): "Congress has . . . merely provided for a modicum of information from those who for hire attempt to influence legislation . . . It wants only to know who is being hired, who is putting up the money, and how much. It acted in the same spirit and for a similar purpose in passing the Federal Corrupt Practices Act—to maintain the integrity of a basic governmental process." 347 U.S. at 625. Although these two cases deal with disclosure requirements, their rationale is applicable to a law establishing a ceiling on political campaign contributions and expenditures because the government is aiming at the same serious evils (corruption, undue influence of special interest groups) and because the incidental effect of limiting political participation is also the same, although in the former cases it stems simply from the effects of disclosure rather than direct governmental restraint.

Two other lines of precedents indicate that there is no constitutional right to quantitatively unlimited participation in the financing of federal elections. The Supreme Court has thrice upheld the validity of the 1925 Corrupt Practices Act's flat prohibition of union contributions and expenditures in connection with political campaigns, 18 U.S.C. § 610, although it has avoided passing upon constitutional questions raised by such a prohibition. *United States v. CIO*, 335 U.S. 160 (1948); *United States v. UAW*, 352 U.S. 567 (1967); *Pipefitters' Local 562 v. United States*, 407 U.S. 385 (1972). There have been no Supreme Court cases dealing with § 610's ban on corporate political contributions or expenditures, but a lower court has upheld the predecessor of § 610 against constitutional attack, *United States v. United States Brewers' Assn.*, 239 F. 163 (W.D. Pa. 1916); but cf. *United States v. First National Bank of Cincinnati*, 329 F. Supp. 1251 (S.D. Ohio 1971), and its validity as applied has also been sustained, although the constitutional question was avoided. *United States v. Lewis Food Co.*, 366 F. 2d 710 (CA 9 1966). See also *Egan v. United States*, 137 F. 2d 369 (CA 8 1943) (upholding constitutionality of Public Utility Holding Company Act's ban on political contribution by registered public utility companies). If an absolute ban on the political activities of groups of individuals organized into unions and corporations is permissible, it would seem *a fortiori* acceptable to set a ceiling on contributions and expenditures by individuals. It may, of course, be argued that the concentration of funds in organizations makes their contributions and expenditures more susceptible to regulation than those of individuals. There are two answers to this argument, however: organizations are themselves entitled to assert First Amendment rights, *Grosjean v. American Press Co.*, 297 U.S. 233 (1936); *New York Times Co. v. Sullivan*, 376 U.S. 254 (1964), and the associational rights protected by the First Amendment have been held to reach contributors to organizations, *Bates v. City of Little Rock*, 361 U.S. 516 (1961); *United States v. Rumely*, 345 U.S. 41 (1953). The cases which have arisen under § 610 do, therefore, support the constitutional validity of the proposed contribution/expenditure limitations because they arise out of a context in which all the First Amendment rights applicable to individuals could be asserted.

The second line of precedents upholding limitations on political activity are those cases sustaining the constitutionality of statutes such as the Hatch Act, 5 U.S.C. § 7324, which prohibit government employees from engaging in certain political activities. In *United Public Workers v. Mitchell*, 330 U.S. 75 (1947) (opinion of Reed J.), a plurality of the Supreme Court upheld the Hatch Act's flat prohibition of officers and employees of the Executive branch from taking "an active part in political management or in political campaigns." The Court sustained the discharge of a roller in the United States Mint who had taken part in election day campaigning, stating that a law such as the Hatch Act might be necessary to preserve the integrity of the government:

"To declare that the present supposed evils of political activity are beyond the power of Congress to redress would leave the nation impotent to deal with what many sincere men believe is a material threat to the democratic system. Congress is not politically naive or regardless of public welfare or that of the employees. [The Hatch Act] leaves untouched full participation by employees in political decisions at the ballot box and forbids only the partisan activity of federal personnel deemed offensive to efficiency. With that limitation only, employees may make their contributions to public affairs or protect their own interests as before the passage of the Act. . . . Congress may regulate the political conduct of government employees 'within reasonable limits' even though the regulation trenches to some extent upon unfettered political action." 330 U.S. at 99-102.⁷

Recently, the Hatch Act limitations upon political activity by federal employees was challenged as vague and overbroad and therefore in violation of the United States Constitution, relying upon First Amendment cases decided since *United Public Workers v. Mitchell*, *supra*. The Supreme Court in *United States Civil Service Commission v. National Association of Letter Carriers*, 41 U.S. L.W. 5122 (June 26, 1973) affirmed its earlier decisions in *United Public Workers v. Mitchell*, *supra*, and ruled that the Hatch Act was not unconstitutionally overbroad or vague. In so doing, the Court stated:

"Neither the right to associate nor the right to participate in political activities is absolute in any event. (Citations omitted.) Nor are the management, financing and conduct of political campaigns wholly free from governmental regulation. We agree with the basic holding of *Mitchell* that plainly

⁷ *Oklahoma v. Civil Service Commission*, 330 U.S. 127 (1947) decided the same day, used a similar rationale to sustain the constitutionality of a ban on political activity by federally financed state officials.

identifiable acts of political management and political campaigning may constitutionally be prohibited on the part of federal employees." 41 U.S. L.W. at 5127-28.

The Court has upheld the validity of other similar statutes. In *United States v. Wurzbach*, 280 U.S. 396 (1930), the Court sustained the constitutionality of a law which forbade members of Congress from receiving contributions "for any political purpose whatever" from any other federal employees. Justice Holmes declared shortly, "It hardly needs argument to show that Congress may provide that its officers and employees neither shall exercise nor be subjected to pressure for money for political purposes, upon or by others of their kind, while they retain their office or employment." 280 U.S. at 398-399. In *Ex parte Curtis*, 106 U.S. 371 (1882), the Court held that Congress might, within reasonable limits, regulate the political conduct of its employees, and sustained the constitutionality of a law which forbade government employees from giving or receiving money from other government employees for political purposes. Such a law was intended "to promote efficiency and integrity in the discharge of official duties, and to maintain proper discipline in the public service. Clearly such a purpose is within the just scope of legislative power, and it is not easy to see why the act now under consideration does not come fairly within the legitimate means to such an end." 106 U.S. at 373.

Ex parte Curtis is a flat holding that there is no constitutional bar to the prohibition of political contributions by government employees as long as the exercise of the ballot is not restrained. It is not clear that the broad statements of *Curtis* are still good law, but it at least stands for the proposition that contributions, because of their manifest tendency to foster corruption, extortion, and illegal privilege, are more subject to regulation than the right to vote and to run for office. In *United Public Workers v. Mitchell*, *supra*, for example, the Court relied heavily on *Ex parte Curtis*, stating that: "The conclusion of the Court [in *Curtis*] that there was no constitutional bar to regulation of such financial contributions of public servants as distinguished from the exercise of political privileges such as the ballot, has found acceptance in the subsequent practice of Congress and the growth of the principle of required political neutrality for classified public servants as a sound element for efficiency." 330 U.S. at 97 (footnote omitted).

An important factor in these cases is that the restrictions on political activity apply to government employees, but the Court's rationale has been significantly broader than the protection of such employees from political extortion. Laws against corruption and bribery antedate such statutes, and would seem to make them unnecessary, except that the Court upheld the power of Congress to take broad prophylactic measures to insure the integrity of government officials. Furthermore, the employment relation to the government is not enough to justify the restraints if they are otherwise unconstitutional, since the Court has clearly prohibited "unconstitutional conditions" on public benefits: "[T]he theory that public employment which may be denied altogether may be subjected to any conditions, regardless of how unreasonable, has been uniformly rejected." *Keyishian v. Board of Regents*, 385 U.S. 589, 605-906 (1967).

III.—Ceilings on political campaign contributions and expenditures are constitutional because they are a reasonable regulation of the manner in which First Amendment rights may be exercised.

The campaign financing legislation which Common Cause advocates would not prohibit the making of political contributions and expenditures but would instead simply impose limitations on the overall amounts which could be contributed and spent. Common Cause supports a ceiling upon the amount that any one individual may contribute to a candidate and a limit upon the amount that may be spent upon a candidate's behalf. In addition Common Cause supports a prohibition upon all organized interest groups from using any method to amass larger sums of money to use to support candidates for political office. Yet Common Cause supports permitting independent expenditures upon a candidate's behalf, even if done in cooperation with others, so long as the aggregate expenditures do not exceed the ceiling on individual contributions. Common Cause does not favor imposing a limitation on organizations, such as the American Civil Liberties Union, which address themselves to public issues and do not endorse or support candidates for office; they can spend money to influence legislation and even place advertisements taking a public position so long as their actions do not constitute an endorsement of or opposition to a candidate. Additionally, Common Cause advocates the exclusion from the limitation on contributions the cost of communication by an organization, such as a trade association, corporation, labor union, or citizens' group, exclusively with its members on any subject, even regarding whether a

particular candidate is worthy of support, so long as the money is exclusively that of the organization and not contributed from an outside source for such purposes.

These limitations are designed to eradicate the undue influence of large contributions and unlimited expenditures while not prohibiting the legitimate exercise of First Amendment freedoms.

This legislation would thus be far less drastic than the flat prohibition against a union or corporation making *any* campaign contributions or expenditures contained in 18 U.S.C. § 610. "[A]lthough the rights of free speech and assembly are fundamental, they are not in their nature absolute," *Whitney v. California*, 274 U.S. 357, 373 (1927) (Brandeis J. concurring). The Supreme Court has frequently held that First Amendment rights may be reasonably regulated according to the time, place, and manner of their exercise. *Cameron v. Johnson*, 390 U.S. 611, 617 (1968); *Adderley v. Florida*, 385 U.S. 39, 48 (1966); *Cox v. New Hampshire*, 312 U.S. 569, 574-576 (1941); *Cox v. Louisiana*, 379 U.S. 536, 555 (1965). The proposed contribution/expenditure ceilings may be regarded as simply a nondiscriminatory regulation of the manner in which First Amendment rights are exercised.

Such limitations are neutral with respect to the content of political expression. They do not operate censorially to suppress unpopular views, and they do not single out persons who advocate particular political beliefs, or penalize anyone for association with persons or organizations oriented to such advocacy. See e.g., *United States v. Robel*, 389 U.S. 258, 278 (1967); *Keyishian v. Board of Regents*, 385 U.S. 589, 604 (1967). Like the "Fairness" and "Equal Time" doctrines enforced by the Federal Communications Commission, the contribution/expenditure limitations apply in exactly the same way regardless of the viewpoint sought to be advocated or the beliefs of the person making the contribution or expenditure. See *Red Lion Broadcasting Co. v. Federal Communications Commission*, 395 U.S. 367, 392 (1969). Finally, these ceilings do not represent a sweeping prohibition of all political expression through contributions and expenditures, but instead modulate the level of political discourse so that more voices may participate and so that weak voices may not be drowned out. These ceilings are unlike the State corrupt practices legislation which the Supreme Court unanimously held unconstitutional in *Mills v. Alabama*, 384 U.S. 214 (1966). In that case, an Alabama law had made it a crime "to do any electioneering or to solicit any votes . . . in support of or in opposition to any proposition that is being voted on on the day on which the election affecting such candidates or propositions is being held." The statute had been applied to convict a newspaper editor for writing an editorial in election day regarding a question on the ballot. The Court asserted, "no test of reasonableness can save a state law from invalidation as a violation of the First Amendment when that law makes it a crime for a newspaper editor to do no more than urge people to vote one way or another in a publicly held election." 384 U.S. at 219-220.

It is clearly established that differences in the media of communication justify differences in the First Amendment standards applied to them. *Red Lion Broadcasting Co. v. Federal Communications Commission*, *supra*, at 386; *Joseph Burstyn, Inc. v. Wilson*, 343 U.S. 495, 503 (1952). In campaign finance, the medium of expression is money, and for large contributors, the medium is, indeed, the message. The proposed ceilings on campaign contributions and expenditures resemble the municipal ordinances regulating sound trucks upheld in *Kovacs v. Cooper*, 336 U.S. 77 (1948) (opinion of Reed J.). See also *California v. LaRue*, 41 U.S.L.W. 4039, 4042, n. 4 (1972). Although there was no majority opinion in *Kovacs*, the case was approved and explicated by a Court majority in *Red Lion Broadcasting Co. v. Federal Communications Commission*, *supra*, at 387 in language which might well apply to limitations on private campaign financing:

"[T]he ability of new technology to produce sounds more raucous than those of the human voice justifies restrictions on the sound level, and on the hours and places of use, of sound trucks so long as the restrictions are reasonable and applied without discrimination. . . . [T]he Government may limit the use of sound amplifying equipment potentially so noisy that it drowns out civilized private speech. . . . The right of free speech of a broadcaster, the user of a sound truck, or any other individual does not embrace a right to snuff out the free speech of others."

See also *Associated Press v. United States*, 326 U.S. 1, 20 (1945).

IV.—Any restriction upon the exercise of First Amendment rights imposed by limitations upon campaign contributions and expenditures is justified by the compelling and overriding governmental interest in preserving the integrity of the electoral process and in preventing the improper influence of money on the decision-making of public officials.

The First Amendment freedoms of speech, association, press, religion, assembly, and petition have traditionally been given special protection because they are the indispensable preconditions for the exercise and protection of all other rights and freedoms. *Curtis Publishing Co. v. Butts*, 388 U.S. 130, 145 (1967). Although the proposition that First Amendment rights occupy a "preferred" position, see *Thomas v. Collins*, 323 U.S. 516, 530 (1945), has been criticized, see *Kovacs v. Cooper*, 336 U.S. 77, 90 (1949) (Frankfurter J. concurring), a number of constitutional doctrines indicate the elevated and specially protected status of such rights. Cf. e.g., the "clear and present danger" rule, *Brandenburg v. Ohio*, 395 U.S. 444, 447 (1969); *Dennis v. United States*, 341 U.S. 494, 510 (1950); the overbreadth doctrine, *United States v. Robel*, 389 U.S. 258, 265-266 (1967); negative presumptions, *Speiser v. Randall*, 357 U.S. 513, 526 (1958); the alternative means test, *Aptheker v. Secretary of State*, 378 U.S. 500, 512 (1964). First Amendment rights are said to need "breathing space" to survive, *Thomas v. Collins*, 323 U.S. 615, 530 (1945), because they are "delicate and vulnerable," *NAACP v. Button*, 371 U.S. 415, 433 (1963), and because their exercise is easily deterred or "chilled" by governmental action. *Dombrowski v. Pfister*, 380 U.S. 479, 486-487 (1965). Therefore, the Supreme Court has ruled that the exercise of First Amendment rights may be limited only if the government demonstrates reasons or interests which are "compelling," *NAACP v. Button*, *supra* at 438 (1963), "substantial," *NAACP v. Alabama*, 357 U.S. 449, 464 (1958), "subordinating," *Bates v. City of Little Rock*, 361 U.S. 516, 524 (1960), "paramount," *Thomas v. Collins*, *supra* at 530 (1945), "cogent," *Bates v. City of Little Rock*, *supra*, at 524, "strong," *Sherbert v. Verner*, 374 U.S. 398, 408 (1963), or "overriding and compelling," *Gibson v. Florida State Investigating Comm.*, 372 U.S. 539, 546 (1963). The Court also requires that the means chosen to limit the exercise of First Amendment rights be "precise," *Keyishian v. Board of Regents*, 385 U.S. 589, 603 (1967), have as narrow an impact as possible, *NAACP v. Button*, *supra*, at 430, and not be vague, overbroad, or indiscriminate in their sweep, *Elfbrandt v. Russell*, 384 U.S. 11, 18 (1965); *Aptheker v. Secretary of State*, *supra*, at 512. Finally, it must be established by the government that no "less drastic means" exist which might be alternatively used to implement the State's interest without infringing First Amendment rights. *Shelton v. Tucker*, 364 U.S. 479, 488 (1960); *United States v. Robel*, *supra*, at 265.

Whatever the adjectival test chosen to describe the nature of the interest which the government must demonstrate in order to limit the exercise of First Amendment rights, it is clear from the Court's own language in numerous cases that the preservation of the integrity of the electoral process from the corrupting effect of money is a "compelling and overriding" State interest. There have been no Supreme Court holdings dealing directly with the constitutionality of campaign contribution/expenditure limitations, but the Court has often asserted that Congress has broad authority to protect American political institutions against "the corroding effect of money employed in elections by aggregated power": "Speaking broadly, what is involved here is the integrity of our electoral process, and, not less, the responsibility of the individual citizen for the successful functioning of that process. [A case involving 18 U.S.C. § 610, banning union political contributions and expenditures] thus raises issues not less than basic to a democratic society." *United States v. UAW*, 332 U.S. 567, 582, 570 (1957). The following quotations indicate the high priority and presumptive constitutionality the Court has accorded to laws aimed at preventing fraud and corruption in the electoral process:

"That a government whose essential character is republican, whose executive head and legislative body are both elective, whose most numerous and powerful branch of the legislature is elected by the people directly, has no power by appropriate laws to secure this election [of the President] from the influence of violence, of corruption, and of fraud, is a proposition so startling to arrest attention and demand the gravest consideration.

"If this government is anything more than a mere aggregation of delegated agents of other States and governments, each of which is superior to the general governments, it must have the power to protect the elections on which its existence depends from violence and corruption.

"If it has not this power it is left helpless before the two great natural and historical enemies of all republics, open violence and insidious corruption." *Ex parte Yarbrough*, 110 U.S. 651, 657-658 (1884) (emphasis added).

"The Congressional act under review seeks to preserve the purity of presidential and vice presidential elections.

"... The President is vested with the executive power of the nation. The importance of his election and the vital character of its relationship to and effect upon the welfare and safety of the whole people cannot be too strongly stated. To say that Congress is without power to pass appropriate legislation to safeguard such an election from the improper use of money to influence the result is to deny to the nation in a vital particular the power of self protection. Congress, undoubtedly, possesses that power, as it possesses every other power essential to preserve the departments and institutions of the general government from impairment or destruction, whether threatened by force or by corruption."

Burroughs & Cannon v. United States, 290 U.S. 534, 545-548 (1934) (emphasis added).

"It cannot be doubted that these comprehensive words [of Article I of the Constitution which grant Congress power to regulate the "times, places, and manner" of holding Congressional elections] embrace authority to provide a complete code for congressional elections, not only as to times and places, but in relation to notices, registration, supervision of voting, protection of voters, prevention of fraud and corrupt practices, counting of votes, duties of inspectors and canvassers, and making and publication of election returns; in short, to enact the numerous requirements as to procedure and safeguards which experience shows are necessary in order to enforce the fundamental right involved."

Smiley v. Holm, 285 U.S. 355, 366 (1932) (emphasis added). See also *Ex parte Siebold*, 100 U.S. 371, 387 (1880).

It seems clear that ceilings on campaign contributions and expenditures are not vague or imprecise. Nor are such prohibitions overbroad because they indiscriminately suppress activity which can be constitutionally forbidden and that which cannot, cf. *United States v. Robel*, *supra* at 265, although admittedly the overbreadth analysis necessitates a judgment as to the size of contributions which are likely to have a corrupting effect on the political process. This is an area in which the Court should properly defer to the expertise of Congress, however, as it has done in cases involving other election laws. In *United States v. Classic*, 313 U.S. 299, 320 (1941), the Court declared:

"Let the end be legitimate; let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consist with [sic] the letter and spirit of the Constitution, are constitutional." *McCulloch v. Maryland*, 4 Wheat. 316, 421. That principle has been consistently adhered to and liberally applied, and extends to the congressional power by appropriate legislation to safeguard the right of choice by the people of representatives in Congress."

Finally, there are no alternative means available to accomplish the task of such ceilings, since the very evil which Congress is seeking to extirpate is the corrupting effect of money. Disclosure laws alone are not adequate because even if enforced, they will not prevent large contributors from seeking to influence candidates through their contributions. The judgment of Congress that no alternative means exist to protect the electoral process will be given great deference by the Court, particularly in light of Congress' long experience with disclosure requirements:

"The power of Congress to protect the election of President and Vice President from corruption being clear, the choice of means to that end presents a question primarily addressed to the judgment of Congress. If it can be seen that the means adopted are really calculated to attain the end, the degree of their necessity, the extent to which they conduce to the end, the closeness of the relationship of the means adopted and the end to be attained, are matters for congressional determination alone."

Burroughs & Cannon v. United States, *supra* at 547-548.

V.—Any restriction upon the exercise of First Amendment rights imposed by limitations upon campaign contributions and expenditures is justified by a governmental interest in effectuating the First Amendment rights of less affluent citizens (1) by protecting the ability of even poor candidates to run for office, (2) by preventing the drowning out of other political viewpoints by the best financed voices and (3) by ensuring the equality of the voting rights of less affluent citizens by limiting the influence on candidates of affluent contributors.

In previous sections, the ceilings on campaign contributions and expenditures have been defended negatively, in the sense that the evils at which such legislation is aimed have been demonstrated to justify the incidental infringement of the First Amendment rights of contributors or candidates who wanted to give or spend more than the ceilings allowed. But the legislation Common Cause advocates also

has an important positive impact on the exercise of the First Amendment rights of many citizens who are now prevented from effectively participating in the political process. Many lack the good fortune to possess a good fortune, and this handicaps both their ability to run for office (cf. the withdrawal from candidacy, allegedly for insufficient funds, of Eugene Nickerson from the 1969 gubernatorial race in New York and Senator Fred Harris from the presidential race in the spring of 1971) and their ability to communicate their views to their elected representatives on an equal basis with large contributors. The contribution/expenditure limitation implement true democratic self-government by opening the political process to all citizens, regardless of their personal wealth. As John Stuart Mill wrote:

"We need not suppose that when power resides in an exclusive class, that class will knowingly and deliberately sacrifice the other classes to themselves; it suffices that, in the absence of its natural defenders, the interest of the excluded is always in danger of being overlooked; and, when looked at is seen with different eyes from those of the person whom it directly concerns."

J. S. Mill, *Consideration on Representative Government* 67 (1875). The proposed campaign finance legislation fosters and protects the exercise of First Amendment freedoms in three ways: (1) it protects the rights of the less affluent to express themselves by running for office; (2) it helps prevent the drowning out of all other political viewpoints by well financed candidates and interest groups; and (3) it ensures the equality of the voting rights of each citizen by limiting the influence on candidates of the large contributor.

As the costs of campaigning have skyrocketed, it has become almost an unwritten amendment to the Constitution that only those Americans with money or access to it may participate in governing. The question is not whether wealthy political representatives can provide dedicated and compassionate leadership. The point is rather that each citizen should have an equal opportunity to participate in the electoral process. As the Supreme Court declared in *Kramer v. Union School District*, 395 U.S. 621, 626 (1969), "Any unjustified discrimination in determining who may participate in political affairs . . . undermines the legitimacy of representative government." Partial government financing of campaigns will enable candidates to run for office even though they are not themselves wealthy and even if they do not possess wealthy backers. The government's interest in protecting the openness of the political process against racial discrimination is well established, see e.g., *Terry v. Adams*, 345 U.S. 461 (1953); *Smith v. Allwright*, 321 U.S. 649 (1944), and this rationale extends to the prevention of other invidious and irrational barriers to participation in democratic self government. As the Court remarked in invalidating the poll tax, "Wealth, like race, creed, or color, is not germane to one's ability to participate intelligently in the electoral process." *Harper v. Virginia Board of Elections*, 383 U.S. 665, 668 (1966).

As the sound truck case, *Kovacs v. Cooper*, 336 U.S. 77 (1948) (opinion of Reed J.) makes clear, the First Amendment does not guarantee the right of the loudest voice to drown out all others. One authority has noted that "the most important effect of money in a political campaign is not that the candidate with the most money will win, but that the candidate with the lesser amount of money will not be able to present his case to undecided voters." Lobel, "Federal Control of Campaign Control," 51 *Minn. L. Rev.* 1, 3 (1966). "It is now well established that the First Amendment protects the right to receive information and ideas." *Stanley v. Georgia*, 394 U.S. 557, 564 (1969). Spending ceilings help insure a balanced flow of differing points of view to the public; by keeping any person or group from flooding the media with material advocating a single point of view, the limits prevent a candidate from destroying, by sheer volume instead of reason, the effectiveness of the communications of other candidates. In order to protect the information flow to the public, the Government is authorized to act affirmatively to insure that the First Amendment rights of all citizens to receive a variety viewpoints are respected. In a medium of technological scarcity, such as radio or television, the government has been allowed to enforce such regulations as the Fairness and Equal Time doctrines on the ground that the public has a right "to receive suitable access to social, political, esthetic, moral and other ideas and experiences." *Red Lion Broadcasting Co. v. FCC*, 395 U.S. 367, 390 (1969). One of the justifications for applying the antitrust laws to newspapers has been to prevent a single source from controlling all the channels of newspaper communication with the public:

It would be strange indeed, however, if the grave concern for freedom of the press which prompted adoption of the First Amendment should be read as a command that the government was without power to protect that freedom.

The First Amendment, far from providing an argument against application of the Sherman Act, here provides powerful reasons to the contrary. That Amendment rests on the assumption that the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public, that a free press is a condition of a free society. Surely a command that the government itself shall not impede the free flow of ideas does not afford non-government combinations a refuge if they impose restraints upon the constitutionally guaranteed freedom. Freedom to publish means freedom for all and not for some. Freedom to publish is guaranteed by the Constitution, but freedom to combine to keep others from publishing is not. Freedom of the press from governmental interference under the First Amendment does not sanction repression of that freedom by private interests. The First Amendment affords not the slightest support for the contention that a combination to restrain trade in news and views has any constitutional immunity.

Associated Press v. United States, 326 U.S. 1, 20 (1945). See also *Citizen Publishing Co. v. United States*, 394 U.S. 131, 139 (1969). Even the associational rights of organizations must give way when necessary to protect the First Amendment rights of free expression of their members. *Railway Employees' Department v. Hanson*, 351 U.S. 225 (1956); *International Association of Machinists v. Street*, 367 U.S. 740 (1961); *Lathrop v. Donohue*, 367 U.S. 820 (1961).

Finally, the campaign financing legislation Common Cause proposes will ensure the equality of votes cast in primary and general elections, an interest the Supreme Court has recognized not only in the reapportionment cases, see e.g., *Baker v. Carr*, 369 U.S. 186 (1962), *Reynolds v. Sims*, 377 U.S. 533 (1964), but in cases overturning State laws that imposed financial burdens (see *Harper v. Virginia Board of Elections*, 383 U.S. 663 (1966)) and property qualifications (see *City of Phoenix v. Kolodziejski*, 399 U.S. 205 (1970); *Cipriano v. City of Houma*, 395 U.S. 701 (1969)) on the right to vote. The Court has asserted that "The right to vote freely for the candidate of one's choice is of the essence of a democratic society, and any restrictions on that right strike at the heart of representative government," *Reynolds v. Sims*, *supra*, at 543, and that "No right is more precious in a free country than that of having a voice in the election of those who make the laws under which, as good citizens, we must live. Other rights, even the most basic, are illusory if the right to vote is undermined." *Wesberry v. Sanders*, 376 U.S. 1, 17 (1964). Limitations on contributions help equalize the weight of each ballot cast in much the same way as does redistricting to ensure that legislative districts have equal number of voters. Dollars magnify the voting power of the big contributor. Large donations almost inevitably buy increased influence over and access to candidates, decreasing proportionately the power of smaller contributors to have a candidate meaningfully consider their views. In addition to effectuating the principle of "one man, one vote," the financial realities of campaigning make it necessary also to limit contributions and expenditures in order to assure that some voters are not "more equal" than others in the eyes of candidates or elected officials.

VI. The proposed ceilings on contributions and expenditures and the plan for partial government financing do not unconstitutionally discriminate against minority parties.

Neither the Constitution nor any statute sanctifies the two party system in this country, and the two major parties have no inherent legal right to a specially protected position in any system of government financing of campaigns. "All political ideas cannot and should not be channeled into the programs of our two major parties. History has amply proved the virtue of political activity by minority, dissident groups, who innumerable times have been in the vanguard of democratic thought and whose programs were ultimately accepted . . . The absence of such voices would be a symptom of grave illness in our society." *Sweezy v. New Hampshire*, 354 U.S. 234, 250-251 (1957). Any system for the public support of campaign financing must be absolutely neutral vis-a-vis particular political parties. This does not mean that all parties must be equally treated regardless of their size and degree of organization, but it does mean that the government cannot contribute to the entrenchment of established parties or place special obstacles in the path of smaller parties which seek to displace the established parties of the moment.

The principles of government neutrality are illustrated by two recent Supreme Court cases, *Williams v. Rhodes*, 393 U.S. 23 (1968), in which State laws regulating political parties were struck down, and *Jenness v. Fortson*, 403 U.S. 431 (1971), in which they were upheld. In *Williams v. Rhodes*, *supra*, the American Inde-

pendent Party and the Socialist Labor Party challenged the constitutionality of certain Ohio laws which required a party other than the Democrats or the Republicans to obtain petitions signed by qualified electors totaling 15% of the votes cast in the preceding gubernatorial election in order to win a place on the Presidential ballot. Numerous other burdens were imposed on the establishment of new parties. In order to be recognized on a ballot, a party had to elect a county central committee for each county in Ohio and elect a State central committee consisting of two members from each Congressional district, it had to elect delegates to a national convention, and its candidates for nomination in the primary had to file petitions signed by qualified electors.

Technicalities of State law which disqualified persons who had voted in another party's primary in the last four years from serving as convention delegates and from signing primary nominating petitions made the selection of delegates and the collection of petition signatures extremely difficult. The Democrats and the Republicans faced substantially smaller burdens, since they were allowed to retain their ballot position simply by obtaining 10% of the vote in the last gubernatorial election and did not need to obtain any signature petitions to appear on the Presidential ballot. The Supreme Court held that these restrictions on minority parties unconstitutionally denied Equal Protection of the laws to persons who wanted to organize themselves into minority parties and to persons who wished to vote for minority party candidates, because the Ohio laws made it "virtually impossible," 393 U.S. at 24, 25, for a new political party, even though it might have hundreds of thousands of members, to get its candidates placed on the Presidential ballot. The Court stated that "the Ohio laws before us give the two old, established parties a decided advantage over any new parties struggling for existence and thus place substantially unequal burdens on both the right to vote and the right to associate." 393 U.S. at 31. The rationale of the Court's decision is contained in the following passage:

"[Ohio] claims that the State may validly promote a two-party system in order to encourage compromise and political stability. The fact is, however, that the Ohio system does not merely favor a 'two-party system'; it favors two particular parties—the Republicans and the Democrats—and in effect tends to give them a complete monopoly. There is, of course, no reason why two parties should retain a permanent monopoly on the right to have people vote for or against them. Competition in ideas and governmental policies is at the core of our electoral process and of the First Amendment freedoms."

393 U.S. at 31–32. A valid State interest in the prevention of "multitudinous fragmentary groups" on the ballot was recognized, but the Court stated that this danger was in the instant case no more than "theoretically imaginable." 393 U.S. at 23.

Jenness v. Fortson, *supra*, concerned a challenge by the Socialist Workers Party to a Georgia law which provided that a candidate for elective public office who did not enter and win a political party's primary (a "political party" was defined as an organization whose candidate received 20% or more of the vote at the most recent gubernatorial or presidential election) could have his name printed on the ballot at the general election only if he has filed a nominating petition signed by at least 5% of the number of registered voters at the last general election for the office in question. The Court unanimously upheld the Georgia statute, distinguishing *Williams v. Rhodes* primarily on the basis that the Ohio qualifications were significantly more restrictive and comprehensive:

"But the *Williams* case, it is clear, presented a statutory scheme vastly different from the one before us here. Unlike Ohio, Georgia freely provides for write-in votes. Unlike Ohio, Georgia does not require every candidate to be the nominee of a political party, but fully recognizes independent candidacies. Unlike Ohio, Georgia does not fix an unreasonably early filing deadline for candidates not endorsed by established parties. Unlike Ohio, Georgia does not impose upon a small party or a new party the Procrustean requirement of establishing elaborate primary election machinery. Finally, and in sum, Georgia's election laws, unlike Ohio's, do not operate to freeze the political status quo."

403 U.S. at 438. The dispositive factors for the Court were apparently the fact that the impact of the overall Georgia scheme did not weigh as heavily upon the organizational abilities of minor parties or independent candidates as did the Ohio requirements. Also, the Court emphasized that the major party candidates were not especially favored, since a major party candidate would have to win a difficult and perhaps costly primary battle to get his name on the ballot, a barrier

which could be roughly approximated to the difficulty of collecting the signatures of 5% of the electorate. The Court closed its opinion with a statement of principle which should be borne in mind in considering the treatment of minor parties in a system of public financing of campaigns:

"The fact is that there are obvious differences in kind between the needs and potentials of a political party with historically established broad support on the one hand, and a new or small political organization on the other. Georgia has not been guilty of invidious discrimination in recognizing these differences and providing different routes to the printed ballot. Sometimes the grossest discrimination can lie in treating things that are different as though they were exactly alike.

"There is surely an important state interest in requiring some preliminary showing of a significant modicum of support before printing the name of a political organization's candidate on the ballot—the interest, if no other, in avoiding confusion, deception, and even frustration of the democratic process at the general election." 403 U.S. at 441-442.

The system of public financing of political campaigns advocated by Common Cause does not discriminate invidiously against minority party or independent candidates. It is clear that some reasonable precautions are necessary against fraudulent candidacies which seek merely to obtain public moneys. In order to qualify for full Federal funding for a primary, a candidate would have to demonstrate viability by raising private contributions in small amounts. Candidates of all parties are treated absolutely alike here, and a candidate who does not qualify for Federal support is still entitled to raise the full amount of money he is eligible to spend for the primary by small private contributions. The amount of government funds available to a candidate at a general election would vary on a sliding scale, depending on the support his party demonstrated at the last election or on its showing in the present election. In either case, no special barriers are thrown in the path of minority parties, and such parties are still eligible to raise the entire amount they may spend for the election (an amount which is the same for all parties) by small private contributions.

VOICE,
VOICE OF INFORMED COMMUNITY EXPRESSION,
Washington, D.C., April 4, 1974.

Re campaign financing for the District of Columbia—H.R. 12638 (Mr. Fauntroy) and H.R. 13539 (Mr. Diggs).

HON. BROCK ADAMS,
Chairman, Government Operations Subcommittee, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN ADAMS: At the outset, VOICE wishes to commend the respective sponsors of the subject proposed legislation, Chairman Diggs and Delegate Fauntroy, for their justifiable concern over the regulation of the financial and ethical standards of prospective elections in the District of Columbia under the newly enacted and soon to be accepted Home Rule charter.

VOICE shares this desire that the coming elections will be fairly and cleanly conducted; and our organization is in full accord with the view that reasonable and realistic controls should be imposed thereon to assure the observance of attainable high standards of ethics and propriety.

We sincerely regret that, due to the insufficiency of the time afforded us for detailed comparative analysis of the provisions of the subject Bills, we are not in a position to offer any detailed testimony during the presently scheduled hearings of the Government Operations Sub-Committee. In lieu of such testimony, we respectfully submit the following reactions and suggestions regarding this proposed legislation—

VOICE does not feel that the prescribed controls to be imposed upon the coming elections should be unduly restrictive; but, on the contrary, it is our view that such restrictions should be drafted initially on the more flexible and generous side, so as to permit the free and enthusiastic participation of our District citizenry as candidates and voters in this novel and long-awaited suffrage experience.

As we all know, this is the first municipal election in our Nation's Capital in over 100 years—to be held in a city which is not the usual urban community, but which is, in actuality, a city-state. As such, our newly elected officials will not only have the ordinary municipal functions to perform, but also will have those duties generally handled by state executive officers or legislators.

It is imperative, therefore, that the voters of Washington, D.C., in these coming elections, be afforded the fullest practicable opportunity to know the candidates for whom they are asked to vote, and where such candidates stand on the vitally important issues confronting our City today. To assure this result, ample funds must be provided to the competing candidates to furnish them with the wherewithal requisite to an open and full public discussion of the pertinent issues, and the voters with a free choice among competing candidates.

Therefore, any new election legislation adopted should not be so restrictive dollarwise, nor so restraining campaignwise, as to impede the holding of a vigorous and unimpaired election procedure, in the best of the American tradition; and due care, in any proposed election legislation, should be exercised to see to it that the regulatory controls imposed on the electoral process are not more restrictive in nature and scope than is actually required to assure the achievement of a fair and proper election.

While there is little or no experience record here upon which to base an informed judgment, it would appear to us of VOICE that the dollar limits on campaign fundraising and expenditures provided in both of the subject proposed bills, are on the insufficiently low side, and should be increased substantially, without thereby jeopardizing the achievement of the ethical goals of the proposed legislation. In a jurisdiction where the utilization of communication media is so vitally important to a campaign, and where media costs are extremely high, it is essential that ample funds be permitted to be spent on behalf of competing candidates, to enable them to get their campaign messages and positions on the important issues, to all the voters of our City.

In order to provide the basic legislative essentials, so as to assure the desired ethical and fairness standards of this coming first election, VOICE would recommend not the enactment of any new legislation by the Congress on behalf of the District of Columbia, but would urge that the existing D.C. Election Law be appropriately amended, either preferably by Congressional authority expressly granted to the D.C. City Council so to do, or by Congress itself, in order to rectify the present major inadequacies of the existing Election Law, and thus assure its adequate workability, insofar as our first municipal elections are concerned.

Such amendments in the existing D.C. Election Law should be directed primarily to assuring fair play and full disclosure of contributions and expenditures in the electoral procedures, thereby preventing or reducing the potentiality of ethical improprieties or conflicts of interest, and thus assure that no candidate is afforded excessive or improper financial or political advantage over his opponents.

The amended D.C. Election Law, as suggested by us, should, in our opinion, have only *one-time* applicability, with the newly elected D.C. Government having the ultimate responsibility for initiating a detailed law to apply to all subsequent elections, such law to be enacted after careful study and consideration, with ample opportunity being afforded for citizen input through publicly scheduled open hearings, as well as for the views of experts in the electoral field.

We trust that the foregoing suggestions by VOICE will be of some assistance to your Sub-Committee in its vitally important deliberations. If we can be of any possible further help to you in this matter, we stand ready to do so.

With cordial personal regards, I remain,

Respectfully yours,

JOHN B. DUNCAN,
President.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
Washington, D.C., April 9, 1974.

HON. BROCK ADAMS,
*Chairman, Government Operations Subcommittee of the House District Committee,
Washington, D.C.*

DEAR CHAIRMAN ADAMS: In response to your request for the estimated costs of campaign financing measures, the Board of Elections for the District of Columbia submits the following information.

1. The projected cost of implementing the Campaign Financing Act using the present Board of Elections as the administering agency is based on the following personnel and office management considerations.

As suggested in the Board of Elections testimony before the Government Operations Subcommittee, there should be two additional Board members, serving part-time, who would be exclusively engaged in administering the regulations in the Campaign Financing Act, and a staff of four. The staff should consist of a general counsel, an accountant, and two clerical persons, a GS-7 secretary who can take shorthand and a GS-5 clerk-typist.

	Grade	Amount
2 Board members (part time).....	\$11,250 per year	\$22,500
1 General Counsel (part time).....	GS-14 (base pay)	24,247
1 Accountant (part time).....	GS-12 (base pay)	17,497
1 Secretary.....	GS-7	9,969
1 Clerk-typist.....	GS-5	8,055
Subtotal		82,268
Office management: Supplies, telephones, transportation, etc.		10,000
Total		92,268

It should be noted that the Board highly recommends making at least one member, the Chairman, full time with commensurate benefits and pay. If this request is given affirmative action, then, of course, the cost estimate must be adjusted accordingly.

2. The estimated cost of administering the Act by establishing a new commission is as follows:

H.R. 12638 calls for the 5 commission members to be paid at the rate of \$125 per day. In the first year of operation, with the large number of candidates expected (there were 68 for the first School Board election), the Commission might be sitting for about $\frac{1}{2}$ to $\frac{3}{4}$ of the year which would amount to about \$15,000 to \$20,000 per member or \$75,000 to \$100,000.

Staff should include a general counsel, an accountant, and at least 5 clerical persons.

5 Commissioners	\$100,000
1 General Counsel, GS-14	24,247
1 Accountant, GS-12	17,497
1 Secretary, GS-7	9,969
3 Clerk-Typists, GS-4 at \$7,198	21,594
1 Messenger, GS-3	6,408
Total	179,715

Office Management:	
Supplies	5,000
Telephones	2,000
Rent (if not in D.C. facilities)	12,000
Miscellaneous	5,000
Total	24,000
Grand total	203,715

These estimates are based on a projected work load and past experience in staffing.

We would like to take this opportunity to call to the attention of the Committee that with the passage of Public Law 93-198 additional responsibilities have required Board members to serve on almost a daily basis. This is especially the case with the Chairman.

The D.C. Board of Elections proposes that the ceiling on compensation to Election Board Members be removed in view of their additional duties and responsibilities required as a result of enactment of Public Law 93-198. The Board recommends that this proposed legislation be limited to FY 75 and be retroactive for Board Members who have reached the current limitation of \$11,250 by the date of enactment.

On behalf of the Board, I wish to thank you for giving us this opportunity to express our views on the vital subject of campaign financing legislation. If we can be of further assistance, please feel free to contact us.

Sincerely,

CHARLES B. FISHER,
Chairman.

CITIZEN'S RESEARCH FOUNDATION,
Princeton, N.J., April 1, 1974.

Hon. BROCK ADAMS,
Chairman, Government Operations Subcommittee, Committee on the District of Columbia, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN ADAMS: Thank you for your letters of March 21 and 26 inviting me to testify before the Subcommittee on Government Operations of the House District Committee on legislation pertaining to campaign practices in the District of Columbia.

Although I will not be able to testify, I am happy to submit in lieu of testimony the enclosed *Model State Statute: Politics, Elections and Public Office*, which has just been published by the Citizens' Research Foundation under a grant from the Edna McConnell Clark Foundation. I hope the Model will be useful in your deliberations. I particularly commend to your attention the Overview, Part A, which is a narrative describing the contents of the Model.

If I can be of further help, please let me know.

With best wishes,

Sincerely yours,

HERBERT E. ALEXANDER.

DUKE UNIVERSITY,
Durham, N.C., March 26, 1974.

Hon. BROCK ADAMS,
Chairman, Government Operations Subcommittee, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN ADAMS: Thanks very much for your invitation to comment on proposed legislation pertaining to campaign practices in the District of Columbia. I wish very much I could come up to testify, but that is not possible at this time.

As between the two bills which you enclosed with your letter, H.R. 13539, introduced by Congressman Diggs, and H.R. 12638, introduced by Congressman Fauntroy, let me express a strong preference for the latter. I do so for two primary reasons. Most important is that recent events ought to have convinced most people of the necessity of some degree of public financing of political campaigns. H.R. 12638 establishes that principle, although, for the reasons set out in the enclosed article, I have serious questions about using a candidate's capacity to raise private funds as both the means of determining the initial eligibility and the criterion for determining the amount of the public subsidy each candidate is to receive. I am convinced that, for both constitutional and policy reasons, it would be preferable to employ some direct evidence of pre-existing voter support, such as a stipulated percentage of signatures of registered voters, as the eligibility-determining device, and some fixed formula, such as 10 to 15 cents per person of voting age, as the means of determining the amount of the public subsidy. I realize that matching formulas, such as the one incorporated in the bill, are considerably easier to administer than petitions and formula-based allocations. Matching systems, however, not only continue the reliance on private money in elections, but also make the amount a person can raise the determiner of his access to public funds in the first place, and the amount of the funds he is to receive in the second place. Both of those factors give a considerable edge to well-connected candidates with middle- and upper-class backing, and discriminate against poor people generally. Furthermore, because the level of the subsidy is fairly small, and because, in my view, the number of individual contributions of that size can never aggregate, even on a one to one matching system, the amounts required to wage a campaign, a matching system of this nature inevitably forces candidates to rely on a small number of large contributors for a sizable share of their campaign contributions. Such reliance constitutes an additional, and frequently overwhelming, disadvantage to people who have no well-heeled friends or contacts.

My second reason for preferring H.R. 12638 to H.R. 13539 is of considerably less consequence. I am convinced that, *absent public financing in whole or in part*, a limitation on independent expenditures is likely to be unconstitutional. Such a limitation, which is embodied in Section 403 of Congressman Digg's bill, may be unconstitutional whether or not coupled with public financing. It is clearly more likely to be unconstitutional in the context of H.R. 13539, than it would be in the context of a total campaign financing system which included public financing.

If any members of your staff would like additional copies of either of the two enclosed articles, I will be happy to send them along.

With kind regards,
Sincerely,

JOEL L. FLEISHMAN.

SELF-DETERMINATION FOR D.C.,
Washington, D.C., April 8, 1974.

Rep. BROCK ADAMS,
Chairman, Government Operations Subcommittee, House District Committee,
Washington, D.C.

DEAR REPRESENTATIVE ADAMS: The Metropolitan Coalition for Self-Determination for D.C. appreciates this opportunity to provide your Subcommittee with our views on three proposals to regulate campaign practices in the District of Columbia.

This community, like most others around the country, has only a very recent history of experience studying the concepts of campaign reform. We have considerably less experience with local elections. Therefore, in the limited amount of time available, we were unable to formulate any detailed and specific recommendations with respect to the measures before your Subcommittee.

We are continuing to study these measures and Ms. Maxine Wallace, chairperson of our Campaign Finance Task Force, and I shall keep you advised of our further recommendations. We did devote a meeting of the Metropolitan Coalition's Steering Committee to this issue and want to share with you some of the views expressed at that meeting.

First, it was agreed that any measure adopted this year should apply only to the 1974 municipal and D.C. Delegate elections. Any more comprehensive measure should be drafted by the elected City Council which will take office in 1975.

Also, some members felt strongly that the current D.C. City Council would be the more appropriate body to draft this temporary measure. It was suggested that Congress pass legislation enabling the current City Council to enact a campaign practice measure for the 1974 election.

Third, while the current D.C. election law is inadequate, it was felt that any new measure adopted for the 1974 elections should be based on a revision of that law rather than an attempt to adopt model legislation with insufficient information. It was suggested that through legislation any gaping loop-holes which might threaten the conduct of fair and impartial elections in D.C. could be closed in the current law.

While we are concerned that the 1974 elections be conducted with propriety and equity you should also be aware of our considerable concern that communication of candidates with voters is not seriously inhibited. We found it difficult to recommend specific figures for limitations on campaign contributions and expenditures because of our limited election experience, and because we assume that public financing of D.C. elections is not a viable consideration at this time. Therefore, we believe that any error in drafting limits should err in allowing what some might regard as unnecessary campaign activities rather than to err in too severely limiting campaign activities. As we study these questions further, we will attempt to make more specific recommendations in this area.

The current D.C. law should be strengthened in the areas of disclosure and reporting. This kind of information will be helpful in the future in drafting a more comprehensive measure for D.C.

Thank you again for providing us with this opportunity to make our views known. We will keep you informed as we develop further recommendations.

Sincerely yours,

STERLING TUCKER,
Chairperson, Metropolitan Steering Committee.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
Washington, D.C., April 22, 1974.

Hon. CHARLES C. DIGGS, Jr.,
Chairman, Committee on the District of Columbia,
U.S. House of Representatives, Longworth Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: At the request of the Government Operations Subcommittee during its hearings on April 3, 1974 on several bills to regulate campaign financing under the D.C. Self Government and Government Reorganization Act, the District has prepared the enclosed report. The Subcommittee expressed interest in receiving any data we could gather on actual campaign expenditures in other jurisdictions as well as any recommendations of appropriate limits for

expenditures in local campaigns. The report includes summaries of the data we collected on experience elsewhere. We have also included as attachments available detailed information on media costs and direct mailings.

Please let me know if I can be of further assistance.

Sincerely,

BEN W. GILBERT,
Director.

APRIL 19, 1974.

STAFF REPORT—CAMPAIGN EXPENDITURES

This report was prepared from available data at the request of the House District Committee. The purpose of the research was to assist the committee at its request in establishing appropriate campaign expenditure limits for the elections to be held under the new home rule government.

There are the following offices to be considered:

Office	Primary	General election
Mayor	Yes	Yes.
Chairman, City Council	Yes	Yes.
Council at large (4)	Yes	Yes.
Council by ward (8)	Yes	Yes.
School Board at large (3)	No	Yes. ¹
School Board by ward (3)	No	Yes. ¹
Advisory neighborhood councils	No	Yes.

¹ Runoff possible.

To provide a basis to establish limits for the first home rule election for the Mayor and Council, it would be appropriate to examine other experience. It is also relevant to look at media costs in the metropolitan area of Washington, D.C. It is clear that the amounts spent on elections in other cities vary widely, depending, no doubt, on the intensity of particular contests, on the length and nature of the campaigns waged, on media costs and on population.

It would appear that media costs are likely to be an important factor in making any judgment with respect to elections in Washington, D.C. The limits will probably determine the extent and nature of any media campaign that is likely to be waged both in primaries and in general elections. It should be noted that general circulation daily newspapers and major television stations base their rates on their ability to cover a population of about 3 million persons of which the District of Columbia's 750,000 is but one quarter.

Unduly tight limits on funding might result in highly restricted campaigns and could favor well known persons and incumbents over less well known individuals. Unrestricted spending could open the way to abuses. So the task is to find the appropriate middle ground to assure the integrity of the electoral process while providing for adequate exposure of the candidates.

The Library of Congress Congressional Research Service provided some data which this report will endeavor to supplement. The top total recorded by the Library of Congress was filed for combined primary and general elections for Mayor and Council in Houston, a total of \$1,585,254, with each of two Mayoral candidates spending in excess of \$700,000. Totals in other cities varied widely from the Houston figures. In Boston, for instance, a total of \$869,000 was spent in 1971 with the Mayoral winner spending \$294,000 in the primary and \$251,000 in the general election. Although detailed figures on the recent municipal election in Atlanta are not available, the New York Times has reported that the winning Mayoral contender spent in excess of \$400,000 during that campaign.

Figures on the 1972 Baltimore municipal election which were obtained from official records show that more than \$1,100,000 was spent by officials in city-wide contests in the primary and general elections. One primary contender for Mayor spent \$435,000 while the winning candidate's slate spent a total of about \$600,000 for the primary and general elections.

The Baltimore report also provides some insights into possible costs for Councilman other than Council President. Those costs ranged from a total for all candidates in one District in excess of \$59,000 to under \$14,000 in another District.

A summary is also available of recent municipal elections in New York City collected by Common Cause. This summary shows total expenditures in excess of \$3,800,000.

Figures are also provided for a County executive contest in Montgomery County, Md., but they reflect a smaller population and a somewhat different media situation because of the availability of suburban newspapers with wide coverage.

All the figures, of course, are subject to the caution expressed by Sandra S. Osbourn of the Library of Congress in her report to Congressman Fauntroy that: "In most cases, the actual expenditures were probably higher . . . since the totals did not reflect committee contributions, or outstanding debts."

The figures collected by us to supplement the Library of Congress report reflect what was available on the public record and have not been subject to independent audit or verification.

In trying to determine where the District of Columbia should be placed in this wide-ranging picture, Washington area media costs must be taken into account.

Newspapers

Full page newspaper costs range from \$4,524 for the Sunday Washington Post to a daily rate of \$3,535 for the Washington Star News and \$756 or \$1,260 for the Washington Afro-American, depending on the day of publication. Major fractions of full pages are roughly in proportion.

Television and Radio

Television costs depend on a great many factors including the broadcasts time, the frequency and the day of the week. Prime time costs for a 60 second spot on TV vary from \$500 to \$2,500. These figures do not include production costs which can be substantial. The cost of radio is much lower than the cost of TV time.

Direct Mail

A recent information mailing to all registered voters by the District election board cost \$24,500. A sample ballot mailing about to go out is expected to cost \$40,500.

Other Costs

There are other costs to take into account including office space, telephone costs, secretarial help, transportation, miscellaneous painting, etc.

Suggested Limits

Because of cost levels and the need to permit competing candidates adequate exposure, it would appear reasonable to establish a spending limit of \$200,000 for a Mayoral candidate in a primary contest and to allow a similar limit for the general election. For candidates for chairman of the city council, a maximum of \$150,000 for the primary with a similar maximum applying to the general election would appear appropriate.

Presumably, it would be desired to scale down substantially the limits for Council and School Board candidates at large. By the same reasoning, ward candidate limits could be reduced sharply from at-large levels because of the smaller constituencies to be faced. The limits for advisory council candidates need not be addressed at this time since it would be appropriate for the elected City Council to establish them at the same time that the ANC districts are set up.

There will be close monitoring of this first election by the Congress, the media and the electorate. The requirements for public reporting of receipts and expenditures will facilitate this monitoring. With the benefit of this experience and the experience of other jurisdictions which are now developing guidelines and limits for campaign spending, it will be possible for the city council, subject to Congressional oversight, to take whatever further action may be indicated. Meanwhile, the effort should be to achieve the stated goal of assuring the integrity of the electoral process while providing for adequate exposure of the candidates.

NEWSPAPER ADVERTISING COSTS

	Lines	Daily	Sunday
Post¹ (rate schedule attached)—Mr. Cummins, 223-7762:			
1 flat rate for non-Presidential elections (rate after May 1, 1974):			
Basic line rate.....		\$1.66	\$1.83
Full page.....	2,472	4,103.00	4,524.00
Half page.....	1,236	2,052.00	2,262.00
Quarter page.....	618	1,026.00	1,131.00
Star-News² (rate schedule attached)—Pat Corbett, 484-5000:			
1 flat political rate: \$1.43 per line, any day of the week:	Lines	Amount	
Full page.....	2,472	\$3,535	
Half page.....	1,236	1,767	
Quarter page.....	618	884	
Afro-American³—Mr. Butler, 332-0080:			
1 flat political rate: 30¢ per line for either the Tuesday or the Friday editions; 50¢ per line for both days if copy is identical:			
Full page.....	2,520	756/1,260	
Half page.....	1,260	378/630	
Quarter page.....	630	189/315	

¹ Normally, no special costs unless the art department has to do art work (draw us an eagle); in that case, \$10/hr. Sending rate card.

² Sending rate card. Normally, no extra production costs unless the art department is involved in a 3- to 4-hr job doing fancy artwork. Then, they charge what the artists charge them; about \$14/hr. This rate is commissionable to agencies, with a 2-percent discount for payment within 2 weeks.

³ No additional costs for production. Sending rate card.

TELEVISION SUMMARY—POLITICAL CAMPAIGN COSTS

Program length	Prime range	Nonprime range	Program length	Prime range	Nonprime range
WRC—Channel 4:			WMAL—Channel 7:		
30 s.....	\$300- \$1,125	\$30- \$220	30 s.....	350- 900	20- 225
60 s.....	600- 2,250	60- 440	60 s.....	700- 1,800	40- 450
WTTG—Channel 5:			WTOP—Channel 9:		
30 s.....	325- 550	80- 175	30 s.....	250- 1,250	65- 75
60 s.....	750- 1,100	160- 350	60 s.....	500- 2,500	125- 150

THE WASHINGTON POST,
Washington, D.C., April 17, 1974.

BEN GILBERT,
Division of OMB,
Washington, D.C.

DEAR SIR: Per my phone conversation today with Ms. Marindin, I am sending on a copy of our new General advertising rate card which becomes effective April 29th.

Please see section 10 of the card for the Political (election) rates.

If you have further questions, I shall be happy to assist you.

Sincerely,

JAMES E. CUMMINS,
Representative, General Advertising.

1. Advertising rates:

	Daily	Sunday
Bulk contract rates (Space within 1 yr):		
Open.....	\$2.22	\$2.42
500.....	2.04	2.23
3,000.....	1.97	2.14
5,000.....	1.92	2.10
10,000.....	1.90	2.08
25,000.....	1.87	2.05
50,000.....	1.84	2.02
100,000.....	1.83	2.01
150,000.....	1.82	2.00
200,000.....	1.81	1.99
250,000.....	1.79	1.96
300,000.....	1.75	1.93
Page contract rates (within 1 yr)¹:		
10.....	1.75	1.93
20.....	1.68	1.85
30.....	1.66	1.83
Frequency contract rates (within 1 yr):		
3 to 12 insertions.....	1.97	2.14
13 or more insertions.....	1.92	2.10
Combination rate ².....		
		3.35

¹ Linage counts toward fulfillment of bulk contracts.

² Daily and Saturday or daily and Sunday. May start in either and must be completed within 7 days. Counts as 1 insertion. (Saturday-Sunday acceptable).

2. Deadlines:

Daily: Space reservations and cancellations 6 P.M. three days prior to publication date.

Sunday: Living in Style, Travel, Resorts, Society, Garden, Editorial Section, Foreign Section—6 p.m. Wednesday. Financial—noon Friday. All others—6 p.m. Thursday. Book World—6 p.m. Tuesday.

Position charges:

	Add'l Charge
When Available page 2 or 3.....	\$1.10 per line
Specified pages and sections, other than page 2 or 3.....	\$1.00 per line

For specific sections see deadlines relating to Feature Pages and Sections.

Inserts: Preprint Roto or B&W Multiple Page Sections—850 line Page. Size 8 page or less—\$16.52 per M. add \$2.55 for each additional 4 pages. Preprint charges are shown on separate sheet.

Roll-fed Preprints: Can publish under certain conditions. It is advisable to check with Newspaper or Nat'l Representatives for availabilities. Spectacolor and Hi-Fi Rates and specifications on request. Two week option required.

Space Spots—Mon. thru Sat. (Sunday at Advertiser's option). 33.13% discount from Open rate (Daily—\$1.48 per line; Sunday—\$1.61 per line). Must run 6 insertions per week for 4 consecutive weeks at Publisher's option 50 line min., 600 line max.

Box Number Charge \$6.00.

3. Contract information:

(a) Renewal privileges and other clauses not in accordance with Post regulations will not be considered binding, though mentioned on insertion order or contract. Contracts must be dated beginning first of month.

(b) While every effort will be made to comply with position request, tie-in and other stipulations that appear on contract or insertion order, Post cannot assume responsibility to fulfill same if make-up problems do not permit.

(c) All terms, conditions, rates, rules and regulations printed hereon shall be deemed incorporated in all applicable contracts.

(d) It is a condition of this card that The Washington Post may revise the rates quoted herein upon 30 days written notice to holders of contracts. If a rate revision is made and not accepted by the advertiser, the latter may terminate his contract without penalty.

(e) Contract rates apply within the contract year. In absence of a contract advertising will be billed at Open Rate. Discounts figured from Open Rate.

(f) Advertisers signing volume or frequency insertion contracts will be billed at the applicable contract rate during contract year unless the contract rate is amended. At end of contract year the advertiser will be refunded if a lower rate is earned, or will be rebilled at a higher rate if contract is not fulfilled. Multi-Product advertising of same corporation may be combined to earn lowest rate.

(g) For rate protection, advertising must start within 30 days from date of contract.

(h) Additional information see Standard Rate & Data.

CLASSIFICATIONS

4. Classified advertising:

	Daily	Sunday
1 time.....	\$2.22	\$2.42
3 times consecutively.....	1.97	2.14
3 times within 1 yr (contract).....	1.97	2.14
13 times within 1 yr (contract).....	1.92	2.10
26 times within 1 yr (contract).....	1.91	2.09
52 times within 1 yr (contract).....	1.89	2.07
Combination rate (daily and Saturday or daily and Sunday). (See sec. 1.).....		3.35

5. Sunday supplements: Locally Edited—Potomac Roto Magazine, T.V. Channels, Book World; others: Parade.

6. Potomac Roto magazine:

RATES

Monotone:

Full Page.....	\$3, 137
3/5th Page.....	1, 881
1/2 Page.....	1, 576
2/5 Page.....	1, 254
3/10th Page.....	942
1/5 Page.....	628
3/20th Page.....	471
1/10th Page.....	315
1/20th Page.....	157

Black and 1 color:

Full Page.....	\$3, 461
3/5 Page.....	2, 205
1/2 Page.....	1, 893
2/5 Page.....	1, 578

RATES—continued

Black and 2 colors:

Full Page.....	\$3, 659
3/5 Page.....	2, 403
1/2 Page.....	2, 093
2/5 Page.....	1, 776

Black and 3 colors:

Full Page.....	\$3, 857
3/5 Page.....	2, 601
1/2 Page.....	2, 293
2/5 Page.....	1, 974
Center Spread.....	7, 714

Discounts: Earned on monotone or color or combination for equivalent of page space shown below used in contract year—6 pages, 4 percent; 13 pages, 8 percent; 26 pages, 12 percent, 52 pages, 20 percent.

Schools and camps:

1 time.....	\$2. 43
4 times within one year.....	2. 30
8 times within one year.....	2. 24
13 times within one year.....	2. 11

14 lines minimum

General: (A) Linage counts toward R.O.P. contract fulfillment. (B) Mail order rates on request.

Page premiums—When available. Back page \$235; page 2 or 3, \$150; page 5, \$100.

Split run—\$185.00 monotone or color. 170 line minimum. Optional dates required.

Specifications, Mechanical Information.

(a) Page size 10" wide x 12 $\frac{1}{8}$ " deep. 5 columns to the page, 170 agate lines deep.

(b) Acceptable advertisement sizes.

	Inches
Center spread (11 col. x 170 lines).....	20 $\frac{3}{4}$ x 12 $\frac{1}{8}$
1 page (5 col. x 170 lines).....	10 x 12 $\frac{1}{8}$
3/5th page (3 col. x 170 lines).....	5 $\frac{7}{8}$ x 12 $\frac{1}{8}$
or (5 col. x 102 lines).....	10 x 7 $\frac{5}{16}$
1/2 page (2 $\frac{1}{2}$ col. x 170 lines).....	4 $\frac{7}{8}$ x 6 $\frac{1}{8}$
or (5 col. x 85 lines).....	10 x 6 $\frac{1}{16}$
2/5th page (2 col. x 170 lines).....	3 $\frac{7}{8}$ x 12 $\frac{1}{8}$
3/10th page (2 col. x 127 lines).....	3 $\frac{7}{8}$ x 9 $\frac{1}{16}$
or (3 col. x 85 lines).....	5 $\frac{7}{8}$ x 6 $\frac{1}{16}$
1/5th page (1 col. x 170 lines).....	1 $\frac{7}{8}$ x 12 $\frac{1}{8}$
or (2 col. x 85 lines).....	3 $\frac{7}{8}$ x 6 $\frac{1}{16}$
3/20th page (1 col. x 127 lines).....	1 $\frac{7}{8}$ x 9 $\frac{1}{16}$
1/10th page (1 col. x 85 lines).....	1 $\frac{7}{8}$ x 6 $\frac{1}{16}$
or (2 col. x 42 lines).....	3 $\frac{7}{8}$ x 3
1/20th page (1 col. x 42 lines).....	1 $\frac{7}{8}$ x 3

(c) Closing Date—Complete material must be delivered to Standard Gravure Co., P.O. 995, Louisville, Ky., 40201, not later than fifth Thursday before publication date.

(d) Cancellation—Will not be accepted later than fifth Thursday preceding publication date for both color-gravure and monotone.

(e) Positives and color guides furnished by advertiser.

(f) All terms and conditions set forth in General Rate Card No. S-9 apply.

7. T.V. Channels—Sunday Insert TV Magazine.

	Back page flat rate, color or B/W	Inside pages			
		B/W	B/1C	B/2C	B/3C
1X.....	\$2, 589	\$1, 847	\$2, 032	\$2, 218	\$2, 483
6X.....	2, 440	1, 698	1, 884	2, 069	2, 334
13X.....	2, 334	1, 951	1, 777	1, 962	2, 227
26X.....	2, 239	1, 490	1, 676	1, 861	2, 116
52X.....	2, 143	1, 401	1, 587	1, 772	2, 037

Note: In noncoated portion of book, black and 1 color available. Black and 1, 2, and 3 colors on 7-coated wrapper pages

Less than page rates ¹

MONOTONE ONLY

1/16 page (1/4 col)-----	\$116
1/8 page (1/2 col)-----	231
1/4 page (1 col)-----	462
1/2 page (2 col)-----	923
3/4 page (3 col)-----	1,385
Log Page Strip Flat-----	225

¹ Flat rate—does not apply towards page contracts. Color not available in less than page sizes.

General Information:

- T.V. Channels consists of two sections bound together. Outer 8 pages on coated stock. Printed Letterpress.
- Deadline: Reservations, Kills or Size Changes—6 pm 13 calendar days before publication Color deadlines on request.
- Specifications: Trimmed page—8 1/4 x 10 1/8". Printed surface—7 1/8 x 9 5/8". Double Truck—15 1/2 x 9 5/8". Bleed available.
- Mail order rate schedule on request.
- Preprinted inserts accepted. Specifications on request.
- All terms and conditions set forth in General Rate Card S-9 apply.

8. Color—R.O.P. (Ad Pro Inks Used.): All R.O.P. color advertising qualities for discount from equivalent black and white rates PLUS color premium. See volume and frequency discount for B&W rate schedule. Available Daily and Sunday. Minimum 1,000 lines.

	B & W	B/W1C	B/W2C	B/W3C
Daily—Ad size:				
1 page-----	\$5,043	\$5,663	\$5,788	\$5,963
1,000 pages-----	2,040	2,660	2,785	2,960
Sunday—Ad size:				
1 page-----	5,513	6,213	6,328	6,513
1,000-----	2,230	2,930	3,045	3,230

Note: Above are 1-time rates. Subject to B & W volume of frequency rates listed under rate, p. 1, 20 percent color premium discount for 52 or more color advertisements within contract year.

Color premiums: For ad sizes, other than those above, use applicable B&W line rate plus the following applicable flat costs:

	Daily	Sunday
Black and 1 color-----	\$620	\$700
Black and 2 colors-----	745	825
Black and 3 colors-----	920	1,000

Color information and closing dates:

- 1 color—reservations 5 days in advance. Printing material 3 days in advance where Ad Pro 41, 42, 43 or 45 ink is required. Special ink 5 days in advance (3 day option requested). Special ink (other than 41, 42, 43 or 45) \$60.00 extra. Cancellation—4 days notice required.
 - 2 or 3 colors and black: Reservations 10 days in advance. Complete printing material full week in advance. Cancellation date: 5 days in advance.
 - Full page 14" x 22 1/4" (direct casting).
 - 3 sets progressive proofs and 6 complete proofs must accompany all plates or mats. 4 registration marks required on plates or mats. 2 set of mats requested for direct casting.
 - Three full cols. acceptable but charged at 1,000 lines.
- Full color printing material: Prepositioned direct cast mats preferred. Otherwise. Repro proofs, scotch prints, original art separated or registered engravings.

9. Resort and resort hotels—Daily or Sunday:

Resorts, Resort Hotels, Chambers of Commerce, State Travel and Tourist Commissions, Travel Agents:

1 time-----	\$2.25
5 times within one year-----	1.96
10 times within one year-----	1.90
15 times within one year-----	1.80
52 times within one year-----	1.71

7 line minimum

Combination Rate available. (See Section 1)

10. Political: National elections—General Rates Apply. State, county and municipal elections \$1.66 Daily FLAT—\$1.83 Sunday FLAT.

11. Split-run (when available). Minimum size—100 lines; \$185 extra. R.O.P. Color \$240 extra. (Where price is shown—must be same in both pieces of copy.)

12. Comic section—Sunday¹ (4 Colors):

Full Page-----	\$4, 055
Page-----	3, 023
Page-----	2, 405
Page-----	1, 808
Page-----	1, 060

STRIPS—Minimum 14 lines x 7 col. maximum 21 lines x 7 col., \$3.81 per line.

280 lines to the column. 7 columns to the page. Forms close 25 days in advance of publication. 6 weeks cancellation notice required.

Discounts:	Percent
3 to 4 insertions per year-----	3
6 to 12 insertions per year-----	5
13 or more insertions per year-----	10

Direct accounts: Puck The Comic Weekly, 235 E. 45th St., New York, N.Y. 10017 (212/490-0600) will furnish information, costs and production material.

13. Book world:

Flat Line Rate-----	\$1. 73
Combination-----	2. 98
Classification and Other Rates:	
Book Mart Flat per line (2 line minimum)-----	\$1. 73
6X-----	1. 66
13X-----	1. 57
26X-----	1. 45
Stamps & Coins—minimum 3 lines:	
1X-----	\$2. 14
3X-----	1. 93
13X-----	1. 89
26X-----	1. 88
52X-----	1. 86

14. Strip advertising:

Daily Comic Pages—General Rate volume or frequency schedule applies 35 and 70 lines by 4 and 5 col. acceptable when space is available.

Financial Page—General Rate volume or frequency schedule applies. Stops when available on Financial Pages Daily or Sunday, 8 cols. x 14 lines minimum to 35 lines maximum only—regular rates.

15. Radio, T.V. or station advertising: All terms and conditions set forth in General Rate Card No. S-9 apply.

16. Circulation:

(a) Member of A.B.C., A.N.P.A., Metropolitan Sunday Newspapers, Inc., Puck, The Comic Weekly, Media Records, Bureau of Adv., I.N.A.E. and Newspaper Preprint Corp.

(b) Morning and Sunday.

(c) Single Copy: 15¢ daily, 50¢ Sunday.

(d) Monthly Home delivery Rate, Daily & Sunday, \$4.75.

A.B.C. PUBLISHER'S STATEMENT, 6 months ending Mar. 31, 1973.

DAILY (Monday thru Friday)-----	535, 016
SATURDAY-----	511, 548
SUNDAY-----	710, 148

17. Commission and Cash Discounts:

Agency commission—15%; cash discount 2% of net, allowed only to qualified advertising agencies for payment on or before the 15th of the month following publication of advertising. Payment of account is not dependent upon receipt of tear sheets.

¹ Affiliate Puck Comic Weekly.

Feature Pages and Sections: Food Section—Thursday. Book Reviews—Monday through Saturday. Travel Section—Sunday. Real Estate—Saturday. Radio & TV Page—Daily and Sunday. Women's Pages—Daily and Sunday. Garden—Friday, Saturday and Sunday. Outdoor Page—Tuesday, Friday and Sunday. Panorama—Thursday. Close noon Monday. Book World—Sunday.

Merchandising—Research:

- (a) Merchandising Services available.
- (b) Shopping center and supermarkets map available.

18. Miscellaneous:

- (a) Advertising subject to publisher's approval.
- (b) Tear sheets (checking copies) supplied by Advertising Checking Bureau.
- (c) The Publisher reserves the right to gray or Benday reverse plates, heavy rules or type.
- (d) Til forbid orders accepted on written order only.
- (e) Not responsible for advertising plates and mats left in publication office more than 30 days after insertion.
- (f) The Washington Post shall be under no liability whatsoever for an act of God such as rain, wind, sleet or snow, which may in any way prevent distribution of its circulation, totally or in part.
- (g) The Washington Post shall be under no liability whatsoever by reason of any error for which it may be responsible in connection with any advertisement, beyond liability to give the advertiser credit for so much of the space occupied by the advertisement as is materially affected by the error and its obligation to give such credit shall not apply to more than one incorrect insertion under any contract or order unless it is notified of the error prior to repetition of the insertion.
- (h) The Washington Post cannot be responsible for errors in advertising submitted too late for proof service.
- (i) All simulated reading matter must be marked "Advertisement."
- (j) All referral ads must be complete ads.
- (k) The advertiser and advertising agency assume liability for all contents (including text representations and illustrations) of advertisements published and also assume responsibility for any claims arising therefrom made against The Washington Post.

19. General Advertising Representative:

Sawyer-Ferguson-Walker Company: New York, N.Y.—245 Park Avenue 10017 212/661-6262; Chicago—111 E. Wacker Dr. 60601 312/329-1780; Detroit—Northland Towers, Southfield, Mich. 48076 313/442-5950; Philadelphia—2 Penn Center Plaza 19102 215/568-8070; Atlanta—3390 Peachtree Rd. N.E. 30326 404/261-1362; Los Angeles—1930 Wilshire Blvd. 90057 213/483-6595; San Francisco—220 Bush St. 94104 415/421-5707; Minneapolis—910 Foshay Tower 55402 612/339-4931; Dallas—300 N. Ervay St. 75201 214/742-1361; Charlotte, N.C.—1515 Mockingbird La. 28209; 704/523-5486; Wellesley, Mass.—40 Grove St. 02181 617/237-5640.

Hotel and Resort Representatives: Metropolitan Publishers Representatives, Inc.; Atlanta—2045 Peachtree Rd., N.E. 30309 404/233-5077; Miami—924 Lincoln Rd. 33139 305/538-4630; Montreal—1255 University St. 514/866-5381; Tampa—4310 Dunbarton 33611 813/839-0082; Toronto—2 Carlton St., Suite 1518 M58 1J6 416/362-2434.

International Representatives: John McKim White, Vienna, Austria; Rita Ambar, Lisbon, Portugal, Angola; Antonio Sambrotta, Rome, Italy; INPRA, Piraeus, Greece; Media Representatives Inc., Manila, Tokyo, Thailand, Singapore; The Far East; Epoch Publicity Agency, Taipei, Taiwan; Parker Associated Representations (Pty.) Ltd., Sydney, Australia; C. K. Beckett, Auckland, New Zealand; RKL y Asociados, Mexico City, Mexico. As a Service Co. Ltd., Seoul, Republic of Korea; Grant H. Webb & Co., Ltd., London, United Kingdom and Ireland; Richard A. Stigel, Casablanca, Morocco; CIPE, Barcelona, Spain; Pyramid Advertising Agency, Cairo, U.A.R.; Triservice Rufenacht SA, Geneva, Switzerland; Univ-Adverts, Madras, India; Fred Anthony, 35 E. 35th St., New York, N.Y.; Special Sections.

20. Mechanical Requirements: The advertiser and/or agency shall designate the width in columns and exact depth in which case the newspaper agrees to publish and bill advertisement in exact space ordered, measurement to be from cut-off rule to cut-off rule. Where printing material furnished does not measure up to space ordered after shrinkage, the Post will space out the advertisement between cut-off rules to the exact amount of space ordered. Where ads are posi-

tioned at the bottom of the page, a dash or dot may be substituted for the cut-off rule to designate the true bottom of the type page.

(a) Note: The following sizes are for type forms—this allows for the necessary shrinkage to actual published size.

1 Column—11 picas wide: full page—90.4 picas wide; full page depth—136½ picas.

Depth—allow one line of space for shrinkage of each 50 lines in depth.

Reproduced B. & W. size Page—86 picas width—309 line depth.

(b) Center double spread, charged as 17 columns, 31" wide; 13 columns minimum.

(c) 4-Color or 3-Color Plates; 88 picas wide, 309 lines deep for full page; 7 cols.—12⅝" wide; 6 cols.—10⅝" wide; 5 cols.—8⅝" wide; 4 cols.—7⅝" wide. Registration marks required on all color plates or mats. Progressive proofs should be included with printing material. Billed size page—309 lines by 8 columns. Total—2472 lines.

(d) Advertisements over 270 lines deep will be charged full column depth.

(e) Half-tone Screen 65.

(f) Repro proofs, veloxes or original art preferred.

(g) Minimum copy 14 lines except Resort, 7 lines.

(h) Minimum depth for single column, 14 lines; double column, 28 lines; 3 columns, 42 lines; 4 columns, 56 lines; 5 columns, 70 lines; 6 columns, 84 lines; 7 columns, 93 lines; 8 columns, 112 lines.

(i) Artwork at advertiser's expense.

THE WASHINGTON STAR-NEWS,
Washington, D.C., February 1, 1974.

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1. PERSONNEL

President—John H. Kauffmann.
Advertising Director—Jack C. Schoo.
Advertising Manager—Joseph H. Marsh.
General Adv. Mgr.—Crosby N. Boyd, Jr.
Classified Adv. Mgr.—Lowell B. Steele.
Special Features Mgr.—Geoffrey B. Beardall.
Automotive Sales Mgr.—Robert Quinn.

2. REPRESENTATIVES

Million Market Newspapers, Inc.: New York—6 E. 43rd St., 10017, Tel. 212-986-3434; Chicago—333 N. Michigan Avenue, 60601, Tel. 312-378-0103; Detroit—1 Northland Plaza, Room 1009, Southfield, Michigan, 48075, Tel. 313-442-5672; Los Angeles—3540 Wilshire Blvd., 90010, Tel. 213-381-2251; San Francisco—111 Sutter Street, 94104, Tel. 415-362-5422; Florida—Hawaii—Mexico—The Leonard Company, P.O. Box 687, Buena Vista Station, Miami, Florida 33137, (305) 757-1531; Canada—American Publishers Reps., Ltd.,

Suite 200, 32 Front Street West Toronto, Ontario, M5J-1C5 363-1388; Latin American Rep—Sullivan, Sarria & Assoc., Inc., 405 Park Ave., Suite 903, New York, N.Y. 10022; (212) PL2-1313.

3. AGENCY COMMISSION AND CASH DISCOUNT

15%; 2% 15th following month.

4. POLICY

A. 30 days or more notice given of any rate revision.

B. All advertising contracts and orders are accepted subject to the approval of the publisher and the provisions of the rate card.

5. GENERAL ADVERTISING RATES

BULK CONTRACT RATES

Space Within One Year General Advertising—Daily and Sunday	
Open	\$1.80
500 lines	1.67
3,000 lines	1.64
5,000 lines	1.61
10,000 lines	1.59
25,000 lines	1.57
50,000 lines	1.54
100,000 lines	1.51
150,000 lines	1.48
200,000 lines	1.43

COMBINATION RATES

Daily and Sunday, Daily and Saturday, Saturday and Sunday, \$2.45

Ads may commence either daily, Saturday, or Sunday and must be completed within 30 days. Same ad must run both days. Combination advertising should be ordered as one insertion with rates and dates specified. Linage from both combination insertions will apply toward contract fulfillment.

FREQUENCY CONTRACT RATES—WITHIN ONE YEAR

3-12 insertions	\$1.64
13 or more insertions	1.61

PAGE CONTRACT RATES—DISCOUNT FROM OPEN RATE

Space within one year. Black and white or color. When color is used, discounts from rate apply to space only, not to color cost:

	Percent
1 full page	8
5 full pages	15
10 full pages	20
20 full pages	25
30 full pages	30
40 full pages	35

Advertisers signing specific bulk lineage contracts or full page contracts will be billed monthly at the applicable contract rate for the entire contract year, unless the contract is amended. At the end of the contract year, the advertiser will be refunded if a lower rate is earned or will be re-billed at a higher rate if contract is not fulfilled.

When both less-than-page units and full page units are employed during the contract period, full page lineage and less-than-full-page lineage may be combined to earn maximum bulk contract discount. If the bulk contract discount is greater than the page contract discount, the former applies to the full pages. If the page discount is greater, the bulk contract discount will apply to less-than-full-page unit.

Multiple products and/or corporate schedules may be combined to earn lowest rate.

Above discount rates do not apply to GRAVURE, COLOR COMICS, pre-printed supplements, or specially arranged sections.

SPACE SPOTS

These ads run Monday thru Saturday; (Sunday available at advertisers option); days of insertion at publisher's option. Space Spot ads available in 3, 6 and 13 consecutive week plans at discounts from open general rate as follows:

3 weeks 25% (\$1.35 per line).

6 weeks 30% (\$1.26 per line).

13 weeks 33 $\frac{1}{3}$ % (\$1.20 per line).

Sizes. Min. size 50 lines. Max. size 600 lines.

Number of insertions per week: Min. 6 per week.

Contracts: Space Spots available under special contract for this lineage only. Space spot lineage does NOT apply toward completion of other contract or fulfillment of other discounts.

6. R.O.P. COLOR

Standard Unit Costs.

Ad size	B/W	BW/1C	BW/2C	BW/3C
1 page.....	\$4,093.63	\$4,568.63	\$4,693.63	\$4,843.63
1,500 lines.....	2,505.00	2,980.00	3,105.00	3,255.00
1,000 lines.....	1,670.00	2,145.00	2,270.00	2,420.00

Above are 1 time rates. Space discounts based on volume or frequency apply and are listed under General Advertising Rates, Section 5.

COLOR PREMIUMS

For any standard or non-standard unit, size 1,000 lines or larger, b/w rate for space ordered plus the following flat costs. Available Daily and Sunday. 3-Day leeway requested:

Black and 1 color.....	\$475
Black and 2 colors.....	600
Black and 3 colors.....	750

20% color premium discount for 50 or more color advertisements within one year.

COLOR INFORMATION AND CLOSING DATES

(1) Color and black: Reservations 1 week in advance. Printing material 3 weekdays in advance where standard ink is used. Special ink, 5 weekdays, 3-day option required. Cancellation—3 days.

(2) 2 or 3 colors and black: Reservations 2 weeks in advance. Complete printing material full week in advance. Cancellation—5 days.

(3) Full page, 14 $\frac{1}{4}$ " $\times$ 22 $\frac{1}{4}$ ". 2 sets progressive proofs and 6 complete proofs must accompany all negatives or reproduction proofs. No registration marks required.

(4) First choice negatives (wrong reading from emulsion side). Second choice reproduction proofs (right reading). Highlight Dot Size: minimum 5% (.0045")—8% preferred.

7. SPECIAL CLASSIFICATIONS/RATES

A—POSITION CHARGES

Daily and Sunday:

When available—No position advertisements accepted less than 28 lines, single column.

Page 2 or 3 (when space is available and at publisher's option), 45¢ per line additional.

Any other specified page 35¢ per line additional.

Top of column, next to reading matter, 35¢ per line additional.

B—POLITICAL

Advertising for elections to public office, \$143 or earned rate, whichever is lower.

C—RESORT & TRAVEL

Resorts, Resort Hotels, Chambers of Commerce, Travel and Tourist Commissions, Travel Agents, Schools and Camps:

1 insertion within 1 year.....	\$1.70
5 insertions within 1 year.....	1.50
10 insertions within 1 year.....	1.35
20 insertions within 1 year.....	1.20
30 insertions within 1 year.....	1.10
52 insertions within 1 year.....	1.05
Combination Resort rate: Daily and Sunday.....	2.05

Ads may begin either daily or Sunday and must be completed within 7 days. Copy must be same size and content. Combination Resort advertising should be ordered as one insertion with rates and dates specified, and counts as a single insertion in fulfilling Resort advertising contracts. Min. sizes: Sunday 7 lines, Daily 14 lines, Daily and Sunday combination 14 lines.

Travel-Transportation in Sunday Resort/Travel Section:

Open rate.....	\$1.70
500 Lines.....	1.60
3,000 Lines.....	1.50
5,000 Lines.....	1.35
10,000 Lines.....	1.20
15,000 Lines.....	1.10
Combination: Daily and Sunday.....	2.45

D—MAIL ORDER (ARMCHAIR SHOPPER) APPEARS SUNDAY

Open.....	\$1.70
500 Lines.....	1.60
5 Times or 3,000 Lines.....	1.50
10 Times or 5,000 Lines.....	1.35
20 Times or 10,000 Lines.....	1.20

8. SPECIAL R.O.P. UNITS

STRIP ADVERTISING

Eight columns, 14 line min.—35 line max. at foot of page. Rate based on bulk contract rates. Available on radio-TV, sports and financial pages.

9. SPLIT RUN

(When available) \$150 extra. Minimum 100 lines.

10. FEATURE PAGES AND SECTIONS

Best food: Wednesday Book Reviews: Monday through Friday and Sunday. Garden: Friday and Sunday. Radio-TV Logs: Monday through Saturday (Sunday—TV Magazine). Real Estate: Friday. Religious: Saturday. Travel and Resorts: Sunday.

11. MINIMUM DEPTH REQUIREMENTS

Ads must be as many inches deep as they are columns wide. Advertisements measuring over 280 lines in depth must occupy full depth of column—309 lines.

12. CONTRACT AND COPY REGULATIONS

(See page 3—policy)

13. CLOSING TIME—R.O.P.

Black and White.

By 6 p.m. two days preceding publication. Sunday main news section, 6 p.m. Thursday, Sunday Portfolio Travel, Garden, Amusements, Wednesday, 6 p.m.

14. MECHANICAL MEASUREMENTS AND REQUIREMENTS

- A. Width of column—11 ems pica.
- B. Depth of column, 315 lines (to print 309).
- C. Eight columns to the page.

- D. 2472 lines to a page.
 E. Double truck charged at 17 columns by 309. Total lineage 5253.
 F. Photocomposition—Letterpress conversion.
 G. Negatives (wrong reading from emulsion side) or repro proofs (right reading). Highlight Dot Size: min. 5% (.0045'')—8% preferred. Halftone screens required, 65 screen used.
 H. The right to benday or otherwise modify heavy black display, solid black backgrounds, borders or reverse type is expressly reserved.

15. MAGAZINE SECTIONS

A—FAMILY WEEKLY—Washington edition.

Sold through Family Weekly, 641 Lexington Ave., New York, N.Y. 10022.

Advertising for general rate advertisers with distribution only within the Washington area available through the Washington Star-News. Rates and information upon request.

B—TV MAGAZINE (Sunday)

Inside Pages (Offset Newsprint Pages):

Full page.....	\$925. 00
1/2 page.....	540. 00
1/4 page.....	315. 00
1/8 page.....	185. 00
1/16 page.....	115. 00
Strip advertisements (at bottom of log pages).....	185. 00
Back Page (When Available): Full page only.....	\$1, 350. 00
Inside Color Pages (When Available): Full page only.....	\$1, 100. 00

Advertiser must provide complete offset printing material. Inside newsprint pages: b/w only. No premium for color on back page. No premium for TV program or amusement copy.

TV Magazine also sold through KALISH, QUIGLEY & ROSEN, 667 Madison Avenue, New York, New York 10021.

DEADLINES

Back Page & Inside Color Pages

Color: Complete offset separations with two sets of progressive proofs, one color-guide proof and one rough proof for identification purposes are due at The Star-News by 9 A.M. the 3rd Tuesday preceding date of publication.

Inside Newsprint Pages

One proof, complete copy: Wednesday, 12 Noon. Proof due: Friday, 9 A.M. Release proof: Friday, 6 P.M. No proof, space reservation: Wednesday, 6 P.M. Complete copy: Friday, 12 Noon. Excessive black areas will be restricted as with standard R.O.P. All deadline days shown are within second week preceding date of publication.

RULES AND SPECIFICATIONS

Mechanical Measurements

Offset Newsprint Pages—Only acceptable and sizes:

	Width-Depth	Width-depth	Total lines
Full page.....	45 picas x 138 lines.....	4 x 138.....	552
1/2 page (2 columns).....	22.4 picas x 138 lines.....	2 x 138.....	276
1/2 page (4 columns).....	45 picas x 69 lines.....	4 x 69.....	276
1/4 page (1 column).....	11 picas x 138 lines.....	1 x 138.....	138
1/4 page (2 columns).....	22.4 picas x 69 lines.....	2 x 69.....	138
1/8 page (1 column).....	11 picas x 69 lines.....	1 x 69.....	69
1/8 page (2 columns).....	22.4 picas x 35 lines.....	2 x 35.....	70
1/16 page (1 column).....	11 picas x 35 lines.....	1 x 35.....	35
Strip (4 columns).....	44 picas x 10 lines.....	4 x 10.....	40
Center spread.....	92 picas x 138 lines.....	9 x 138.....	1, 242

Width-Depth

Picas Inches

Offset color pages: Page size..... 45 X 59 1/2..... 7 1/16 X 9 1/16.

PRINTING MATERIAL

Back Page: Black and white: Up to 120 line screen. Reproduction proofs preferred. Engravings, mats, electros, or plastic plates unmounted acceptable. Color: Complete offset printing material must be furnished.

Inside Color Pages: Complete offset printing material must be furnished.

Offset Newsprint Pages: Black and white only. Up to 100-line screen. Reproduction proofs preferred. Engravings, mats, electros, or plastic plates unmounted acceptable.

16. COLOR COMIC SECTION (SUNDAY)

A. One-third page.....	\$1, 400. 00
Half page.....	1, 825. 00
Two-thirds page.....	2, 400. 00
Full page.....	3, 000. 00
Discounts and Insertions Per Year:	
3 to 5.....	3%
6 to 12.....	5%
13 or more.....	10%

B. Page is 7 columns wide by 280 lines deep. $\frac{3}{4}$ page 185 x 7. Half page 140 x 7. $\frac{1}{2}$ page 94 x 7. Maximum width 13 $\frac{1}{2}$ inches.

C. Complete color mats and color proofs to be furnished by the advertiser.

D. Reservations 6 weeks. Deadline for color mats or plates and color guides 5 weeks prior to publication date. Cancellation 5 weeks.

Color Comics Advertising Also Sold in Combination With Metropolitan Sunday Newspaper Group.

17. OTHER INSERTS

A—Spectacolor and Hi-Fi

Pages per year:

1.....	\$4, 230. 00
5.....	4, 000. 00

B—PREPRINTED SECTIONS

Tabloid Size or Less.

Pages	CPM	Pages	CPM
4 or less.....	\$14. 00 52.....		\$31. 00
8.....	15. 00 56.....		32. 00
12.....	17. 00 60.....		33. 00
16.....	19. 00 64.....		34. 00
20.....	21. 00 68.....		35. 00
24.....	23. 00 72.....		36. 00
28.....	25. 00 76.....		37. 00
32.....	26. 00 80.....		38. 00
36.....	27. 00 84.....		39. 00
40.....	28. 00 88.....		40. 00
44.....	29. 00 92.....		41. 00
48.....	30. 00 96.....		42. 00

Note: Partial run premium—Minimum charge based on 100,000.

100,000 to 200,000 add \$4.00 CPM; 200,000 to 250,000 add \$3.00 CPM; 250,001 to 300,000 add \$2.00 CPM; 300,001 at less than full run add \$1.00 CPM.

Geographic distribution information available upon request.

Daily inserts available; information upon request.

Minimum paper weight for 4 pages or less, 70 lb.

10% discount for 3 or more preprints within one year.

18. CLASSIFIED

Open rate.....	\$1.80 per line
3 time order.....	1.61 per line
13 Times per Year (Contract).....	1.56 per line
26 Times per Year (Contract).....	1.51 per line
52 Times per Year (Contract).....	1.46 per line
(Minimum ad size 4 lines)	

Combination Rates

Daily and Sunday, Daily and Saturday, Saturday and Sunday..... \$2.45

Ads may start either daily, Saturday, or Sunday, and must be completed within 7 days. Copy must be same. Combination advertising should be ordered as one insertion with rates and dates specified. Linage from both combination insertions will apply toward contract fulfillment. (Minimum ad size 4 lines)

Camp & School Directory—Appears Sunday

1 Time.....	\$1.70 per line
5 Times per Year (Contract).....	1.50 per line
10 Times per Year (Contract).....	1.35 per line
20 Times per Year (Contract).....	1.20 per line
30 Times per Year (Contract).....	1.10 per line

Minimum 14 Lines. Deadline Thursday 12 Noon Cuts, Borders and Lagos Are Accepted

Agency Commission and Cash Discount 15% 1 2% 15th Following Month

DEADLINES

Straight Classified; Tuesday through Saturday—5 p.m. day preceding; Sunday—5 p.m. Friday; Monday—5 p.m. Saturday.

DISPLAY CLASSIFIED

Deadlines Without Proofs:

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Space reservations due... Fri.		Sat.	Mon.	Tues.	Wed.	Thurs.	Thurs.
	6 p.m.	6 p.m.	6 p.m.	6 p.m.	6 p.m.	6 p.m.	6 p.m.
Copy due at the Star..... Sat.	noon.	noon.	Tues.	Wed.	Thurs.	Fri.	Fri.
	noon.	noon.	noon.	noon.	noon.	noon.	noon.

Note: If proofs are desired, proof schedules and copy deadlines are available on request.

MINIMUM DEPTH REQUIREMENTS¹

	Straight Class	Display Class
Column:		
1.....	4	25
2.....	28	28
3.....	42	42
4.....	50	75
5.....	70	100
6.....	84	125
7, 8, 9.....	150	150

¹ Advertisements measuring over 280 lines in depth must occupy full depth of column—309 lines.

Mechanical Requirements:

A. Width of column—9.2 ems (picas).

B. Depth of column, 315 lines (to print 309).

C. Nine columns to the page.

D. Basis of measurement is solid agate—14 lines to inch.

E. Broken column ads accepted.

F. Automotive, loans, and mobile home classifications can use mats, logos, borders. All other classifications allow display when prepared by the Success Ak Display Guide.

Type Faces:

1. Straight classified available in agate, 10, 14, 18, 24, 36, 48 and 60-point Ionic.

2. Display classified types—refer to Display Guide.

19. CIRCULATION INFORMATION

A. Member of A.B.C.

B. Independent.

C. Consult latest Standard Rate and Data listings.

D. Published evening and Sunday every day of the year.

20. MISCELLANEOUS

Subscription Prices: Daily, 10 cents per copy; Sunday, 40 cents per copy; Daily, \$.75 per week; Daily and Sunday, \$1.15 per week.

Subscription by Mail: Daily, \$40.00 per year; Sunday, \$27.00 per year; Daily and Sunday, \$60.00 per year.

Member: Audit Bureau of Circulation; Bureau of Advertising, A.N.P.A.; Media Records; Metropolitan Sunday Newspapers, Inc.; Newspaper Advertising Executive Association.

Merchandising: Service available to advertisers includes market and distribution information and notification to the trade. Drug and grocery lists available.

Prepared in conformity with "Standard Rate Card" of American Association of Advertising Agencies

WRC—RADIO AND TELEVISION

Program length	Prime range	Nonprime range
Television:		
30 s.....	\$300 to \$1,125	\$30 to \$220.
60 s.....	\$500 to \$2,250 ¹	\$50 to \$440.
5 min.....	\$950	\$330 to \$550.
30 min.....	\$1,600 ¹	\$750 to \$1,080.
Radio affiliate:		
30 s.....	\$64 (a.m.); \$40 (p.m.)	\$41 to \$20.
60 s.....	\$80 (a.m.); \$50 (p.m.)	\$18 to \$25.
3 min.....	Will not sell.	Will not sell.
30 min.....	do.	Do.

¹ 60-s spot (prime time) considered part of the adjacent program and priced according to audience delivery—Neilsen rating of adjacent show. 30-min spot preemptible regular show and priced according to projected audience.

Note: Television—Political rate card No. 7 attached. Equal time must be reserved within a 7-day period for opponents of any candidate purchasing time. This makes scheduling a problem for prime time. Production costs: Live production in studio (2 cameras, film and slide chain, and 1 video tape) \$225 per hour, prorated for less than 1 hr. Without live cameras (slides, tape) \$160 per hr. Video tape (modify tapes) \$175 for 30 min, \$18 for 30 to 60 s. Radio—Political rate card No. 25 attached. Morning prime time, Monday to Saturday, 6 to 10 a.m. Afternoon prime time, Monday to Saturday, 3 to 7 p.m. Nonprime time, all other. Political advertisements are sold at the lowest rates for the time scheduled (end rate). WRC Radio has very few spots available for advertising.

WRC-TV—POLITICAL RATE CARD No. 7

GENERAL INFORMATION

All sales are subject to the policies and procedures outlined in the station's political broadcast manual.

The rates listed for station breaks and participations are shown on the attached and represent a discount from published rates. There is no discount allowed for purchases of program time. All announcements purchased at these rates are fixed, non-preemptible.

Preemptible announcement rates are available upon request.

All times listed are approximate.

Please note: This rate card is for the convenient reference of political advertisers and/or their advertising agencies, and does not constitute an offer on the part of WRC-TV.

Monday—Friday (vertical and horizontal rotation):¹		:30/:20
Today Show adjacencies, 6:59 a.m.-8:59 a.m.....		\$75
Daytime rotation, 8:59 a.m.-4:29 p.m.....		75
Mike Douglas Show, 4:29 p.m.-5:59 p.m.....		80
News 4 Washington adjacency, 5:59 p.m.....		220
The Tonight Show, 11:30 p.m.-1:01 a.m.....		100
Various, 1:01 a.m.-CC ² (Sunday-Friday).....		50
Saturday:		
Adjacencies/Various, Sign on-8:59 a.m.....		30
Adjacencies/Various, 8:59 a.m.-1:01 p.m.....		55
Adjacencies/Various, 1:01 p.m.-4:29 p.m.....		40
Adjacencies/Various, 4:29 p.m.-6:59 p.m.....		80
Rock Concert/Saturday Film Festival, 11:30 p.m.-CC ²		100
Sunday:		
Adjacencies/Various, Sign on-4:29 p.m.....		50
Adjacencies/Various, 4:29 p.m.-6:59 p.m.....		80
Best of Carson, 11:30 p.m.-1:01 a.m.....		55

¹ Multiple spots purchased are scheduled on different days and at different times during the time frame purchased

² Until conclusion.

Note: 10 second rate is 50 percent of :30/:20 rate; 60 second rate is 2 times the :30/:20 rate

PRIME TIME CLASSIFICATIONS¹

Monday-Friday, 7:28-11:00 pm, Saturday/Sunday, 6:59-11:00 pm

Class 1-A		\$1, 125
Class 1		\$975
Class 2		\$900
Class 3		\$750
Class 4		\$600
Class 5		\$450
Class 6		\$300

¹ Classifications within Prime Time are based on Nielsen Ratings of adjacent programs.

Prime rates quoted subject to reclassification on 7 days advance notification.
 Ten second rate is 50 percent of :30/:20 rate.

PROGRAM RATES

Classification	1 hr	½ hr	¼ hr	5 min
Class AA (6 to 11:30 p.m. Monday through Sunday)	\$2, 200	\$1, 600	\$1, 100	\$950
Class A (3 to 6 p.m. Monday through Sunday; 11:30 p.m. to 1:01 a.m. Monday through Sunday)	1, 800	1, 080	900	550
Class B (1 a.m. to 3 p.m.)	1, 250	750	625	330

Note: Rates for periods in excess of 1 hr are in exact proportion to the corresponding 1 hr rate.

WRC RATE CARD NO. 25 (EFFECTIVE MAY 1, 1973)

[Section I—Monday through Saturday 6 to 10 a.m.; section II—Monday through Saturday 3 to 7 p.m.; section III—Monday through Saturday 10 a.m. to 3 p.m.; Sunday 6 a.m. to 7 p.m.; section IV—Sunday through Saturday 5:30 to 6 a.m. and 7 p.m. to midnight]

Per weeks	1X	6X	12X	18X	24X	30X
SPOT ANNOUNCEMENTS						
Section I:						
1 min	100	90	80			
30/20 sec	80	72	64			
10 sec	50	45	40			
Section II:						
1 min	80	70	60	50		
30/20 sec	64	56	48	40		
10 sec	40	35	30	25		
Section III:						
1 min	60	50	40	35	30	25
30/20 sec	48	40	32	28	24	20
10 sec	30	25	20	18	15	13
Section IV:						
1 min	40	32	28	24	20	18
30/20 sec	32	26	22	19	16	14
10 sec	20	16	14	12	10	9

PACKAGE PLANS (WASHINGTON RADIO COMBINATION)

Per week	1 min	30 sec	10 sec
6X (1I, 2II, 2III, 1IV)	43	34	22
12X (3I, 3II, 4III, 2IV)	41	33	21
18X (4I, 4II, 6III, 4IV)	39	31	20
24X (6I, 6II, 7III, 5IV)	37	30	19
30X (7I, 7II, 10III, 6IV)	35	28	18

Note: General information. Rate protection, 3 months. Program content and advertising copy must comply with NBC standards and practices.

METROMEDIA TV AND RADIO, COMMERCIAL RATES ONLY

Program length	Prime range	Nonprime range
Television (WTTG):		
30 s	\$325 to \$550	\$80 to \$175.
60 s	\$750 to \$1,100	\$160 to \$350.
5 min	Not sold	Not sold.
30 min	do	Do.
Radio affiliate (WASH.)	Do not sell advertisement spots.	

Note: Television—Rate schedule attached. Prime time: Monday to Sunday, 7 to 11 p.m. Nonprime: All other. Rates: quoted are commercial rates. Reduced political rates are figured upon request and vary with time, season, and current market. Will not quote political rates. Identical spots in multiples of 10 are 50 percent regular rate. Radio—Candidates are provided time during campaign period in appropriate format under guidance of news director.

COMBOWTTG PROGRAM/RATE SCHEDULE

SPRING/SUMMER 1974
Effective April 8, 1974

	MONDAY-FRIDAY	SATURDAY	SUNDAY
6:30	Education		This Is the Life
7:00	New Zoo Revue	Cartoon Playhouse	Christmas Cleanup
7:30	Porky Pig & Friends	Mr. Magoo	Lassie
8:00	Deputy Dawg	Underdog	
8:30	Banana Splits & Friends	Deputy Dawg	Wonderama
9:00	The Flintstones	Banana Splits & Friends	
9:30	Hazel	Porky Pig & Friends	
10:00	The Mothers-in-Law	Daktari	
10:30	McHale's Navy		I Love Lucy (a)
11:00	Green Acres		Chopper One
11:30	Time-Tune: To Tell the Truth Friday: Petticoat Junction	Saturday's First Feature	
12:00			The Flick
12:30	Panorama		
1:00		Saturday Movie	Sunday Movie
1:30			
2:00			
2:30	Two O'Clock Movie		
3:00			
3:30	The Flintstones	Weekend Movie	
4:00	Dennis The Menace		Metromedia Movie**
4:30	I Dream Of Jeannie		
5:00	Father Knows Best	Soul Train	
5:30	Star Trek		
6:00		Star Trek	Playhouse 5
6:30	Mission: Impossible	National Geographic	
7:00	Rowling For Dollars		
7:30	SEE BELOW		Lawrence Welk
8:00		Metromedia Movie**	
8:30			Perry Mason (b)
9:00	Merv Griffin		
9:30			
10:00	Ten O'Clock News	Black News	Mission: Impossible
10:30			
11:00	Mission: Impossible	David Susskind	Name Of The Game
11:30			
12:00	Alfred Hitchcock	Lancer	Combat
12:30			
1:00	Half Past Midnight Movie		
1:30			
2:00	All Night Show (Fri only)		

8:00-8:30PM PROGRAMMING: Mon - Father Knows Best Tue - Untamed World Wed - The Cowboys Thu - Firehouse
Fri - To Tell The Truth (c)

RATES: Mon, Tue, Fri = 375 Wed & Thur: 8:00PM Break = 750 8:30PM Break = 650

(a) Effective 5/5/74 (b) Effective 4/21/74 (c) Effective 4/12/74 **Two spot Combo - Sat 8:00-10:00PM + Sun 4:00-6:00PM

RATES ARE FOR 30 SECOND SPOTS. 60's ARE DOUBLE; 10's (10's) ARE 50%

Metromedia Television/5151 Wisconsin Avenue, N.W./Washington, D.C. 20016/Represented by Metro TV Sales

WMAL TELEVISION AND RADIO

Program length	Prime range	Nonprime range
Television:		
30 sec	\$350 to \$900	\$20 to \$225.
60 sec	\$700 to \$1,800	\$40 to \$450.
5 min	Will not sell	Will not sell.
30 min	do	Do.
Radio affiliate:		
30 sec	\$136 (a.m.) to \$60 (p.m.)	\$18 to \$44.
60 sec	\$170 (a.m.) to \$75 (p.m.)	\$23 to \$55.
3 min	Will not sell	Will not sell.
30 min	do	Do.

NOTES

Television: Prime time—7:30 to 11 p.m. No production costs since no programs for 30 minutes or more are sold.

Radio: Prime times: 6 to 10 a.m.; 3 to 7 p.m.

Political advertisements only accepted 45 days prior to primary and 60 days prior to general elections.

15-percent discount available if advertising not arranged through a commercial agency.

Package rates available such as 6 spots (2 prime, 4 nonprime times) 30 sec. \$294, 60 sec. \$414.

WMAL-TV (WASHINGTON, D.C.) POLITICAL RATE CARD NO. 1A-74 (EFFECTIVE APR. 1, 1974) (30 SECOND ANNOUNCEMENTS)

Fringe:	Prime:
Monday through Friday:	Monday: 759-11p
930a-1158a	Tuesday: 759-11p
1231p-4p	Wednesday: 759-828p
401p-558p	Wednesday: 829-11p
729p-758p	Thursday: 759-858p
1131p-105a	Thursday: 859-11p
Saturday:	Friday: 759-11p
659p-758p	Saturday: 759-828p
1131p-cc	Saturday: 829-11p
Sunday:	Sunday: 729-1030p
201p-458p	
1131p-cc	

Note: All announcements purchased at the above rates are fixed nonpreemptible and represent the lowest nonpreemptible fixed rate charged any commercial advertiser for that particular time period. WMAL-TV also offers a preemptible rate—the lowest unit rate charged any commercial advertiser on an immediately preemptible basis. All qualified candidates are urged to examine our current inventory or lowest unit rates, available either at the station or through a sales representative of the station. 60-second rates, when available, are double the 30-second rate. 10-second rates, when available, are 50 percent of the 30-second rate. Program rates on request.

WTOP TELEVISION AND RADIO

Program length	Prime range	Nonprime range
Television:		
30 sec	\$250 to \$1,250	\$65 to \$75.
60 sec	\$500 to \$2,500	\$125 to \$150.
5 min	Will not sell	\$165 to \$325.
30 min	do	\$625.
Radio affiliate:		
30 sec	\$44 (a.m.) to \$34 (p.m.)	\$24.
60 sec	\$55 (a.m.) to \$43 (p.m.)	\$30.
3 min	Will not sell	Will not sell.
30 min	do	Do.

NOTES

Television: Prime time—7:30 to 11 p.m.

These are new proposed rates expected to be approved in April 1964. Old rates are not being quoted.

Production costs: Live or taped—\$150 per hour, prorated for lesser time; video taped by the station—\$250 per hour, \$175 per ½ hour, \$35 per 30 to 60 secs.

Radio: Morning prime—6 to 10 a.m.; evening prime—3 to 7 p.m.; nonprime—all other.

Political rates are 50 percent of commercial rates.

Package rates available such as 10 spots (3 prime times, 7 nonprime times) 30 sec., \$204; 60 sec., \$256. 20 spots (6 prime times, 14, nonprime times) 30 sec., \$408; 60 sec., \$512.

WHUR-FM RATES

Program length	AA ¹	A ²	B ³	C ⁴
30 s.	\$14.40	\$12.80	\$11.20	\$9.60.
60 s.	\$18.00	\$16.00	\$14.00	\$12.00.
3 min.	Will not sell			
30 min.	No charge (see No. 3 below).	No charge	No charge	No charge.

¹ 6 to 10 a.m. Monday to Friday; 3 to 7 p.m. Monday to Friday; 10 to 2 p.m. Saturday; 12 to 6 p.m. Sunday.

² 6 to 10 a.m. Monday to Saturday; 3 to 7 p.m. Monday to Saturday; 12 to 6 p.m. Sunday.

³ 10 to 3 Monday to Saturday; 6 to 12 p.m. Sunday.

⁴ 12 to 6 a.m., 7 days.

Note: (1) For 30-s and 60-s programs, a discount of \$2 per program is available with a package of 12 programs, and an additional \$2 with a package of 24 programs. (2) Run-of-the-station program time may be purchased where saturation advertising is desired, as follows: 8 programs per week (60 s, \$12 each; 30 s, \$10 each); 12 programs per week (60 s, \$11 each; 30 s, \$9 each); 24 programs per week (60 s, \$10 each; 30 s, \$8 each); 36 programs per week (60 s, \$9 each; 30 s, \$7 each). 50 percent of run-of-the-station program times for the above are scheduled in AA and A time categories. (3) The station does not allow advertising of any kind in excess of 60 s. However, a 30-min program format is available at no charge if all candidates appear in an interview or debate forum as arranged by the station news department. (4) No charge for production assistance by station.

WHUR-FM RATE CARD NO. 1 (EFFECTIVE JAN. 1, 1972)

[AA—Monday through Saturday 7 to 12 midnight, Sunday 12 noon to 6 p.m.; A—Monday through Saturday 6 a.m. to 10 a.m. and 3 p.m. to 7 p.m., Sunday 6 a.m. to 12 noon; B—Monday through Saturday 10 a.m. to 3 p.m., Sunday 6 p.m. to midnight; C—Monday through Sunday midnight to 6 a.m.]

	1 minute		
	1 time	12 times	24 times
AA	18	16	14
A	16	14	12
B	14	12	10
C	12	10	8

Note: 30 second—80 percent of minute; 10 second—not available. Impact plans upon request. 5-minute newscasts double minute rate. News headlines 1½ times minute rate, both at earned frequency.

CONSECUTIVE WEEK DISCOUNTS

	Percent
13 weeks	5
26 weeks	10
52 weeks	15

WHUR PLANS

Number per week	60 second	30 second	60 second	30 second
8 times	12	10	96	80
12 times	11	9	132	108
24 times	10	8	240	192
36 times	9	7	324	252

Note: WHUR plan announcements will be scheduled 50 percent traffic times (AA and A) and 50 percent other times (B and C) subject to availability additional spots can be added to the WHUR plans at unit cost.

SALES PLANS

	Monday	Tuesday	Wednesday	Thursday	Friday
6 times plan.....	{ AA-----	A-----	AA-----	B-----	AA-----
3AA at \$18 equals.....					\$54.00
1A at \$16 equals.....					16.00
2B at \$14 equals.....					28.00
Total (weekly).....					98.00

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
12 times impact plan.....	{ AA-----	A-----	AA-----	A-----	AA-----	A-----	AA-----
	B-----	B-----		B-----	B-----		A-----
4AA at \$16 equals.....							\$64.00
4A at \$14 equals.....							56.00
4B at \$12 equals.....							48.00
Total (weekly).....							168.00

Terms & Commission: Commission to recognized advertising agencies on net charges for station time. 15% Bills due and payable when rendered. Without prior credit approval, cash in advance required.

General Advertising—Regulations and Restrictions: Rates do not include talent costs. Announcements and programs cannot be combined to earn larger discounts. Rates include music copyright fees, ASCAP, BMI, & SESAC licenses.

All broadcasting programs and announcements shall be furnished and delivered to the station 72 week day hours in advance if scheduled air time.

WHUR reserves the right to eliminate without notice or consent all parts of programs or announcement which it considers contrary to its policy of public interest. All program material is subject to Federal, State, and/or Municipal decisions, laws, and regulations now and hereafter made and in force. As of January 1972, current advertisers using this rate will receive 26 weeks rate protection for continuation or expansions provided advertising is continuous week to week. Commitments made prior to the effective date of this card will be completed at the rates designated for by such commitments for no longer than 26 weeks.

In the event of revision of station rates or discounts, any continuous broadcasts under this contract may be extended at the rates and discounts herein for the period of no more than 26 weeks from the effective date of such revision.

Religious and Political Programs: Regular rates apply.

Remote Control: Facilities available to advertiser. Cost to be paid by the user are actual engineering and line charges plus incidentals.

Operating Hours: 24 hours daily except 2:00–5:00 A.M. on Mondays.

Truth-in-Lending Act: Advertiser accepts sole responsibility for determination of whether any advertisement broadcast hereunder complies with the "Truth-in-Lending Act" including commercial matter prepared by WHUR-FM radio. Advertiser agrees that it will not allege in any manner than WHUR-FM radio is liable for any anticipated or actual loss or damage to advertiser resulting directly or indirectly from any violation of the "Truth-in-Lending Act".

News Services: Reuters, United Press International, Agence France Press, Associated Press, WHUR—News Bureau.

General Information: WHUR-RM, Howard University Radio, Washington, D.C. 20001, Area Code 202-636-6166.

Station Personnel: General Manager & Program Director: Phil Watson, Executive Director Sales: Alden J. Lawson, Jr., Ass't Mgr. Bus. and Fiscal Affairs: R. Lawrence Fischer, III.

WOL-AM

	Rates							
	AAA ¹		AA ²		A ³		B ⁴	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Program length:								
30 seconds.....	\$18.00	\$38.00	\$16.20	\$34.00	\$15.30	\$33.00	\$10.00	\$14.00
60 seconds.....	24.00	47.00	23.00	42.00	21.00	41.00	15.00	16.00
5 minutes.....	63.00	84.00	60.00	76.00	55.50	72.00	54.00	54.00
30 minutes.....	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00

¹ 6 to 10 a.m., 3 to 7 p.m. Monday to Friday; 6 a.m. to 7 p.m. Saturday.

² 4 p.m. to 12 p.m. Monday to Saturday.

³ 10 a.m. to 3 p.m. Monday to Friday; 6 a.m. to 6 p.m. Sunday.

⁴ 12 p.m. to 6 a.m. Tuesday to Sunday.

Notes: Col. (1) rate with candidate's voice. No reduction for multiple spots. Col. (2) rate with other than candidate's voice. Reduced rates available for multiple spots. When station runs spots at their discretion between 6 a.m. and 12 p.m.: \$15.40 for 30 seconds; \$20.00 for 60 seconds. No production charge unless talent required.

GENERAL INFORMATION

WOL Radio, 1680 Wisconsin Avenue, N.W., Washington, D.C. 20007, (202) 338-5600.

PERSONNEL

President, Egmont Sonderling; vice president and general manager, James L. Kelsey; local sales manager. Jack Wamsley.

RATE PROTECTION

Rates quoted herein are guaranteed for a period of three (3) months from the effective date of any increase in these rates and providing that all broadcasts continue without interruption during rate protection period. Rates are subject to change without notice.

AGENCY COMMISSION

15 percent to recognized agencies; no cash discount.

PRODUCT AND COPY ACCEPTANCE

All products and/or services and the advertising continuity thereof are subject to WOL acceptance before broadcast. Hard Liquor advertising not acceptable. Beer and light wine advertising acceptable, subject to local, state, and federal regulations. E.T., tape, or live copy directed to Traffic Dept.

POLITICAL

Time is sold for political broadcasts on the basis of rigid conformity with the Federal Communications Act and with the Federal Communications Commission Rules and Regulations pertaining to political broadcasting and to all other pertinent statutes, rules and regulations, both federal and state.

TRUTH IN LENDING ACT

Advertiser accepts sole responsibility for determination of whether any advertisement broadcast hereunder complies with the "Truth-in-Lending Act" including commercial matter prepared by WOL Radio. Advertiser agrees that it will not allege in any manner that WOL Radio is liable for any anticipated or actual loss or damage to advertiser resulting directly or indirectly from any violation of the "Truth-in-Lending Act."

NEWS SERVICES

UP, UPI Audio, WOL News Bureau

WOL Radio, Division of Sonderling Broadcasting Corporation, represented nationally by the Bernard Howard organization with offices in New York City, Chicago, Atlanta, San Francisco, and Los Angeles.

RATE CARD 9 EFFECTIVE MARCH 12, 1973

CLASS AAA ¹

6:00-10:00 AM, Monday-Friday.

3:00-7:00 PM, Monday-Friday.

6:00 AM-7:00 PM, Saturday.

	Minute	30 seconds
Specified.....	\$47	\$38
6 per week.....	42	34
12 per week.....	38	31
18 per week.....	37	30
24 per week.....	35	29
30 per week.....	34	28
Class AA—7 p.m. to 12 midnight, Monday to Saturday:		
Specified.....	42	34
6 per week.....	38	31
12 per week.....	33	28
18 per week.....	32	27
24 per week.....	31	26
30 per week.....	30	25
Class A—10 a.m. to 3 p.m. Monday to Friday; 6 a.m. to 6 p.m. Sunday:		
Specified.....	41	33
6 per week.....	36	30
12 per week.....	32	27
18 per week.....	31	26
24 per week.....	30	25
30 per week.....	29	24
Class B—12 midnight to 6 a.m., Tuesday to Sunday:		
Fixed rate.....	16	14

Note: 10 second I.D.'s, 60 percent of the minute rate, when available.

¹ Maximum number of AM & PM Traffic Spots in any given schedule not to exceed 2/3 of the schedule.

	Minute		30s	
	Cost	Each	Cost	Each
TOTAL AUDIENCE PLANS				
Plan I: 6 per week, 1 a.m. traffic, 2 p.m. traffic, 2 daytime, 2 evening.....	\$216	\$36.00	\$180	\$30
Plan II: 12 per week, 2 a.m. traffic, 2 p.m. traffic, 5 daytime, 3 evening.....	384	32.00	312	26
Plan III: 18 per week, 3 a.m. traffic, 3 p.m. traffic, 7 daytime, 5 evening.....	558	31.00	450	25
Plan IV: 24 per week, 4 a.m. traffic, 4 p.m. traffic, 10 daytime, 6 evening.....	720	30.00	576	24
WEEKLY ROS PLANS				
Best times available basis only, immediately preemptible.				
Plan I: 30 per week.....	780	26.00	630	21
Plan II: 40 per week.....	1,000	25.00	800	20
Plan III: 50 per week.....	1,200	24.00	950	19
ALL NIGHT SHOW, ROS PACKAGE				
12 midnight—6 a.m. Tuesday-Sunday				
Plan I: 12 per week.....	84	7.00	72	6
Plan II: 18 per week.....	117	6.50	90	5
YEARLY BULK PLAN—60 \$ ANNOUNCEMENTS¹				
	312 spots	520 spots	1040 spots	
Class AAA.....	\$32	\$31	\$29	
Class AA.....	28	26	24	
Class A.....	27	25	23	

¹ Firm contracts only—30-s rate is 80 percent of amount.

Note: No further discounts will be considered on the above plans. Station reserves right to withdraw plans without notice.

JACK WAMSLEY, LOCAL SALES MANAGER

WOL

Washington, D.C.

FREQUENCY COMBINATIONS

Minutes and 30 Second announcements may combine to earn weekly frequency discounts. Weekly TAP Plans and All Night Show Plans may not combine to earn weekly frequency discounts.

ANNUAL FREQUENCY REBATES

26 consecutive weeks—5 percent.

52 consecutive weeks—10 percent.

RATEHOLDER POLICY

One (1) announcement (Specified rate) weekly of same length as regular schedule, and within time category.

Maximum number of rate holder spots allowable on 26 week contract—5.
Maximum number of rate holder spots allowable on 52 weeks contract—10.

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BALTIMORE CITY CAMPAIGN EXPENDITURES

Mayoral candidates primary expenditures

Democrats:

Joseph Heinle	\$605. 32
Clarence M. Mitchell, III	71, 956. 28
William E. Roberts	356. 99
George L. Russell	435, 026. 79
William D. Schaefer ¹ (ran on slate: Orlinsky, city council president; Hyman Pressman, comptroller) primary and general	596, 759. 06
1 report missing for period of Dec. 2, 1971-April 2, 1972.	
Francis J. Valle	23, 738. 37

Republicans:

Monroe Cornish (letter sent) approximately	3, 067. 00
Louis R. Milio	350. 00
Samuel Shapiro (reports not on file)	
Ross Z. Pierrepont, primary and general	40, 600. 87

¹ General election winners.*City council primary winners, general elections*

First District:

Democrats:¹

(Primary and general)

Dominie M. DiPietro	\$7, 828. 05
Barbara A. Mikuluski	920. 91
John A. Schaefer	6, 653. 59

Republicans: (No Candidates).

Second District:

Democrats:¹

Clarence Burns, Robert L. Douglas, and Robert J. Fitzpatrick (slate)	13, 480. 00
Republican: Carl C. Burk (no primary, entered general)	129. 55

Third District:

Democrats:¹

J. Joseph Curran	2, 204. 71
Carroll J. Fitzgerald	6, 294. 15
Francis X. Gallagher	18, 113. 59
Republicans (no primaries, entered in general election):	
John C. Armor	14, 347. 13
Robert M. Ayd (no reports in file).	
A. Moran DeLapp	318. 43

Fourth District:

Democrats:¹

Mary B. Adams	4, 569. 32
Victorine G. Adams	13, 133. 15
Emerson R. Julian	40, 189. 59
Republican: Earl Koger (no primary, entered general)	1, 557. 24

Fifth District:

Democrats:¹

Reuben Caplan	5, 430. 00
Allan B. Spector	16, 830. 16
Alexander Stark	5, 222. 22

Republicans:¹

Carl M. Adair	2, 942. 56
Thos. B. Mickle	0
John S. Thomsen	2, 473. 28

Sixth District:

Democrats:¹

Dominic M. Leone	3, 850. 00
Wm. J. Myers (slate)	3, 850. 00
Chas H. Wheatly	5, 945. 64

Republicans: John Woodward	204. 00
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¹ All Democrats general election winners.

County Executive, Montgomery County Campaign Expenditures, 1970 Elections

James P. Gleason:

General campaign.....	\$99,284.07
Citizens for Gleason.....	12,690.00
Democrats for Gleason.....	5,744.74
Friends for Gleason.....	3,685.00

Total..... 121,403.81

William W. Greenhalgh:

General campaign.....	127,806.76
Democrats for Greenhalgh.....	48,622.86
Less transfer to general campaign.....	2,002.96

Total..... 46,619.90

Friends of Greenhalgh.....	7,815.00
Less Transfer to Democrats for Greenhalgh.....	6,065.00

Total..... 1,750.00

Ad Hoc Committee of Lawyers for Greenhalgh..... 46.21

Total..... 176,222.87

Note: In addition to the above, Mr. Greenhalgh received financial support from a slate called Democrats for the Seventies Funded by the Montgomery County Democratic Central Committee. Reports on file indicated that Democrats for the Seventies spent \$119,912.12 in support of approximately 37 candidates including Councilmen, State Senators, House of Delegate Candidates, Sheriff, County Executive, and Members of the Democratic Central Committee. There were no breakdowns of amounts expended for each candidate.

Population of Montgomery County by 1970—523,000.

County Councilmen (Winners), Montgomery County Campaign Expenditures 1970

	<i>Total expenditures</i>
Neal Potter.....	\$2,796.88
Add: Unpaid obligations listed on final report.....	142.09
Total.....	2,938.97
Dickran Y. Hovsepian.....	3,298.70
Ida Mae Garrott.....	4,257.00
Sidney Kramer.....	2,240.77
William Sher.....	3,290.00
Add: Unpaid obligations listed on final report.....	1,716.49
Total.....	5,006.49
Elizabeth L. Seull.....	3,275.00
William H. Willcox.....	8,384.50
Less: Funds transferred to Democrats for 1970's.....	2,615.00
Total.....	5,769.50

Note: All of the above elected Councilmen ran on the slate Democrats for the Seventies (See note on County Executive sheet). The above expenditures are in addition to amounts expended by the slate.

MARCH 29, 1974.

1973 NEW YORK CITY ELECTIONS FOR MAYOR AND PRESIDENT OF CITY COUNCIL

Source of Information: Mrs. Cynthia Lefferts, Common Cause, 11 West 42d Street, New York, N. Y., (212) 736-5240.

APPROXIMATE EXPENDITURES

	Primary	Runoff	General	Total
Candidates for mayor:				
Beame.....	\$780,000	\$157,000	\$960,000	\$1,797,000
Blumenthal.....	309,000		161,000	471,150
Biaggi.....	364,000		46,335	410,498
Marci.....			162,342	162,342
Badillo.....	302,872	202,315		505,187
Candidates for president of city council: ¹				
O'Dwyer.....	146,652		116,610	265,262
Galvin.....			41,345	41,345
Garollick.....	139,764			139,764
Unknown.....				

¹ Paid on full-time salary.

Note: Mrs. Lefferts is of opinion that in the last 10 years the person who has won the mayoral election has spent over \$1,000,000.

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., February 15, 1974.

To: The Honorable Walter Fauntroy, Attention: Harley Daniels.

From: Sandra S. Osbourn, Analyst, Government and General Research Division
(Kenneth E. Gray, Division Chief).

Subject: Expenditures by Candidates for municipal office.

This memorandum is being provided to you in response to your request for data on campaign expenditures by candidates for the mayor or the city council in eight cities. There is no national collection of such data, so it was necessary to call each of the cities. Because of the variations in local reporting requirements, the data is more complete for some cities than others, and was not available at all in three of the cities. Atlanta has no reporting requirements, so no official figures are available. Baltimore and Newark require the candidates to report their expenditures to the Clerk of the Circuit Court and the City Clerk respectively, but the figures are not compiled in a readily useable manner, and are not totalled. Spokesmen for both cities said that the only way to get the data that you requested would be an on-site visit and analysis of the reports. The following table provides expenditure data for the remaining five cities: Boston, Houston, Pittsburgh, Seattle, and St. Louis.

BOSTON

1971 Mayoral Election:

Primary:

White.....	\$294,094
Hicks.....	40,523
Timilty.....	30,999
Atkins.....	53,458

General:

Hicks.....	82,493
White.....	251,063

1973 City Council Election:

Primary:

O'Neill.....	3,180
McDonough.....	1,230
Tannella.....	3,924
Hicks.....	4,954
Tierney.....	4,213
Langone.....	4,793
Di Cara.....	20,747
Connolly.....	2,637

General:

Tannella.....	9,396
O'Leary.....	7,100
McDonough.....	7,755
O'Neill.....	3,414
Di Cara.....	14,629
Connolly.....	7,980
Hicks.....	4,054
Langone.....	8,759
Tierney.....	7,222

Total..... 868,618

Source: Reports to the City Clerk.

HOUSTON

1973 Election (Combined Total for Primary and General Elections):

Mayor:

Hofheinz	712,068
Gottlieb	714,135

City Council:

District A	17,216
District B	5,345
District C	14,631
District D	22,672
District E	10,869

City Council:

At Large 1	\$41,051
At Large 2	29,718
At Large 3	17,549

Total 1,585,254

Source: Reports to the city Secretary.

PITTSBURGH

1973 General Election:

Mayor Flaherty (less than \$150).

City Council:

Ballinger	\$575
Zoller	326
Coyne	581
Lucchino	3,127
Lagora	380
Lynch	3,731
Price	1,646
Stutler	169
Wach	252
Wolfe	240

Total 11,177

Source: Reports to Allegheny County Board of Elections.

SEATTLE

1973 General Election:

Mayor:

Uhlman	\$91,249
Tuall	89,212

City Council:

No. 1 Ravel	31,333
Cooley	31,321
No. 2 Larkin	16,149
Behrend	7,041

City Council:

No. 3 Williams	\$17,693
Pritchard	791
No. 4 Benson	23,404
Ross	24,361

Total 332,554

Source: Reports to the Fair Campaign Practices Commission.

ST. LOUIS

1973 Mayoral Election (Primary, General Election Totals Not Available):

Badaracco.....	14, 701
Cervantes.....	74, 597
Conway.....	566
Polker.....	4, 595

1973 Board of Alderman Election (Primary):

Ward 3.....	390
Ward 5.....	595
Ward 7.....	732
Ward 9.....	520
Ward 11.....	200
Ward 1.....	1, 382
Ward 13.....	930
Ward 15.....	1, 256
Ward 17.....	550
Ward 21.....	275
Ward 23.....	2, 626
Ward 25.....	747
Ward 27.....	1, 728

Total..... 117, 390

Source: Reports to the Clerk of the Circuit Court.

In most cases, the actual expenditures were probably higher than the figures listed above, since the totals did not reflect committee contributions, or outstanding debts. Therefore, these figures are not definitive, and should be used with some caution.

I hope that this information will be helpful to you. If I can be of any further assistance, please feel free to call me at 426-5826.

1970 population figures of cities cited

Atlanta.....	496, 973
Baltimore.....	905, 759
Boston.....	641, 071
Houston.....	1, 232, 802
Pittsburgh.....	520, 117
St. Louis.....	622, 236
Seattle.....	530, 831
Washington, D.C.....	756, 510

Board of Elections (Mrs. Rogers).

Mailing information.

1. A brochure was sent to all D.C. residents (no envelopes):

Breakdown of costs for brochure:

Printing.....	\$5, 500
Postage (bulk rate).....	16, 000
Processing (processing was done by a mailing firm because Board of Elections did not have listing of all residents).....	3, 000

Total..... 24, 500

2. A sample ballot will be sent to every registered voter next week. The ballot is required by law and will give the precinct, ward, location of precinct, and voting hours.

Breakdown of costs for ballot (no envelopes):

Printing.....	\$14, 000
Postage (approximation—Bd. of Elections will not have exact figures until final count of registered voters).....	26, 500

Total..... 40, 500

3. The Board of Elections has never used straight mailing in the past. Postcards have been used instead.

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