

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

3637 HSTA CAMPAIGN FINANCING (FILE 3) 5/3

**DETAILED SUMMARY PAGE  
of Receipts and Disbursements  
(Page 2, FEC FORM 3X)**

Name of Committee (In Full)	Report Covering the Period:	
	From:	To:
	<b>COLUMN A</b> Total This Period	<b>COLUMN B</b> Calendar Year-to-Date
<b>I. RECEIPTS</b>		
11. CONTRIBUTIONS (other than loans) FROM:		
(a) Individuals/Persons Other Than Political Committees .....		
(Memo Entry Unitemized \$ _____)		
(b) Political Party Committees .....		
(c) Other Political Committees .....		
(d) TOTAL CONTRIBUTIONS (other than loans) (add 11a, 11b and 11c) .....		
12. TRANSFERS FROM AFFILIATED/OTHER PARTY COMMITTEES .....		
13. ALL LOANS RECEIVED .....		
14. LOAN REPAYMENTS RECEIVED .....		
15. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.) .....		
16. REFUNDS OF CONTRIBUTIONS MADE TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES .....		
17. OTHER RECEIPTS (Dividends, Interest, etc.) .....		
18. TOTAL RECEIPTS (Add 11d, 12, 13, 14, 15, 16 and 17) .....		
<b>II. DISBURSEMENTS</b>		
19. OPERATING EXPENDITURES .....		
20. TRANSFERS TO AFFILIATED/OTHER PARTY COMMITTEES .....		
21. CONTRIBUTIONS TO FEDERAL CANDIDATES AND OTHER POLITICAL COMMITTEES .....		
22. INDEPENDENT EXPENDITURES (Use Schedule E) .....		
23. COORDINATED EXPENDITURES MADE BY PARTY COMMITTEES (2 U.S.C. §441a(d)) (Use Schedule F) .....		
24. LOAN REPAYMENTS MADE .....		
25. LOANS MADE .....		
26. REFUNDS OF CONTRIBUTIONS TO:		
(a) Individuals/Persons Other Than Political Committees .....		
(b) Political Party Committees .....		
(c) Other Political Committees .....		
(d) TOTAL CONTRIBUTION REFUNDS (add 26a, 26b and 26c) .....		
27. OTHER DISBURSEMENTS .....		
28. TOTAL DISBURSEMENTS (Add Lines 19, 20, 21, 22, 23, 24, 25, 26d and 27) .....		
<b>III. NET CONTRIBUTIONS AND NET OPERATING EXPENDITURES</b>		
29. TOTAL CONTRIBUTIONS (other than loans) from Line 11d .....		
30. TOTAL CONTRIBUTION REFUNDS from Line 26d .....		
31. NET CONTRIBUTIONS (other than loans) (subtract Line 30 from Line 29) .....		
32. TOTAL OPERATING EXPENDITURES from Line 19 .....		
33. OFFSETS TO OPERATING EXPENDITURES from Line 15 .....		
34. NET OPERATING EXPENDITURES (subtract Line 33 from Line 32) .....		

SCHEDULE A

ITEMIZED RECEIPTS

Page \_\_\_\_ of \_\_\_\_ for  
 LINE NUMBER \_\_\_\_  
 (Use separate schedule(s) for each  
 category of the Detailed  
 Summary Page)

Any information copied from such Reports or Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.			
Name of Committee (in Full)			
A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
	Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date—\$	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
	Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date—\$	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
	Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date—\$	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
	Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date—\$	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
	Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date—\$	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
	Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date—\$	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
	Occupation		
	Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Aggregate Year-to-Date—\$	
SUBTOTAL of Receipts This Page (optional) . . . . .			
TOTAL This Period (last page this line number only) . . . . .			

SCHEDULE B

ITEMIZED DISBURSEMENTS

Page \_\_\_\_ of \_\_\_\_ for  
 LINE NUMBER \_\_\_\_  
 (Use separate schedule(s) for each  
 category of the Detailed  
 Summary Page)

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.			
Name of Committee (in Full)			
A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
	Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		
SUBTOTAL of Disbursements This Page (optional) . . . . .			
TOTAL This Period (last page this line number only) . . . . .			

**SCHEDULE C**  
(Revised 3/80)

**LOANS**

Page \_\_\_\_ of \_\_\_\_ for  
LINE NUMBER \_\_\_\_  
(Use separate schedules  
for each numbered line)

Name of Committee (in Full)			
A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (apr) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
B. Full Name, Mailing Address and ZIP Code of Loan Source			
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (apr) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
SUBTOTALS This Period This Page (optional) . . . . .			
TOTALS This Period (last page in this line only) . . . . .			
Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			

**SCHEDULE D**  
(Revised 3/90)

**DEBTS AND OBLIGATIONS**  
Excluding Loans

Page \_\_\_\_ of \_\_\_\_ for  
**LINE NUMBER** \_\_\_\_  
(Use \_\_\_\_\_ schedules  
for each numbered line)

Name of Commrtee (in Full)	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
1) SUBTOTALS This Period This Page (optional) . . . . .				
2) TOTAL This Period (last page this line only) . . . . .				
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only) . . . . .				
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only) . . . . .				

SCHEDULE B

ITEMIZED INDEPENDENT EXPENDITURES

Page \_\_\_\_\_ of \_\_\_\_\_ Pages

(See Reverse Side for Instructions)

Name of Committee (in Full)		I.D. No.		
Full Name, Mailing Address & ZIP Code of Each Payee	Purpose of Expenditure	Date (month, day, year)	Amount	Name of Federal Candidate supported or opposed by the expenditure & office sought
				<input type="checkbox"/> Support <input type="checkbox"/> Oppose
				<input type="checkbox"/> Support <input type="checkbox"/> Oppose
				<input type="checkbox"/> Support <input type="checkbox"/> Oppose
				<input type="checkbox"/> Support <input type="checkbox"/> Oppose
				<input type="checkbox"/> Support <input type="checkbox"/> Oppose
				<input type="checkbox"/> Support <input type="checkbox"/> Oppose
(a) SUBTOTAL of Itemized Independent Expenditures			\$ _____	
(b) SUBTOTAL of Unitemized Independent Expenditures			\$ _____	
(c) TOTAL Independent Expenditures			\$ _____	

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or reproduction in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

My Commission expires \_\_\_\_\_

NOTARY PUBLIC

Signature \_\_\_\_\_

Date \_\_\_\_\_

## SELECT BIBLIOGRAPHY

GENERAL

- Alexander, Herbert E. Financing politics: money, elections, and political reform. Washington, Congressional Quarterly Press, c1980. 190 p. (Politics and public policy series) JK1991.A6797 1980  
A comprehensive look at campaign financing and its regulation today. Chapter 4 deals with the role of interest groups and PACs in the financing of elections.
- PACs: what they are, how they are changing political campaign financing patterns. Washington, Conn., Center for Information on America, 1979. 14 p. (Grass roots guides on democracy and practical politics; booklet no. 62) JK1991.A713  
A succinct review of PACs and the role they have been playing in American politics.
- Political action committees and their corporate sponsors. Public affairs review, v. 2, 1981: 27-38.  
Looks at the future of business PACs and predicts continued corporate political activity, as well as continued controversy over PACs in general.
- Ascik, Thomas R. Restricting political action committees: an update. Washington, Heritage Foundation, 1979. 6 p. (Heritage Foundation, Washington, D.C. Issue bulletin no. 54)  
"On October 17, 1979 the House, by a 217-198 vote, amended the annual Federal Election Commission reauthorization bill (S. 832) to include new limitations on the contributions of political action committees (PACs) to candidates for the House."
- Restricting political action committees: H.R. 4970. Washington, Heritage Foundation, 1979. 16 p. (Heritage Foundation, Washington, D.C. Issue bulletin no. 50)  
Examines "the Campaign Contributions Reform Act of 1979, H.R. 4970, a bill to further limit the campaign contributions by non-party multi-candidate political action committees (PACs) to candidates for election to the House of Representatives."
- Brenner, Steven N. Business and politics--an update. Harvard business review, v. 57, Nov.-Dec. 1979: 149-163. HF5001.H3, v. 57  
"A survey of HBR subscribers shows that executives think that for the 1980s greater involvement in politics is proper; the public is less sure." Compares 1978 poll with 1968 poll.

Conference on Congressional Campaigns and Federal Law, Washington, D.C., 1979. The Political Campaign and Election Law Committee of the Federal Bar Association presents a conference on congressional campaigns and Federal law, Four Seasons Hotel, Washington, D.C., November 27-28, 1979. Washington, Federal Bar Association, 1979. 223 p. KF4886.A5C66 1979

Conference addresses such issues as the effects of the Federal Election Campaign Act on campaign strategy; permissible party activity on behalf of candidates for Federal office; corporate and union political activities; the Federal Election Commission; and congressional ethics guidelines.

Federal Election Laws: symposium. Emory law journal, v. 29, spring 1980: 313-436. K10.0885, v. 29

Partial contents.--Politics, money, coercion, and the problem with corporate PACs, by W. Mayton.--Federal regulation of the campaign financing activity of trade associations: an overview, by D. Swillinger.

Gray, Robert T. Involved business people: powerful new force for change. Nation's business, v. 66, May 1978: 23-26, 28, 30. HF1.N4, v. 66

Examines "what is perhaps the most significant development in current political life. That development is the growth of a movement among business men and women--from the operations of small shops to top executives of giant corporations--to obtain a voice in the process by which government makes the decisions that affect them."

Jacobson, Gary C. Money in congressional elections. New Haven, Yale University Press, 1980. 251 p. JK1991.J32

Documents the incumbency advantage in the financing of congressional elections. Provides data on sources of funding, including PACs.

Keller, Bill, and Irwin B. Arief. As campaign costs skyrocket, lobbyists take growing role in Washington fund-raisers. Congressional quarterly weekly report, v. 38, May 17, 1980: 1333-1346. JK1.C15, v. 38

Discusses the increasing amount of money provided to congressional campaigns by interest groups and lobbyists.

Louviere, Vernon. Every candidate needs a landslide of dollars. Nation's business, v. 67, Oct. 1979: 41-44, 46. HF1.N4, v. 67

Observes that as political spending increases in each successive election, fund-raising is becoming more difficult, and direct mail solicitation more common. Concentrates on the proliferation of political action committees and the increased involvement of diverse businesses in PACs due to Federal election laws limiting campaign contributions. Includes a separate, brief survey of campaign financing arrangements in foreign elections.

Malbin, Michael J. Campaign financing and the "special interests." Public interest, no. 56, summer 1979: 21-42. H1.P86

Asserts that campaign financing laws need revision, but rather than changing financing laws because of political action committee funding, Congress "should be considering . . . the more basic difficulties besetting our representative institutions. PACs are only a small part

of these, and if Congress persists in reacting only to PAC growth it may unintentionally strengthen other forces in ways that will haunt us in the future. There may well be an argument to be made on behalf of some form of public campaign financing, but the arguments now being made, and the bills presently being considered, react to a minor phenomenon while ignoring major threats Congress unwittingly has been helping."

Malbin, Michael, ed. Parties, interest groups, and campaign finance laws. Washington, American Enterprise Institute for Public Policy Research, 1979. 384 p. (American Enterprise Institute for Public Policy Research. AEI symposia 79I) JK1118.P37

Papers presented at a conference sponsored by the American Enterprise Institute and held in Washington, D.C. Sept. 4-5, 1979.

Contents.--Interest groups and the law: some perspectives from inside.--Interest groups and the law: two overviews.--Campaign finance and campaign strategy.--Parties and campaign finance laws.--Campaign finance regulation in international perspective.

Muller, Nathan J. Political action: what's it all about? Practical politics, v. 1, Sept.-Oct. 1978: 6-10. JK1.P79, v. 1

Discusses the growth, current popularity, and membership composition of political action committees (PACs); describes some of the various groups; and discusses some of their projects.

Pigott, Richard J., and Richard S. Williamson. Corporate political activity. Business lawyer, v. 34, Feb. 1979: 913-919. LAW

Authors present a general overview "of the intricacies of corporate political activity. Two broad avenues for participation are available. The first is attempting to influence congressional and administrative action on particular issues. The second is financially contributing to political campaigns through political action committees. Both approaches require careful planning to obtain optimum effectiveness."

Political action committees and campaign finance: symposium. Arizona law review, v. 22, no. 2, 1980: whole issue. LAW

Partial contents.--Constitutional limitation on restricting corporate and union political speech, by J. Bolton.--PACing the Burger Court: the corporate right to speak and the public right to hear after First National Bank v. Bellotti, by T. Kiley.--Political parties and political action committees: two life cycles, by C. Sproul.--The Federal Election Commission: a guide for corporate counsel, by J. Baran.--The Obey-Railsback Bill: its genesis and early history, by H. Alexander.--Congressional responses to Obey-Railsback.

Rees, John. The political action committees are throwing ringers. American opinion, v. 23, June 1980: 27-29, 31-46, 85-86. AP2.04732, v. 23

"The rise of the independent and business-related political action committees is seen as a beneficial counter-trend to public apathy and lack of involvement in the political process. Restrictions on campaign contributions, limits on individual PAC contributions and on total PAC contributions have been intended to choke off money flowing to the new Conservative political candidates coming from outside the established 'Liberal' party hierarchies."

Reeves, Richard. When reform backfires. *Esquire*, v. 93, Mar. 1980: 7, 11.  
AP2.E845, v. 93

Asserts that campaign finance laws have "had results different from those reformers anticipated." Notes the increase in the number of political action committees, the increase in corporate campaign contributions and the increase in single interest political issues which have resulted from campaign finance reform legislation.

Röthenberg, Randall. The PACs go to market on the Hill. *Nation*, v. 227, Nov. 18, 1978: 536-539. AP2.N2, v. 227

"Under the Federal Election Campaign Act of 1974 law, corporations, trade associations and allied special-interest groups are allowed to form political action committees (PACs), defined in the Federal Election Commission regulations as 'separate, segregated funds to be utilized for political purposes.'" Discusses the implications of this act on congressional elections and discusses the amounts of contributions made by corporate and labor political action committees to 1978 congressional candidates. Considers solutions to the problem, which include public financing of congressional elections.

Shabecoff, Philip. Big business on the offensive. *New York times magazine*, Dec. 9, 1979: 134, 136, 138, 141, 143, 145-146. AP2.N6575, 1979

"After decades of reticence, the business community has quietly become the most influential lobby in Washington." Discusses lobbying techniques and issues gaining support of the business lobby.

Silberman, Jonathan, and Gilbert Yochum. The market for special interest funds: an exploratory approach. *Public choice*, v. 35, 1980: 75-83

JAL.P77, v. 35

"Existing theory and econometric work on the determinants of reported campaign contributions has focused almost exclusively on supply aspects." This study evaluates "the supply and demand of special interest contributions."

U.S. Congress. House. Committee on House Administration. An analysis of the impact of the Federal Election Campaign Act, 1972-78. From the Institute of Politics, John F. Kennedy School of Politics, Harvard University. Washington, U.S. Govt. Print. Off., 1979. 141 p.

96th Congress, 1st session. House. Committee print.

"The study reviews the impact of the Federal Election Campaign Act on campaigns for the U.S. House of Representatives, as well as the impact of the Act on political parties and the resultant growth of political action committees. An additional aspect of the study is an analysis of the implementation of the Act by the Federal Election Commission." Study concludes that "post-Watergate 'reforms' in federal election laws have given the country five years of overregulated, underfunded political campaigns even more dependent on special interest money than they were before."

HISTORICAL ACCOUNTS

(Citations of books and articles that trace interest group spending and PAC growth and the laws affecting them)

Adamany, David W., and George E. Agree. Political money: a strategy for campaign financing in America. Baltimore, Johns Hopkins University Press. 1975. 242 p. JK1991.A64

An analysis of the reform efforts in the 1970s regarding campaign funding, and a discussion of many reform proposals.

Alexander, Herbert E. Money in politics. Washington, Public Affairs Press [1972] 353 p. JK1991.A694

A study of campaign financing in American elections and the efforts to reform and regulate it. Chapters 9-10 focus on interest group, business and labor activities in campaign financing.

Brown, Diane V. Corporate political action committees: effect of the Federal Election Campaign Act amendments of 1976. Catholic University law review, v. 26, summer 1977: 756-793. K3.A79, v. 26

Comment concludes that while the 1976 amendments are on the whole sound, the restrictions on the right to solicit contributions--distinct from the right to contribute--are too limiting of the corporation's right to communicate.

Congressional Quarterly, inc. Dollar politics. [Washington]. 1971-74. 2 v. JK1991.C66 1971

Provides background on campaign financing issues through 1974 and attempts to regulate it through that period. Includes spending data for candidates and groups between 1970 and 1974.

Egan, John. Affiliation of political action committees under the antiproliferation amendments to the Federal Election Campaign Act of 1971. Catholic University law review, v. 29, spring 1980: 713-731. K3.A79, v. 29

Comment examines the unresolved status of the relationship between the AFL-CIO's Committee on Political Education and its member unions' political action committees and between trade associations' PACs vis-a-vis the 1976 amendments to the Federal Election Campaign Act prohibiting contributions to a candidate by multiple PACs of a single entity.

Epstein, Edwin M. Corporations and labor unions in electoral politics. In Political finance: reform and reality. Philadelphia, American Academy of Political and Social Science, 1976. (Annals, v. 425, May 1976) p. 33-58. H1.A4, v. 425

Reviews the court decisions, legislation, and administrative actions which created the favorable climate for PAC proliferation as of 1976.

Epstein, Edwin M. Corporations, contributions, and political campaigns: Federal regulation in perspective. Berkeley, Institute of Governmental Studies, University of California, 1968. 222 p. KF4920.Z9E6

Traces in detail the various legislative and judicial decisions which regulated corporate (and labor) political spending during most of the 20th Century, prior to the campaign finance laws of the 1970s.

----- The emergence of political action committees. In Alexander, Herbert F. Political finance. Beverly Hills, Calif., Sage Publications, 1979. p. 159-198. (Sage electoral studies yearbook, v. 5) JK1991.P58

Traces the various incentives to PAC growth provided by the legislative, judicial, and administrative actions of the 1970s.

----- An irony of electoral reform. Regulation, v. 3, May-June 1979: 35-41. K18.E6, v. 3

Examines the impetus for PAC growth provided by the campaign finance legislation of the 1970s and argues that, in each case, organized labor was the major force behind the legislative changes which rebounded ultimately to the benefit of the business sector.

----- Labor and Federal elections: the new legal framework. Industrial relations, v. 15, Oct. 1976: 257-274. HD6951.I52, v. 15

Considers potential effects of the Federal Election Campaign Act and its 1974 and 1976 amendments on campaign contributions by labor and corporations. Since the 1976 amendments and Federal Election Commission regulations are so new, the 1976 election reflected the uncertainty surrounding their interpretation.

Heard, Alexander. The costs of democracy. Chapel Hill, University of North Carolina Press [1960] 493 p. JK1991.H39

An early overview of the role of money in elections, with several chapters on the activities of business, labor and other interest groups.

McKeown, Margaret T. A discussion of corporate contributions to political campaigns. Delaware journal of corporate law, v. 2, no. 1, 1977: 138-145. K4.E38, v. 2

Comment discusses the law affecting "the role that corporations may play in the federal electoral process, not only financially, but also through other little known avenues of participation, all within the framework of the law."

Mager, T. Richard. Past and present attempts by Congress and the courts to regulate corporate and union campaign contributions and expenditures in the election of Federal officials. Southern Illinois University law journal, v. 1976, Dec. 1976: 338-399. K23.078, v. 1976

"This article summarizes and discusses the history of the prohibitions and regulation by Congress of corporate and union campaign contributions and expenditures. The language and logic employed by the courts in construing these acts . . . [is] carefully analyzed. The author also suggests some solutions to the interpretation problems which will continue to arise out of the anomalies created by the history of the law in this field and the present Federal Election Campaign Act and its Amendments."

Mayton, William T. Nixon's PACs Americans. Washington monthly, v. 11, Jan. 1980: 54-57. E838.W37, v. 11

Maintains that corporate political action committees are in essence the legalization of the Corporate Group Solicitation Program designed by the 1972 Nixon reelection committee for allegedly coercing contributions from employees.

Mazo, Mark Elliott. Impact on corporations of the 1976 amendments to the Federal Election Campaign Act. Business lawyer, v. 32, Jan. 1977: 427-450. LAW

"The 1976 Amendments continue the prohibition against political 'contributions and expenditures' made by any corporation. However, the new statute does make several significant changes in the scope of permissible corporate political activities."

Overacker, Louise. Labor's political contributions. Political science quarterly, v. 54, Mar. 1939: 56-68. H1.P8, v. 54

Examines the early movement toward separate segregated funds by organized labor, including spending data since 1900.

----- Presidential campaign funds. New York, AMS Press, 1978. 76 p. (Gaspar G. Bacon lectures on the Constitution of the United States, 1945) JK1991.072 1978

This work is a "Reprint of the 1946 ed. published by Boston University Press, Boston, which was issued as the Gaspar G. Bacon lectureship on the Constitution of the United States, Boston University lectures, 1946."

Chapter 3 traces the early political activities of organized labor, focusing on the early forerunners of today's PACs.

Tanenhaus, Joseph. Organized political spending: the law and its consequences. Journal of politics, v. 16, Aug. 1954: 441-471. JA1.J6, v. 16

An account of legislative efforts to curb unions' political power and a review of labors' political spending since World War II.

#### CONGRESSIGNAL DOCUMENTS

(Citations to congressional hearings and reports on the campaign finance laws of the 1970s and other documents that relate to topics discussed in this report)

#### 1971 Federal Election Campaign Act (FECA)

U.S. Congress. Conference Committees, 1971. Federal Election Campaign Act of 1971, conference report to accompany S. 382. Washington, U.S. Govt. Print. Off., 1971. 37 p. (92d Congress, 1st session. Senate. Report no. 92-580)

This report was also issued as 92d Congress, 1st session. House. Report no. 92-752.

- U.S. Congress. House. Committee on House Administration. Federal election reform; report, together with separate, additional, supplemental, and dissenting views (to accompany H.R. 11060). Washington, U.S. Govt. Print. Off., 1971. 36 p. (92d Congress, 1st session. House. Report no. 92-564) KF32.H6 1971
- U.S. Congress. House. Committee on House Administration. Subcommittee on Elections. To limit campaign expenditures. Hearings. 92d Congress, 1st session, on H.R. 8284. June 22, 1971. Washington, U.S. Govt. Print. Off., 1971. 226 p. KF27.H645 1971
- U.S. Congress. Senate. Committee on Rules and Administration. Federal Elections Campaign Act of 1971; report, on S. 382. Washington, U.S. Govt. Print. Off., 1971. 128 p. (92d Congress, 1st session. Senate. Report no. 92-229)
- U.S. Congress. Senate. Committee on Rules and Administration. Subcommittee on Privileges and Elections. Federal election campaign act of 1971. Hearings, 92d Congress, 1st session, on S. 382. May 24 and 25, 1971. Washington, U.S. Govt. Print. Off., 1971. 204 p. KF26.R867 1971

#### 1974 FECA Amendments

- U.S. Congress. Conference Committees, 1974. Federal Election Campaign Act Amendments of 1974; conference report to accompany S. 3044. Washington, U.S. Govt. Print. Off., 1974. 128 p. (93d Congress, 2d session. House. Report. no. 93-1438)  
This report was also issued as 93d Congress. 2d session. Senate. Report. no. 93-1237.
- U.S. Congress. House. Committee on House Administration. Federal Election Campaign Act Amendments of 1974; report to accompany H.R. 16090, 93d Congress, 2d session. Washington, U.S. Govt. Print. Off., 1974. 160 p. (93d Congress, 2d session. House. Report no. 93-1239)
- U.S. Congress. House. Committee on House Administration. Subcommittee on Elections. Federal election reform. Hearings, 93d Congress, 1st session, on H.R. 7612, S. 372, and related election reform bills. Oct. 2-Nov. 29, 1973. Washington, U.S. Govt. Print. Off., 1973. 493 p. KF27.H645 1973a
- U.S. Congress. Senate. Committee on Rules and Administration. Federal Election Campaign Act Amendments of 1974; report to accompany S. 3044, 93d Congress, 2d session. Washington, U.S. Govt. Print. Off., 1974. 90 p. (93d Congress, 2d session. Senate. Report no. 93-689)
- U.S. Congress. Senate. Committee on Rules and Administration. Subcommittee on Privileges and Elections. Federal Election Reform, 1973. Hearings, 93d Congress, 1st session, on S. 23, S. 343, S. 372, S. 1094, S. 1189, S. 1303, S. 1355, and S.J. Res. 110. Apr. 11-June 7, 1973. Washington, U.S. Govt. Print. Off., 1973. 406 p. KF26.R867 1973

- Public financing of Federal elections. Hearings, 93d Congress, 1st session, on S. 1103, S. 1954, S. 2417. Sept. 18-21, 1973. Washington, U.S. Govt. Print. Off., 1973. 634 p. KF26.R867 1973b

### 1976 FECA Amendments

- U.S. Congress. Conference Committees, 1976. Federal Election Campaign Act amendments of 1976; conference report to accompany S. 3065. Washington, U.S. Govt. Print. Off., 1976. 77 p. (94th Congress, 2d session. House. Report no. 94-1057)
- U.S. Congress. House. Committee on House Administration. Federal Election Campaign Act Amendments of 1976; report to accompany H.R. 12406. Washington, U.S. Govt. Print. Off., 1976. 96 p. (94th Congress, 2d session. House. Report no. 94-917)
- U.S. Congress. Senate. Committee on Rules and Administration. Federal Election Campaign Act amendments of 1976; report to accompany S. 3065 together with minority views. Washington, U.S. Govt. Print. Off., 1976. 62 p. (94th Congress, 2d session. Senate. Report no. 94-677)
- "To amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes."
- U.S. Congress. Senate. Committee on Rules and Administration. Subcommittee on Privileges and Elections. Federal Election Campaign Act amendments, 1976. Hearings, 94th Congress, 2d session, on S. 2911, S. 2911-Amdt. no. 1396, S. 2912, S. 2918, S. 2953, S. 2980, and S. 2987. Feb. 18, 1976. Washington, U.S. Govt. Print. Off., 1976. 207 p. KF26.R867 1976
- "Bills to amend the Federal Election Campaign Act of 1971, as amended, to reconstitute a Federal Election Commission, and for other purposes."

### Miscellaneous

- U.S. Congress. House. Committee on House Administration. Public financing of congressional elections. Hearings, 96th Congress, 1st session, on H.R. 1 and related legislation. Mar. 15-27, 1979. Washington, U.S. Govt. Print. Off., 1979. 535 p. KF27.H6 1979
- U.S. Congress. Senate. Select Committee on Presidential Campaign Activities. The final report of the Select Committee on Presidential Campaign Activities, pursuant to S. Res. 60, Feb. 7, 1973: a resolution to establish a select committee of the Senate to investigate and study illegal or improper campaign activities in the Presidential election of 1972. Washington, U.S. Govt. Print. Off., 1974. 1250 p. (93d Congress, 2d session. Senate. Report no. 93-981) KF31.5.P7 1974

TRENDS AND STATISTICS ON PAC ACTIVITY BY ELECTION CYCLE

(Includes citations for books, articles, and monographs which provide data and assessments of PAC activity and spending as they applied to particular points in specific election cycles. Some assessments were based on provisional data, but all accounts provide a glimpse of overall trends during this period.)

PRE-1970

Alexander, Herbert E. Financing the 1960 election. Princeton, Citizens' Research Foundation, 1964. 108 p. (Citizens' Research Foundation. Study no. 5)

Statistical data and narrative on the financing of the 1960 national election, including details on interest group activity.

----- Financing the 1964 election. Princeton, Citizens' Research Foundation, 1966. 137 p. (Citizens' Research Foundation. Study no. 9)

Statistical data and narrative on the financing of the 1964 national elections, including details on interest groups activity.

----- Financing the 1968 election. Lexington, Mass., Heath Lexington Books [1971] 355 p. JK1991.A683 1971

Statistical data and narrative on the financing of the 1968 national elections, including details on interest groups activity.

1972

Alexander, Herbert E. Financing the 1972 election. Lexington, Mass., D.C. Heath, 1976. 771 p. JK1991.A684

Statistical data and narrative on the financing of the 1972 national elections, including details on interest groups activity.

Common Cause. Campaign Finance Monitoring Project. 1972 Federal Campaign finances, interest groups, and political parties. Washington, 1974. 3 v. JK1991.C655 1974

Statistics on interest group contributions to congressional candidates in 1972.

1974

Common Cause. Campaign Finance Monitoring Project. 1974 congressional campaign finances. Volume 5: Interest Groups and Political Parties. (various paging) JK1991.C655 1978.

Statistics on interest group contributions to congressional candidates in 1974.

1976

Alexander, Herbert E. Financing the 1976 election. Washington, Congressional Quarterly, c1979. 871 p. JK1991.A6798

Statistical data and narrative on the financing of the 1976 national elections, including details on interest group activity.

Cohen, Richard E. There's a special interest in the congressional campaigns this year. National journal, v. 8, Oct. 23, 1976: 1514-1520.

JK.N28, v. 8.

Reports on the increasing role of special interest groups in the 1976 congressional elections due to the growth in the number of political action committees of business and trade associations, expanded activities of conservative PACs, wider dissemination of rating of Members' voting records.

Common Cause. Campaign Finance Monitoring Project. 1976 Federal campaign finances. Washington, c1977. 3 v. JK1991.C655 1977

Statistics on interest group contributions to congressional candidates in 1976.

Freed, Bruce F. Companies moving to set up political units. Congressional quarterly weekly report, v. 34. Jan. 10, 1976: 46-49. JK1.C15, v. 34

Describes how, under a provision of the 1974 Federal Election Campaign Act, corporations are establishing political action committees to solicit money from stockholders and employees for campaign contributions.

Malbin, Michael J. Corporate PAC-backers chart a trail through Congress. National journal, v. 8, Apr. 10, 1976: 470-475. JK1.N28, v. 8

Reports on the proliferation of corporate political action committees under the Federal Election Campaign Act.

----- Labor, business and money--a post-election analysis. National journal, v. 9, Mar. 19, 1977: 412-417. JK1.N28, v. 9.

"Organized labor clearly knew what it was doing when it supported efforts in 1974 and 1976 to revise the campaign finance law. The one sure result of the changes was to increase labor's relative influence on the electoral process, particularly in presidential races."

U.S. Federal Election Commission. Corporate-Related Political Committees; receipts and expenditures, 1976 campaign. Washington, U.S. Govt. Print. Off., 1977. 82 p. (U.S. Federal Election Commission. Disclosure series, no. 8)

Data on corporate PAC spending and receipts during the 1976 election.

----- Labor-Related Political Committees; receipts and expenditures, 1976 campaign. Washington, U.S. Govt. Print. Off., 1976. 65 p. (U.S. Federal Election Commission. Disclosure series, no. 10)

Data on labor PAC spending and receipts during the 1976 election.

----- 1976 House of Representatives campaigns; receipts and expenditures. Washington, U.S. Govt. Print. Off., 1977. 113 p. (U.S. Federal Election Commission. Disclosure series, no. 9)

Data on House candidates spending and receipts during the 1976 election.

----- 1976 Senatorial campaigns; receipts and expenditures. Washington, U.S. Govt. Print. Off., 1977. 17 p. (U.S. Federal Election Commission. Disclosure series, no. 6)

Data on Senate candidate spendings and receipts in the 1976 election.

### 1978

Cook, Rhodes. Political action committee spending soared in 1978.

Congressional quarterly weekly report, v. 37, June 2, 1979: 1043-1045.

JK1.C15, v. 37.

Discusses the extent of financial contributions made to political campaigns by political action committees. "According to a recently completed report by the Federal Election Commission (FEC), PACs contributed \$35.1 million to federal candidates during the 197<sup>9</sup> election cycle--the period between Jan. 1, 1977, and Dec. 31, 1978. That was nearly triple the \$12.5 million in PAC contributions in 1974 and more than 50 percent above the 1976 level of \$22.6 million."

Felton, John, and Charles E. Hucker. Business groups gave GOP a late windfall.

Congressional quarterly weekly report, v. 36, Nov. 11, 1978: 3260-3262.

JK1.C15, v. 36

Asserts that "last-minute injections of cash by corporate and trade association political action committees (PACs) boosted the campaigns of Republican congressional candidates this fall. The business PACs--some participating in their first campaigns--apparently set aside at least a third of their budgets for contributions to many Republicans and some moderate Democrats in the final weeks before the Nov. 7 elections. Labor unions, which have run PAC-type committees for years, followed tradition in giving almost all their money to Democrats."

Glen, Maxwell. At the wire, corporate PACs come through for the GOP.

National journal, v. 11, Feb. 3, 1979: 174-177.

JK1.N28, v. 11

"With a month to go in last year's congressional election, the growing number of corporate political action committees were giving practically as much money to Democrats as Republicans. But in October, corporate PAC contributions went overwhelmingly to Republicans, with the result that GOP candidates received 61 percent of all corporate PAC funds through Oct. 23. That trend is likely to fuel efforts in the Democratic Congress to enact public financing of congressional election campaigns."

Hucker, Charles W. Corporate political action committees are less oriented to Republicans than expected. Congressional quarterly weekly report, v. 36, Apr. 8, 1978: 849-854.

JK1.C15, v. 36

Reviews the legal foundation, growth, fundraising methods, and giving patterns of corporate PACs.

- Organized labor takes a hard look at whom it will support this fall.  
Congressional quarterly weekly report, v. 36, Jan. 28, 1978: 193-298.  
JK1.C15, v. 36  
Examines the status of organized labor as a political force in the 1978 elections.
- Kirschten, Dick. Corporate PACs--the GOP's ace in the hole? National journal, v. 10, Nov. 25, 1978: 1899-1902. JK1.N28, v. 10  
"This full picture won't be known until the final reports on 1978 campaign giving are in later this year, but the preliminary figures show that corporate political action committees, formed for the purpose of making selective campaign gifts, are having a substantial impact on congressional politics. There are now 776 such corporate PACs--up from 450 only two years ago--and they donated \$14.2 million through Sept. 30, compared with \$6.8 million for all of 1976."
- Perham, John C. Big year for company political action. Dun's review, v. 111, Mar. 1978: 100-102, 105. HF1.D8, v. 111  
"Corporate political action committees are growing in numbers and know-how as they gear up for the 1978 races."
- Ulman, Neil. Companies organize employees and holders into a political force. Wall Street journal, Aug. 15, 1978: 1, 18. HG1.W26  
Discusses the then-burgeoning development of corporate PACs as a political force.
- U.S. Federal Election Commission. FEC reports on financial activity, 1977-1978; final report: party and non-party political committees. Washington, 1980. 4 v.  
Final data on PAC (and party) contributions, spending, and receipts during the 1977-1978 election cycle.
- FEC report on financial activity, 1977-1978; interim report no. 5: U.S. House and Senate campaigns. Washington, 1979. 340 p.  
The final FEC data on House and Senate candidate receipts and expenditures during the 1977-1978 election cycle.

### 1980

- Cohen, Richard E. Congressional Democrats beware--here come the corporate PACs. National journal, v. 12, Aug. 9, 1980: 1304-1308. JK1.N28, v. 12  
"Corporate political action committees have raised more money than labor PACs and are gunning for Democratic incumbents who face strong GOP challengers."
- Corporate PACs: a major break with traditional policy. Dun's review, v. 115, Feb. 1980: 23, 26. HF1.D8, v. 115  
"While corporate political action committees (PACs) are expected to exert considerable clout in the 1980 elections through their contributions to candidates, it is only very recently that the election laws have allowed U.S. companies to give money to political campaigns at all. . . A new era began in 1974 when Congress finally decided to allow corporations, as

well as unions, to create PACs and established the Federal Election Commission to oversee the activities of all PACs. The status of the PACs was further clarified by changes in the election laws in 1976."

Glen, Maxwell. The PACs are back, richer and wiser, to finance the 1980 elections. National journal, v. 11, Nov. 2, 1979: 1982-1984.

JK1.N28, v. 11

"A year before the 1980 elections, political action committee (PACs) are already busy selecting the candidates who will receive their financial contributions--and the candidates are looking for friendly PACs. But the PACs are choosy: they like to contribute only to candidates who agree with them and face clearly less desirable opponents. They also try to support winners."

Landauer, Jerry. Hedging political bets, firms give to liberals in positions of power. Wall Street journal, Oct. 13, 1980: 1, 12. HG1.W26

Discusses the tendency of corporate PACs to contribute to congressional candidates more on the basis of their incumbency status than on their political philosophies.

Lanouette, William J. PAC gifts to Presidential candidates include some political surprises. National journal, v. 12, Aug. 9, 1980: 1309-1311.

JK1.N28, v. 12

Examines the impact of political action committee campaign contributions on the outcome of the 1980 Presidential primaries.

Light, Larry. Democrats may lose edge in contributions from PACs. Congressional quarterly weekly report, v. 38, Nov, 22. 1980: 3405-3409.

JK1.C15, v. 38

"Democratic congressional candidates traditionally have received the lion's share of the campaign funds doled out by political action committees (PACs). But this year may be different. A Congressional Quarterly study of the financial reports of 10 large PACs shows that committees representing businesses have stepped up their giving to Republican candidates."

Perham, John C. PACs: the new zest of the corporate. Dun's review, v. 115, Feb. 1980: 50-52. HF1.D8, v. 115

Asserts that "business-sponsored political action committees should rack up their greatest impact to date in this year's primaries and general elections" because of their increased wealth and numbers.

U.S. Federal Election Commission. Costs of campaigning increase (press release). Aug. 1981.

Provides House and Senate spending data for the 1979-1980 election cycle, including breakdowns on PAC giving to House and Senate candidates (by type of PAC) both for the full election cycle and for just those candidates who ran in the general election of 1980.

----- FEC issues final summary data on PAC giving (press release). Aug. 4, 1981.

Provides the near-final data for PAC spending in the 1979-1980 election cycle, with breakdowns by contributions to Presidential, House, and Senate candidates and by each category of PAC.

PROFILES ON SPECIFIC PACs OR GROUPINGS OF PACs

(These citations are for accounts of individual PACs or categories thereof, at a given point in time)

Anson, Robert Sam. The American Petroleum Institute: it's both stronger and weaker than it seems. *Common cause*, v. 6, Oct. 1980: 24-29.

Examines the manner in which the petroleum industry's lobby has operated since the onset of the energy crisis. "It is a far cry from the days when the industry could dismiss its critics with the wave of a hand, or the signing of a campaign check."

Bankers' political action committee: one honest and effective way to participate. *ABA banking journal*, v. 72, Apr. 1980: 76-79.

HG1501.B6, v. 72

Discusses the Bank PAC and its 1980 fund-raising drive. The purpose of this political action committee "under the federal election laws, is to enable bankers at the grass-roots level to make financial contributions at the national level, legally, effectively, and conveniently, to those candidates who are most likely to affect the banking community."

Berlow, Alan, and Laura B. Weiss. Energy PACs: potential power in elections. *Congressional quarterly weekly report*, v. 37, Nov. 3, 1979: 2455-2461.

JK1.C15, v. 37

Examines the diversity and rapid growth of 133 political action committees that are affiliated with corporations, trade associations or private investors having substantial oil and gas interests and evaluates their role in future elections. Includes a chart on PAC contributions in 1978 Senate contests and a listing of these PACs with their corporate affiliation, date organized, energy interest, and total contributions to Senate and House campaigns from 1977 through September 1979.

Clymer, Adam. Conservative political committee evokes both fear and adoration. *New York times*, May 31, 1981: 1, 26. Newsp

A profile on the most controversial ideological PAC during the 1980 elections--NCPAC--one which continues to serve as a precedent-setter for other such groups.

Conservative evangelical Christians in politics. *New York times*, Aug. 17, 1980, p. 1, 52; Aug. 18, p. B7; Aug. 19, p. D17; Aug. 20, p. B22.

Newsp

Describes the growing network of conservative evangelical Christian leaders who are "organizing to arouse a particular electorate, to shape the ways it views issues, to register its members to vote, to give it a common language and means of communication, to use it to influence law and policy at state and national levels, to raise funds to support certain candidates and to select and train other candidates for public office."

Cottin, Jonathan. Washington pressures: BIPAC seeks to elect pro-business members to Congress. National journal, v. 2, July 18, 1970: 1525-1531.

JK1.N28, v. 2

An in-depth look at one of the earliest business-oriented PACs, describing its organization, its methods, and its goals. Provides a useful background on a major forerunner of today's PACs.

Davis, L. J. Conservatism in America. Harper's magazine, v. 231, Oct. 1980: 21-26.

AP2.H3, v. 231

Examines the beliefs and activities of conservative activists Paul Weyrich, Howard Phillips, Terry Dolan, and Richard Viguerie and the organizations they lead. "Like the Old Right, the New Right consists of a small, tight-knit group of true believers."

Demkovich, Linda E. The AMA--reports of its death have been greatly exaggerated. National journal, v. 11, Dec. 1, 1979: 2017-2022.

JK1.N28, v. 11

"Despite some evidence that its influence has diminished in recent years, the American Medical Association remains a power on the Washington scene. It played a key role in the defeat of President Carter's hospital cost containment bill and--in part because of the campaign contributions by its political arm, the American Medical Political Action Committee (AMPAC)--is respected on Capitol Hill. Its influence may be primarily negative, but that's fine with the AMA."

Energy PACS--a quiet explosion. In common, v. 10, summer 1979: 22-26.

JK1.I63, v. 10

"Large campaign contributions from oil and gas industry executives have been a long-standing tradition in the U.S political process. Now these energy interests are moving into a new influence game, that of political action committees (PACs). The explosion in the number of energy PACs has been a quiet one, unnoticed by most observers. But its potential impact on U.S. energy policy is enormous."

Glen, Maxwell. Liberal political action committees borrow a page from the conservatives. National journal, v. 13, July 4, 1981: 1197-1200.

JK1.N28, v. 13

"Last year, conservative political action committees (PACs) helped swing the White House and the Senate into the Republican column. Now liberals are adopting some of the conservatives' own tactics."

Graves, Florence. The power brokers. Common Cause, v. 7, Feb. 1981: 13-20.

Discusses the National Association of Realtors political action committee and examines that association's political goals in California.

Holloway, Harry. Interest groups in the post partisan era: the political machine of the AFL-CIO. Political science quarterly, v. 94, spring 1979: 117-133.

H1.P8, v. 94

Describes the tools used by COPE in its electoral activities and examines the connection between these and the AFL-CIO's lobbying arm.

Kalin, Alan B. The right of ideological nonassociation. California law review, v. 66, July 1978: 767-808. LAW

Comment reviews case law dealing with compelled support of political activity and sets forth the contrasting approaches of two recent Supreme Court decisions. Argues for broad construction of a right of ideological nonassociation. Considers government interests which might justify infringement of such a right and outlines application of such a right to government financing of elections.

Katskee, Melvin R. Political action committees: should national banks stay away? Banking law journal, v. 96, Sept. 1979: 738-745. LAW

"Federal law prohibits national bank contributions and expenditures in connection with federal elections and state general elections. But to what extent are national banks prohibited from setting up political action committees, funded by individual voluntary contributions, to support candidates for federal and state offices? Does the law permit bank loans to political parties, committees, or candidates? May bank PACs solicit contributions from bank employees? The author answers these and many other questions by placing the 1976 Amendments to the Federal Election Campaign Act against wide variety of political activity that national banks may be presently engaged in or contemplating."

Keller, Bill. In a bull market for arms, weapons industry lobbyists push products, not policy. Congressional quarterly weekly report, v. 38, Oct. 25, 1980: 3201-3206. JK1.C15, v. 38

Examines the lobbying activities and influence of defense contractors. "The consensus among those who handle defense legislation is that the industry's influence is probably marginal compared to other factors that shape defense spending." Includes a separate discussion (p. 3204) of the spending practices of defense company political action committees.

----- 'New Right' wants credit for Democrats' Nov. 4 losses but GOP, others don't agree. Congressional quarterly weekly report, v. 38, Nov. 15, 1980: 3372-3373. JK1.C15, v. 38

A post-election analysis of the role of the New Right PACs in the 1980 election outcomes.

La Mere, Joanne. PACS: channel for corporate action. Industrial development, v. 148, July-Aug. 1979: 22-26. HC107.A13I32, v. 148

In the first of two articles, a corporate government affairs manager asserts that "companies can employ the same product marketing and research techniques to elect a reasonable and intelligent Congress." Describes the growth and operation of corporate political action committees (PACs) and discusses some employee and corporate skepticism about PACs. In the second article, executive director of the business round table states that "grassroots and political action programs play an integral part in determining legislative action while encouraging active individual participation in the electoral process."

Larson, Reed. Right to work battles big labor's \$3-billion kitty. Human events, v. 40, Sept. 13, 1980: 14-15, 17, 19, 21, 23-25.

D45.H8, v. 40

Interview with "Reed Larson, head of the National Right to Work Committee and arch-foe of forced unionism and compulsory union dues used for political purposes, who looks back on R-T-W's past activities and foresees a major blow to Big Labor's clout if the Helms-Dickinson bill curbing the use of union funds for political campaigns is passed by Congress."

MacWilliams, Matthew. Introducing the new filthy five. Environmental action, v. 12, May 1981: 10-16. HC110.E5E496, v. 12

"After months of investigative research into 1980 congressional campaign contributions by some of the nations's worst polluters, Environmental Action has released the names of the new Filthy Five. The five corporations--the Weyerhaeuser Co., Dow Chemical. Occidental Petroleum, Amoco Oil and Republic Steel--spent a total of \$1,031,190 to elect their friends to office. These corporations are the target of Environmental Action's campaign to clean up Congress."

Nelson, Nels E. Union dues and political spending. Labor law journal, v. 28, Feb, 1977: 109-119. K12.A2, v. 28

Article examines the legal context of labor union political spending and recent case law on labor union dues rebates to those members who object to the political activities of their union.

The Regulation of union political activity: majority and minority rights and remedies. University of Pennsylvania law review, v. 126, Dec. 1977: 386-424. K25.N69, v. 126

Comment analyzes section 112 of the Federal Election Campaign Act Amendments of 1976, regulating union political activity and Federal elections. The discussion considers the history of union political activity, constitutional questions in the regulation of union activity, the dilemma of dissidents, and remedies for statutory violations by unions.

Republican National Political Action Committee. Financial support by organized labor to House and Senate candidates in 1976. PAC brief, v. 1, Dec. 1977: whole issue.

Shaw, Robert D., Jr. Direct-mail pleas raise thousands for fundraisers, little for cause. Miami herald, Mar. 30, 1981: 1A, 4A. Newsp

Discusses the role of direct-mail in the fundraising operations of New Right PACs, arguing that this activity consumed the great bulk of the money spent by these groups in the 1980 elections.

----- New right gave candidates little. Miami herald, Mar. 29, 1981: 1A, 20A. Newsp

An examination of the financial activities by the New Right PACs in the 1980 elections.

Tumin, Jonathan. How to bury liberals. New republic, v. 182, May 24, 1980: 13-15. AP2.N624, v. 182

"The enormous increase in the number of corporate and trade PACs represents two major threats to liberal policies and politicians: first, through sheer numbers, conservative PACs are now greatly outspending labor union PACs, often endangering liberal Democrats in Congress; and second, these donations are jeopardizing pro-consumer legislation across a whole range of issues."

Wagner, Susan. The political action committee: an new way for publishers to make their voices heard. Publishers weekly, v. 209, Mar. 8, 1976: 36-38. Z1219.P28, v. 209

Outlines concerns facing publishers, such as copyright, postal rates and freedom of information and describes the lobbying activities of the Committee set up for publishers to support candidates and to make their feelings known on the Hill.

#### HOW P. Cs WORK

(Primarily, these citations are to guides on setting up a PAC or which offer some description of how PACs operate; some are articles which explore the inner workings of PAC operations)

American Institute of Certified Public Accountants. Federal Election Campaign Guide Task Force. Compliance with Federal election campaign requirements: a guide for candidates. New York, c1980. 192 p. KF4920.A95 1980

Appendix 5 summarizes laws on PACs and chapter 5 describes tax considerations for PACs and others.

American Society of Association Executives. Political action committees: a guide to association involvement in the political process. [Washington] c1979. 56 p.

This pamphlet "is designed to help association executives and their volunteer leaders understand how to form and operate political action committees, and to acquaint them with other political activities in which they may become involved."

Boggs, Thomas H., Jr, and Douglas Stevens. Keeping up with the PACs: the frontrunners of campaign finance. District lawyer, v. 4, Dec.-Jan. 1979: 20-24. KF200.D58, v. 4

Explains some of the key legal considerations involved in the formation and operation of a PAC.

Bradford, W. Murray. How to get business heard in the political arena. Price Waterhouse review, v. 23, no. 2, 1978: 12-19. HF5601.P7, v. 23

Summarizes the Federal rules for establishing a business political action committee, soliciting and disbursing funds, and keeping accounting records. Also highlights tax implications of PACs.

Chamber of Commerce of the United States of America. Public Affairs Dept.  
Corporate political action committee guidelines. Washington [1979] .1 v.  
(various pagings) KF4886.G84

"This document is designed to provide corporations, trade and professional associations, and chambers of commerce with a reference source for organizing, operating, and conducting the activities of a political action committee in accordance with both the Federal election laws and regulations and the Federal tax laws, regulations, and rulings."

Kendall, Don R. Corporate PACs: step-by-step formation and troublefree operation. Campaigns and elections, v. 1, spring 1980: 14-20.

JK1976.C33, v. 1

An overview of what PACs are and how they are formed, focusing on the corporate sector.

The PAC handbook: political action for business. Washington, Fraser Associates, 1981. 363 p.

A "How-to" Guide for those interested in establishing a PAC, including case studies, legal guidelines, and strategies for the future. It emphasizes corporate and trade PACS.

PACs: how to back the 'right' candidates. Engineering news-record, v. 201, Nov. 2, 1978: 24-25, 27. TAL.E6, v. 201

"Whether it was situs picketing or labor law reform or higher taxes on foreign-earned income--or maybe just closer look at recent changes in the federal election law--the result is this: construction, like business in general, is getting into politics. A growing number of construction companies and trade associations are following labor's lead--they've stopped talking about political action and started taking it through political action committees (PACs)." Includes a list of construction corporate political action committees.

Sansweet, Stephen J. Political-action units at firms are assailed by some over tactics. Wall Street journal, July 24, 1980: 1; 12.

HG1.W26

Discusses the issue of alleged coercion of corporate employees for PAC contributions, based on interviews with managers, employees, and outside observers.

Schwarz, Thomas J., and Vigo G. Nielson, Jr. The corporation in politics 1980. New York, Practising Law Institute, c. 1980. 497 p. KF4920.C58 1980

Parital contents.--Recent developments in Federal election law, by J. Baran.--Enforcement under the 1979 FECA amendments, by C. Steele.--Contribution and expenditure limitations under the Federal Election Campaign Act of 1972, as amended, by J. Murphy, Jr.--Public financing of elections: an overview, by D. Swillinger.--Business corporations and labor unions, by B. Vandegrift.--Contributions to state and Federal candidates (dual committees), by V. Nielsen, Jr.--Registration and reporting, by V. Nielsen, Jr.

U.S. Federal Election Commission. Regulations. Washington, 1981. 253 p.  
 KF4885.A33 1981  
 Regulations for compliance with the Federal Election Campaign Act  
 of 1971, as amended.

THE IMPACT OF PAC CONTRIBUTIONS

(These citations offer various perspectives on the connection between PAC contributions and outcome of policy decisions; these mostly focus on particular PACs or issues)

Are Congressmen for sale to business? Business and society review, summer  
 1980: 10-14. HD60.5.U5B855

"It is widely estimated that business and trade associations, through lawful political action committees (PACs), will give approximately \$30 million to congressional and presidential candidates this year. And this figure does not include donations by wealthy individuals, nor the huge sums given to state and local candidates."

Cargogate. Ripon forum, v. 13, Aug. 15, 1977: 1-8. JK2351.R55, v.13

Charges that the Carter administration's proposed cargo preference legislation is a return favor for merchant marine support and that this link is being kept from public scrutiny. Includes copies of memos to the President on options concerning cargo preference legislation.

CC's role in energy and inflation. In common, v. 10, summer 1979: 13-32.

JK1.I63, v. 10

Outlines Common Cause's efforts in the energy policy area and says that "Common Cause, by working to free Congress from the paralysis of the Special Interest State, can make a unique contribution to the search for solutions."

Chappell, Henry W., Jr. Campaign contributions and voting on the cargo preference bill: a comparison of simultaneous models. Public choice, v. 36, 1981: 301-312. JA1.P77, v. 36

Correlates congressional voting on the Energy Transportation Security Act, a 1977 House bill which would have required that 9.5% of America's oil imports be carried on U.S. built and operated ships, with campaign contributions from three maritime union political action committees-- the National Maritime Union, the Marine Engineers, and the Seafarers. The author finds "unavoidably ambiguous" results for his hypothesis that interest group contributions influence legislative voting.

Common Cause. AMA campaign contributions helped kill hospital cost containment bill. Washington, 1979. 4, 7 p.

Concludes from comparison of the Nov. 15, 1979, House vote on the Hospital Cost Containment Act with 1976 and 1978 congressional election financing disclosure reports that opponents of the measure "received almost four times as much in campaign contributions from the political committees of the American Medical Association (AMA) as did supporters."

----- Common Cause assails Agriculture Department for yielding to dairy interests, cites role of dairy PAC contributions to Congress. Washington, 1980. 5. 1.

Presents figures on dairy industry political action committee contributions to Members of Congress who have supported the industry's position opposing elimination of Agriculture Department administrative restrictions affecting the sale of reconstituted milk.

----- A Common Cause guide to money power and politics in the 97th Congress. Washington, 1981. 239 p.

"Lists all campaign contributions from PACs to some of the most important and powerful government decisionmakers in Washington--the Democratic and Republican leadership in Congress and House and Senate Committee Chairmen."

----- House Agriculture Committee members facing key vote to limit dairy price supports received more than \$350,000 from dairy industry PACs in last two elections. Washington, 1981. 5, 1.

Presents statistics on campaign contributions received by House Agriculture Committee members from the three major dairy political action committees. The committee is considering a measure to freeze automatic dairy price support increases.

----- How money talks in Congress: a Common Cause study of the impact of money on congressional decision-making. Washington, 1978. 111p.

JK1991.C655 1978

This study is "intended to demonstrate the various ways in which political contributions, financial holdings, honoraria, outside earnings and lobbying expenditures affect congressional decisions that have an impact on the lives of all Americans."

----- More than \$1 million in political contributions pays off in key legislative victory. Washington, 1979. 5, 10 p.

Argues that the \$1.1 million contributed to 1978 congressional candidates by the National Association of Realtors' political action committee was a factor in the June 7 House vote eliminating from the 1979 Housing and Community Development Act the power of the Department of Housing and Urban Development to issue cease-and-desist orders where there was reasonable cause to believe that fraudulent sales techniques had been used, in violation of the Interstate Land Sales Full Disclosure Act.

Green, Mark, and Jack Newfield. Who owns Congress. Washington post magazine, June 8, 1980: 10-19, 21. Newsp

From examination of political action committee contributions, alleges that many Members of Congress are under the influence of particular business interests--the oil, banking, defense, nuclear power, tobacco, insurance, shipping, trucking, airline, and automobile industries, and the medical, gun, and anti-FTC lobbies. Includes a discussion (p. 16) of spending by union PACs, by Spencer Rich.

- Huck, Susan L. M. Buying Congress. American Opinion, v. 19, July-Aug. 1976: 7, 9-14, 121-123, 125-126. AP2.04732, v. 19  
 Alleges that organized labor has violated campaign financing laws by making large contributions to congressional candidates.
- Buying Congress. American opinion, v. 21, July-Aug. 1978: 7, 9-16, 129, 131-132. AP2.04732, v. 21  
 Charges that labor unions and "various Leftist political organizations" in effect "buy" sympathetic Members of Congress with huge campaign contributions.
- McMenamin, Michael, and Walter McNamara. Milking the public; how the dairy lobby buys friends and favors in Carter's Washington. Inquiry (San Francisco), v. 1, Nov. 13, 1978: 9-13. E839.5.J5, v. 1  
 Authors discuss the operation of the dairy lobby in Washington, asserting that "you don't find the dairy lobby driving tractors or herding animals through the streets of Washington. When dairy farmers want another subsidy from the federal government, they go to Capitol Hill quietly and smoothly, with well-paid lobbyists and lawyers carrying briefcases full of money. Next to the American Medical Association, the dairy lobby gave more campaign contributions to House and Senate candidates in 1976 than any other interest group--over 1.3 million dollars."
- Public Citizen, inc. Congress Watch. Nader study links oil contributions to pro-oil House vote. Washington, 1979. 2, 10, 2 p.  
 "95% of U.S. Representatives who received more than \$2500 from oil industry 'political action committees' voted on June 28, 1979, for an industry-favored version of the windfall profits tax, according to a study done by Public Citizen's Congress Watch, a consumer advocacy group affiliated with Ralph Nader."
- Robinson, Gail. Many happy returns. Environmental action, v. 12, Dec. 1980: 28-32. HC110.E5E496, v. 12  
 Expresses skepticism that the Reagan administration will promote environmental protection and analyzes the impact of the 1980 congressional elections on environmental causes in the 97th Congress. Includes separate discussions on the outcome of antinuclear referenda in western states (p. 29) and on the effort to have congressional candidates reject contributions from the political action committees of the "Filthy Five"--corporations which are allegedly major polluters (p. 31).
- Roeder, Edward. Catalyzing favorable reactions: a look at chemical industry PACs. Sierra, v. 66, Mar.-Apr. 1981: 23-26. F868.S5S476, v. 66  
 Discusses the impact of chemical industry political action committee funds on legislation and elections.
- Lubricating Congress. Sierra, v. 65, Mar.-Apr. 1980: 6-8, 10-11. F868.S5S476, v. 65  
 "A shocking analysis of how Big Oil buys votes--and influence. How can we have independent legislators when so many are on the payroll?"

Sedacca, Sandra. Dirty money . . . dirty air? A Common Cause study of political action committee contributions to House and Senate Committees reviewing the Clean Air Act. Washington, 1981. 14 p.

Finds that members of the Senate Environment and Public Works Committee and the House Energy and Commerce Subcommittee on Health and Environment, with jurisdiction over the reauthorization of the expiring Clean Air Act, received almost \$1.15 million in 1980 campaign contributions from the political action committees of seven industries--automobiles, chemicals, forest products, metals and mining, oil and gas, steel, and electric utilities--affected by provisions of the law.

### INDEPENDENT EXPENDITURES

(Citations to some of the discussions of this form of campaign spending and how it overlaps with PAC activity)

Glen, Maxwell. Free spenders--the 'other' campaign for Reagan chooses its targets. National journal, v. 12, Sept. 13, 1980: 1512-1515.

JK1.N28, v. 12

Describes the independent expenditure plans and activities of conservative groups seeking to advance Ronald Reagan's candidacy for President in 1980.

----- How to get around the campaign spending limits. National journal, v. 11, June 23, 1979: 1044-1046.

JK1.N28, v. 11

Anticipates the increasing incidence of independent spending, particularly by PACs, as a means of influencing elections.

Light, Larry. Independent Reagan groups have shaved spending plans. Congressional quarterly weekly report, v. 38, Oct. 19, 1980: 3152-3153.

JK1.C15, v. 38

"Last summer, five groups announced media efforts totaling up to \$70 million to aid the GOP presidential nominee. Now the organizations project overall spending of slightly less than \$15 million."

----- Surge in independent campaign spending. Congressional quarterly weekly report, v. 38, June 14, 1980: 1635-1639.

JK1.C15, v. 38

Provides background on the independent spending phenomenon and its increasing popularity among PACs, particularly ideological ones.

Public Citizens. New Right exploits campaign loophole (press release). May 1981.

Reports on independent expenditures by individuals and groups (e.g., PACs) in 1980, arriving at a total of \$16.1 million.

U.S. Library of Congress. Congressional Research Service. The evolution of and issues surrounding independent expenditures in election campaigns. By Joseph E. Cantor. [Washington] 1980. 42 p.

Traces the evolution of the independent expenditure method of campaign spending, both in the law and actual practice since 1976.

## Montana Curbs What Candidate Gets From PAC

Special to The New York Times

HELENA, Mont., April 28 — Despite heavy lobbying from special interest groups, Montana has become the first state to place a ceiling on the amount of funds state legislative candidates can collect from political action committees.

The measure, based on model legislation devised by Common Cause, the public affairs lobby, limits House candidates to a combined total of \$600 from all political action committees, and Senate candidates to a total of \$1,000. The legislation does not affect gubernatorial candidates.

The bill was passed by the Senate by a vote of 25 to 22, then passed by the House, 68 to 29, and signed on April 15 by Gov. Ted Schwinden. At the time, the Governor said, "I am pleased the Legislature of Montana and not PAC men will build the future of our great state."

Many states limit political action committees, but most limit the amount a PAC can donate, rather than the amount a candidate can receive.

"It will mean that PAC's will not become the dominant financiers of legislative campaigns," said Jonathan Mott, Common Cause's legislative representative, who drafted the bill. "But they'll still play a significant role."

But the Montana Chamber of Commerce, which opposed the legislation, says it hinders the political process. "PAC's are made up of people," said Janelle Fallon, public affairs manager for the business group. "Those are voluntary contributions from private individuals. PAC's get people involved

in politics who might not otherwise know enough to get involved."

Miss Fallon said that members of public interest PAC's such as the Montana Committee for an Effective Legislature, can spend as much time and effort as they wish in campaigns. "If you limit money, you favor those with more time," she said.

In the 1982 elections, 85 House candidates received more than \$600 from political action committees, while 16 senatorial candidates got more than \$1,000.



## COMMON CAUSE/MONTANA

P.O. Box 822  
Helena, Montana 59601

### MEMO

TO: Common Cause State Organizations  
Interested Parties  
FROM: Jonathan Motl, Common Cause Montana Lobbyist  
DATE: May 17, 1983  
RE: Montana Aggregate PAC Limit Bill

As you may know, Montana's legislature recently enacted a law which sets strict limits on the aggregate amount of money a candidate for the Montana Legislature can accept from political action committees or PACs.

The Legislature's action was hailed by the New York Times and other media as the nation's first aggregate PAC limit bill and consequently Montana Common Cause has had a number of requests for information concerning the reform. This memo is designed as an explanation of the reform.

#### 1. Please Describe the "Aggregate PAC Limit"

The new Montana law limits a Montana House candidate to acceptance of no more than \$600 from all PACs and a Senate candidate to acceptance of no more than \$1000. We have enclosed a copy of the new law.

#### 2. Where Did This Idea Come From?

We're not sure. The bill is very simple to draft and its key concept is to focus the limit on a candidate's receipts thereby (hopefully) avoiding the constitutional problems that would accompany a direct limit on the PAC. This is the same approach that was championed by National Common Cause in its work in designing the corresponding portion of Clean Campaign Act of 1983 (H.R. 2490).

#### 3. Didn't Montana Common Cause Try Other PAC Reforms?

Yes, we drafted and found authors for five PAC reform bills. We have enclosed a one page summary of those five bills. Please write back if you need more information about a particular bill. Four of the five PAC bills were rejected by the Montana Legislature.

4. How Were the \$600 and \$1000 Figures Arrived At?

We used existing campaign contribution data to help us choose a limit that we thought would give reform and yet not alienate potential allies. We were particularly concerned that we gain the backing of the Montana AFL-CIO and therefore we met with them once we had the needed data (see graphs in enclosed Heffernan study). As it turned out, the \$600 and \$1000 represents about 20% of the cost of an average Montana Legislature campaign.

5. Who supported the reform?

As mentioned above, the AFL-CIO was supportive and worked actively toward passage of the reform. The reform also had the support of the Montana Democratic Party, Women's Coalition Fund, Montana Public Interest Research Group, League of Women Voters, Montana Senior Citizens Association, and the Montana Committee for an Effective Legislature.

6. Why Did These Groups Support the Reforms?

The groups were supportive because the reform was sound and needed and it was in the best interests of Montanans to support the reform. The groups were also supportive because Common Cause/Montana took great care to involve these groups in the pre-session development of the proposed reform and therefore these groups were comfortable that their constituencies would be served by the proposed reform.

7. What Groups Opposed the Reforms?

The reforms (all 5 PAC bills) were vigorously opposed by the Realtors Association and the Chamber of Commerce. Other PACs opposed one or two (but not all of) the reforms.

HOUSE BILL NO. 386    HOUSE BILL NO. 386    HOUSE BILL NO. 386

## FACT SHEET

### The Problem

PACs play major roles in individual and ballot issue campaigns and often appear on contribution lists printed by the news media. Yet, PACs such as a tavern owners' PAC called Responsible, Sensible Voting Parents use names that do not give useful information about the PACs special interest to the public.

### The Solution

House Bill 386 would require that PACs accurately name themselves in a manner that reflects the special economic interests or place of employment of the PACs contributors and affix that name as a label to any public advertisements made by the PAC.

### Questions?

#### 1. Are there PACs whose name does not reflect its special interest

Yes. Attached to this memo is a copy of a news ad placed by a PAC (Responsible Sensible Voting Parents) whose name does not in any way reveal the special interest of the PAC. RSVP was active in a 1978 initiative effort. Also attached is a copy of news report of a candidate's campaign receipts which lists a PAC whose name does not reflect its special interest.

2. How many PACs would be affected by this bill?

Of the 100-plus PACs which were active in legislative and initiative efforts during the 1976-82 campaigns, it is our estimate that at least ten would have been required to change their names if House Bill 386 had been law. Attached to this memo is a list of selected PACs and the probable effect of House Bill 386 on those PACs.

3. How will this bill be enforced?

House Bill 386 specifies that the naming and labeling requirements would be enforced through Section 13-37-128, M.C.A.; the general enforcement provisions regarding election laws. This system makes use of the courts and the self-enforcement incentive due to the adversarial nature of election races and initiative efforts.

4. Why are accurate PAC names necessary?

H.B. 386 insures that the public would be able to identify the special interest of a PAC so that information can be used to judge the merits of any message promoted by the PAC. In addition, the public would be able to identify the interests of those PACs who contribute to candidates.

MEMO

TO: House State Administration Committee

RE: Effect of House Bill 386

The following chart shows the effect the sponsor expects that H.B. 386 would have had on 25 of the 100-plus PACs that have been active in Montana Legislative and initiative efforts since 1976. It is the bill sponsor's estimate that 10-15 PACs of the 100-plus PACs would have had to rename themselves had H.B. 386 been in effect.

PRESENT NAME	SPECIAL ECONOMIC INTEREST	COMMON EMPLOYER	EFFECT OF H.B. 386
1. Bank PAC	banking	Northwest Banks	Northwest Bank PAC
2. Bank PAC	banking	n/a	n/a
3. Billings Area Citizens PAC	n/a	n/a	n/a
4. Butte Teachers Union	Butte Teachers/Schools	n/a	n/a
5. Citizens for Responsible Government	Utilities	Montana Power Co.	Montana Power Co. PAC
6. Concerned Citizens Fund	Petroleum	ARCO	ARCO PAC
7. Concerned Citizens for Gambling	Bar and Tavern Owners for Gambling	n/a	Mt. Bar and Tavern Owners for Gambling
8. Contractors of Mt. PAC	Contracting/Building	n/a	n/a
9. Credit Union PAC	Loans/Investments	n/a	n/a
10. Farmers Union PAC	Loans/Farming	n/a	n/a
11. Legislative Campaign Committee	n/a	n/a	n/a

HOUSE BILL NO. 356

INTRODUCED BY VINCENT J. DENNIS, FAIRBANKS

WINDSOR, SUPPLIES, CONY, ADGY

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING LIMITATIONS ON THE AMOUNT OF HONORARY CONTRIBUTIONS A CANDIDATE FOR THE STATE SENATE OR STATE HOUSE OF REPRESENTATIVES MAY RECEIVE FROM POLITICAL COMMITTEES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Limitations on receipts from political committees. A candidate for the state senate may receive no more than \$1,000 in total combined HONORARY contributions from all political committees contributing to his campaign and a candidate for the state house of representatives may receive no more than \$600 in total combined HONORARY contributions from all political committees contributing to his campaign. THE EXISTING LIMITATIONS SHALL BE MULTIPLIED BY THE INFLATION FACTOR AS RECEIVED IN 1990-1991 FOR THE YEAR IN WHICH GENERAL ELECTIONS ARE HELD AFTER 1991 THE RESULTING FIGURE SHALL BE ROUNDED DOWN TO THE NEAREST DOLLAR. THE COMMISSIONER OF POLITICAL PRACTICES SHALL ENFORCE THE REVISED LIMITATIONS AS A RULE. IN-STATE CONTRIBUTIONS MAY NOT BE INCLUDED IN DETERMINING THE LIMITATION. LOCAL, INTERNATIONAL, PROVINCE, ISLAND, REGIONAL

DOES NOT APPLY TO CONTRIBUTIONS MADE BY A POLITICAL PARTY ELIGIBLE FOR A PRIMARY ELECTION UNDER 11-10-601. THIS SECTION DOES NOT APPLY TO CONTRIBUTIONS MADE BY A POLITICAL PARTY ELIGIBLE FOR A PRIMARY ELECTION UNDER 11-10-601. THIS SECTION DOES NOT APPLY TO CONTRIBUTIONS MADE BY A POLITICAL PARTY ELIGIBLE FOR A PRIMARY ELECTION UNDER 11-10-601.

Section 2. Codification instruction. Section 1 is intended to be codified as an integral part of Title 13, chapter 37, part 2, and the provisions of Title 13, chapter 37, part 2, apply to section 1.

-End-

FACT SHEET

The Problem

Money from Political Committees (Pacs) to legislative candidates in Montana has increased to \$123,000 in 1982 elections or 19.3% of all receipts by candidates for the Montana legislature. In Montana PACs are funded by and represent a wide variety of such special interests as utilities, banks, labor unions, oil interests, businessmen and professionals. The following chart shows the extent of PAC growth

Figure 1. Contributions to Legislative Races, 1976-1982

	1976	1978	1980	1982
Special Interest PAC Dollars	22,648	43,777	111,330	122,767
Total Contributions	278,609	382,140	582,708	635,596
% PAC Contributions	8.1	12.8	19.1	19.3

The Solution

H.B. 356 proposes a limit of \$600 in total PAC campaign contributions for a candidate for the Montana House and a \$1000 limit for a Senate candidate. This would allow PACs a definite financial role in Montana legislative campaigns but it prevents

a situation where PACs become the majority financiers of campaigns, now common in U.S. Congressional races.

Questions?

1. Why are PAC contributions a problem?

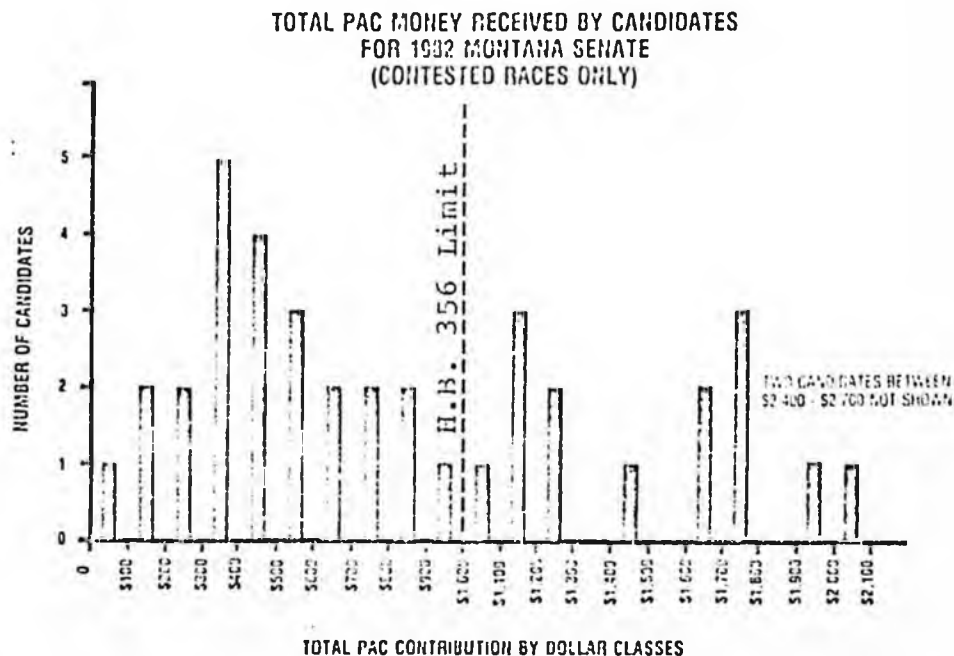
Too much money from any one source has compromised our democracy in the past. A poll conducted by the University of Montana polling service for Common Cause of Montana showed that 78% of Montanans surveyed believed a campaign contribution was synonymous with power over the candidate.

2. Why not instead limit the amount one PAC can give to a lower amount - say \$50 a candidate?

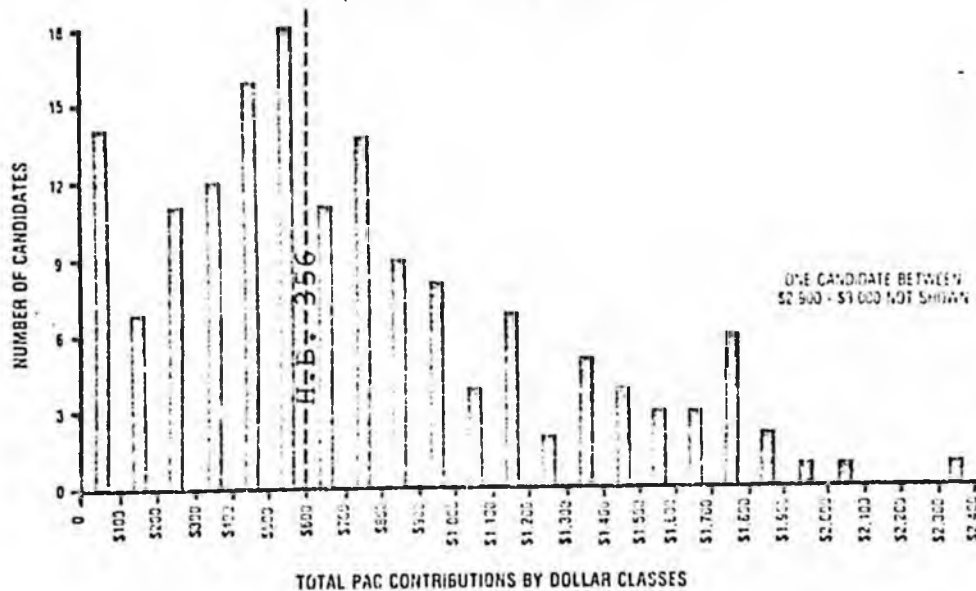
PACs are very easy to form and lowering the allowed amount would probably just encourage a special interest to form many smaller PACs. H.B. 356 guarantees that a candidate will not receive more than \$600 (House) or \$1000 (Senate) from PACs and therefore is a better reform.

3. What type of effect would this reform have?

The following charts show the amount of PAC money received by legislative candidates in 1982:



TOTAL PAC MONEY RECEIVED BY CANDIDATES  
FOR 1982 MONTANA HOUSE OF REPRESENTATIVES  
(CONTESTED RACES ONLY)



The chart demonstrates, H.B. 356 would accomplish significant reform.

4. Why not use a % limit rather than a fixed dollar amount?

A % limit would create reporting problems for candidates. The fixed dollar is easier to understand and simpler to deal with.

5. Aren't PAC contributions leveling off by themselves?

No, PAC contributions have risen steadily during the last four elections. The data we have shows that PAC contributions increase most rapidly in presidential years and we can expect an even more rapid increase in the 1984 elections if we do not pass H.B. 356 or a similar reform.

6. Where did the PAC contribution limits in H.B. 356 come from?

Those numbers represent about 20-25% of the cost of an average legislative race at this time.

7. Will there be any enforcement costs?

No. Enforcement occurs through the court system as described in 13-37-128, M.C.A. As is the case with present campaign financing laws, the system will be largely self-enforcing due to the adversarial nature of elections that makes it politically costly for a candidate to violate the law.

8. Won't limiting PAC contributions skew the system toward incumbents?

No. An average incumbent candidate now receives over double the amount of PAC contributions as an average challenger.

Many political scholars believe the overall political system favors the incumbent over the challenger so PAC reform should help upon up the political process.

9. Does H.B. 356 infringe on corporate free speech?

No. H.B. 356 limits a candidates receipts of PAC money and the state has a legitimate interest in acting to prevent the possibility of the type of corruption that has often followed the flow of money to candidates for elected office. In addition, a PAC wishing to contribute to a candidate will be able to find a candidate who has not reached his/her PAC receipt limit even if the PACs first choice has reached his/her PAC receipt limit.

10. Would contributions by political party PACs be included?

Yes, political party PACs will be included.



Included to exclude  
political parties

SUMMARY OF CAMPAIGN FINANCING  
REFORM BILLS; 1983 MONTANA LEGISLATURE

Concern

Money from political committees (PACs) to candidates for the House and Senate in Montana has increased dramatically in the last four elections. Special interest (PAC) money alone has increased from \$22,000 in 1976 to over \$120,000 in 1982.

Reform #1: House Bill No. 356; Chief sponsor Representative Vincent

This bill would limit the influence of PAC money by limiting the total amount of PAC money a candidate can receive to \$1000.00 for a candidate for a Senate position and \$600.00 for a candidate for a House position.

Reform #2: House Bill No. 387; Chief sponsor Representative Vincent

This bill would limit the growth of PACs by limiting the amount of total contributions one individual can give one PAC to \$500.00 per calendar year.

Concern

PACs play major roles in individual and ballot issue campaigns and often appear on contribution lists printed by the news media. Yet, PACs such as a tavern owners' PAC called Responsible Sensible Voting Parents use names that do not give useful information about the PAC's special interest to the public.

Reform #3: House Bill No. 386; Chief sponsor Representative Vincent

This bill would require that PACs accurately name themselves in a manner that reflects the special economic interests or place of employment of the PACs contributors and affix that name as a label to any paid public advertisements made by the PAC.

Reform #4: House Bill No. 650; Chief sponsor Representative Vincent

This bill would require that PAC contributions be made to a candidate at least 5 days prior to the date of election and require that a candidate immediately deposit and report any PAC contributions to the public.

Concern

The cost of Montana's political campaigns has risen dramatically in recent years with, for example, the total amount spent in Montana's Legislative races rising from \$278,609 in 1976 to over \$600,000 in 1982.

Reform #5: Senate Bill No. 372; Chief sponsor Senator Eck

This bill would establish an expenditure limit for campaigns for statewide offices in Montana and establish a public funds pool for partial public financing of these campaigns.

## FACT SHEET

### The Problem

A PAC contribution can be timed so that a candidate receives it too late in the campaign to be reported to the public through the media.

### The Solution

House Bill 650 proposes that a PAC contribution be received no later than 6 days preceding the date of election.

### Questions?

#### 1. Are there examples of this type of practice?

Yes. Attached to this memo is a copy of an offer by a Montana PAC to contribute \$150 to the campaign of Representative John Vincent (D-Bozeman). Please note that Vincent could have chosen any date (November 1, presumably) on which to receive the contribution.

#### 2. Won't this cause reporting problems for a candidate?

No. A candidate needs to file a closing report and the candidate's report must not show any PAC receipts after the 6th day preceding the elections. It is a straightforward law that should be easy for candidates to understand. In a nutshell, a candidate cannot take PAC money after the 6th day preceding the election.

CITIZENS FOR  
RESPONSIBLE  
GOVERNMENT  
Employees of  
Montana Power



P.O. BOX 624  
BUTTE, MT. 59703  
PHONE 406 723-5421

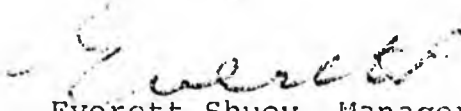
September 13, 1982

Representative John Vincent  
1317 South Grand  
Bozeman, MT 50715

Dear John:

I'm pleased to inform you that The Montana Power Company  
oyees' PAC (Citizens for Responsible Government) has  
authorized a contribution of \$150 for your legislative  
campaign. All that is necessary for you to do is fill out  
the form on the bottom of this letter, return it to me  
before October 1, 1982 and the check will be mailed to you  
whenever you wish.

Good Luck on your Campaign!

  
Everett Shuey, Manager  
Governmental Affairs

-----  
Name of Campaign Committee \_\_\_\_\_

Treasurer of Committee \_\_\_\_\_

Address of Committee \_\_\_\_\_  
\_\_\_\_\_

Return this form to:

Everett E Shuey, Manager  
Governmental Affairs  
The Montana Power Company  
40 East Broadway, Butte, MT 59701

ES/jd/2:1

# '82 campaigns were costly

(This is the first of a series of reports detailing the amounts of money spent in this year's campaigns for Helena-area county and legislative offices.)

By BILL SKIDMORE  
IR Staff Writer

It was Lewis and Clark County's first race for a district court judgeship since the early 1950s, and it was big business. Helena lawyers Henry Loble and Marc Racicot, who vied for the position being vacated by Peter G. Meley, filed post-election campaign reports showing they spent a total of \$27,410.02 in the contest.

Loble, the victor in the November election, spent \$14,723.85 on his race, while Racicot spent \$12,686.57. Both candidates spent heavily throughout the political year, including their efforts to make the general-election ballot in June's four-candidate primary election.

Not surprisingly, most support came from practicing attorneys throughout the state.

Following is a listing of contributors of \$100 or more to each candidate's campaign:

### HENRY LOBLE

Contributors giving \$200 or more were: Pam Miller, Anna French, Mrs. AT Hill, J. H. McMill, Frank and Geraldine Murray, Peter Pauly, Wally Waidart, and Chadwick Smith.

Those giving \$100 or more but less than \$200 were: J. J. Burke, J. K. Galt, Harold Johnson, Dan Merrill, R. H. Ricanson, A. A. Sanger, Ralph E. Anderson, John E. St. John, Gary Davis, Phil Olson.

Contributors of \$50 or more but less than \$100 were: John H. Jan Moore, Michael Johnson, C. Eugene Phillips, S. Clark Oyster, James H. Baker, D. Gordon Hognhton, John L. John, John Strickley, Robert White.

Contributors of \$100 or more but less than \$50 were: Paul Carnon, Wade Darnold, Angela Demaree, Lenore Rankin, John A. Linde, John R. Kovich, Dan Longene, W. D. Davis, Ed. Searles, N. Reed, Gene Proctor, Joseph J. Miller, Art Butler, W. C. Mayock, and Frank Tommerman.

### MARC RACICOT

Contributors giving \$200 or more were: Alfred H. H. DeBruin, Fred James, A. McConner, Fred Jackson, William A. Hough, A. Clifford Edwards, Anthony Quinn, Katea Quinn, Don H. Johnson, David M. McLean, Howard Everett, Eugene Johnson, and Robert L. Anderson.

Contributors of \$100 or more but less than \$200 were: John Fisher, John Pratt, C. W. Anderson, C. L. Lewis, Ronald Young, Don Chaffecant, Rosamaker, P. A. Anderson.

Contributors of \$50 or more but less than \$100 were: John H. Williams, Larry E. Johnson, Joseph Mader, John E. Johnson, James M. Kestner, Don Swanson, Don K. Swanson, Robert H. Bergstrom.

Contributors of \$100 or more but less than \$50 were: M. M. Johnson, Thomas Johnson, Bill Johnson, Dick Davis, and Charles Johnson.

IN ANOTHER heavily contested Helena-area race, Democrat Jan Brown and incumbent Republican Bobby Spaulter fought it out for House District 32.

Brown, the winner, spent a total of \$19,250 on the race, Spaulter spent \$7,517.67.

Here are lists of \$100 or more contributors in that contest:

### JAN BROWN

Contributors to fund raising events: Louise L. Johnson, individual contributions of Fred Johnson, Gary Davis, Hank O'Hagan, Joe Johnson and Alvin Tades, and the AFL-CIO Special Legislative Fund.

Contributors of \$100 or more were: Lewis and Clark Democrat Women's Club, Elizabeth J. Fisher, George Karamolis, the Lewis and Clark Democratic Central Committee, the Montana Education Association PAC, Mark O. Koelle.

Contributors of \$50 or more but less than \$100 were: Wayne Staley, Nancy Murphy, Ann Johnson, Thomas Schmeier and Norma Vestre.

### BOBBY SPAULTER

Contributors of \$100 or more were: Montana Resources PAC, Motor Transportation PAC, Mountain Bell Employees PAC, TAPAC, and PAC, RMAC.

Those giving at least \$50 were: Citizens for Responsible Government PAC, Mary Larson, W. A. Shanahan, the Beer Wine Wholesale PAC, Roy Hudson, E. W. Johnson.

Contributors of \$100 or more but less than \$50 were: Don Erickson, MoDePAC, Nursing Home PAC, Helen Bowen, and J. A. Johnson.

Affected by H.B.  
386 ----

Montana Resources  
and Citizens for Re-  
sponsible Government

State of California



# Fair Political Practices Commission

P.O. BOX 807 • SACRAMENTO, 95804 • • • 1100 K STREET BUILDING, SACRAMENTO, 95814

Technical Assistance • • Administration • • Executive/Legal • • Enforcement  
(916) 322-5662 322-5660 322-5901 322-6441

## LOBBYING NEWSLETTER

Vol. 6, No. 1

June, 1984

The "Lobbying Newsletter" (previously called the "Lobbyist Bulletin") is published periodically to provide information to lobbyists and lobbyist employers concerning their reporting obligations under the Political Reform Act. The "Lobbying Newsletter" will report on pending legislative changes and proposed regulations affecting the lobbying provisions, and will provide important reminders about the proper methods of reporting receipts and payments in connection with lobbying activities.

The Commission staff encourages your comments and solicits your suggestions for ways in which the "Lobbying Newsletter" can be more useful. Please send your comments and suggestions to the Technical Assistance and Analysis Division, P.O. Box 807, Sacramento, CA 95804.

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## REVISED INFORMATION MANUAL AND DISCLOSURE FORMS

The "Information Manual on Lobbying Disclosure Provisions of the Political Reform Act" and the lobbying disclosure forms have been revised for use in 1984. The registration and disclosure forms now contain a cover sheet with general filing information, and the quarterly reporting forms (Forms 620 and 650) contain instructions on the back of each page which provide the basic information needed to complete each section of the forms. More detailed information and examples are provided in the 1984 "Information Manual on Lobbying Disclosure Provisions." The manual and forms are available from the Fair Political Practices Commission and from the Secretary of State's Political Reform Division.

## LOBBYING INFORMATION SEMINARS

Seminars on the lobbying registration and disclosure provisions of the Political Reform Act will be conducted by the Fair Political Practices Commission in July and possibly in October. All lobbyists, employers of lobbyists and other persons who have reporting obligations under the lobbying disclosure provisions are invited to attend. To ensure that an adequate supply of materials is available at the seminars, please complete the coupon on the next page and return it to the Commission's Technical Assistance and Analysis Division.

We have scheduled two seminars in July to assist filers with the new provisions before the deadline for filing the second quarter report. We realize that July may be inconvenient because of vacations. Therefore, if enough people indicate a need for an additional seminar, we will hold another one in October. If you are unable to attend a seminar in July and would like us to hold another one in October, it is important that you complete and return the coupon so we can determine if there is a need for a seminar in October, and so we can send you notice of the dates.

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LOBBYING INFORMATION SEMINARS ARE SCHEDULED AS FOLLOWS:

July 10, 1984, 10:00 a.m. - 1:00 p.m.

July 18, 1984, 10:00 a.m. - 1:00 p.m.

LOCATION: Governor's Conference Room  
State Capitol, First Floor  
Sacramento

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FOR RESERVATIONS, PLEASE RETURN THIS COUPON TO THE FAIR POLITICAL PRACTICES COMMISSION, P.O. BOX 807, SACRAMENTO, CA 95804.

I would like to attend the lobbying information seminar in Sacramento scheduled for:

July 10, 1984

July 18, 1984

I would like to attend a lobbying information seminar in OCTOBER. If a seminar is scheduled, please notify me.

Name \_\_\_\_\_

Office Represented \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_

Number of People Attending \_\_\_\_\_

Seminars in Los Angeles and San Francisco

In past years, the Commission has held lobbying seminars in Los Angeles and San Francisco when enough people have requested them. If you are located in Los Angeles or San Francisco and are unable to attend a seminar in Sacramento, please let us know. If enough people request a seminar in Los Angeles or San Francisco, we will hold seminars there and will notify you.

-----  
I am unable to attend a seminar in Sacramento. Please schedule a seminar for:

( ) Los Angeles

( ) San Francisco

Name \_\_\_\_\_

Office Represented \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_

Number of People Attending \_\_\_\_\_

RETURN COUPON TO THE FAIR POLITICAL PRACTICES COMMISSION,  
P.O. BOX 807, SACRAMENTO, CA 95804.

AMENDMENTS TO LOBBYIST QUALIFICATION  
REGULATION EFFECTIVE APRIL 1, 1984

The tests for when a person must register as a lobbyist have been changed by amendments to 2 Cal. Adm. Code Section 18239 which went into effect April 1, 1984. The new qualification tests are based on (1) the amount of compensation an individual receives for influencing legislative or administrative action; or (2) the number of "contacts" an individual has with qualifying officials for the purpose of influencing legislative or administrative action.

The most significant changes in the lobbyist qualification tests are:

- Exclusion of administrative testimony: An individual whose only direct communication consists of administrative testimony is not required to register as a lobbyist.

- Compensation Test: Under the previous compensation test, an individual who received \$1,000 in a calendar month for "direct communication" was required to register. Under the revised compensation test, an individual who receives \$2,000 or more in a calendar month for engaging in any of the activities which constitute "influencing legislative or administrative action," and the individual engages in any amount of direct communication, meets the compensation test and must register as a lobbyist.

Like the previous compensation test, compensation received by a full-time employee engaged primarily to perform services other than influencing legislative or administrative action is not included in determining whether an individual meets the new compensation test.

- Contacts Test: Previously, an individual who received any amount of compensation and who spent a certain amount of time engaged in lobbying activities was required to register. Under the new test, rather than counting the number of hours an individual spends, the individual must count the number of contacts he or she has with elected officials, legislative officials and certain administrative agency officials for the purpose of influencing legislative or administrative action. If an individual receives any amount of compensation and engages in direct communication, other than administrative testimony, on at least 25 separate occasions in any two consecutive calendar months, that individual has met the "contacts" test and must register as a lobbyist.\*

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\* To determine whether an individual will meet the "contacts" test, a record of all contacts with officials should be kept. The record should include the date of the contact, the nature of the contact, and the name of the official.

The Commission staff has prepared guidelines to assist in determining the types of activities that constitute a "contact." The guidelines also list common situations and explain how many contacts should be counted in each situation.

The "Definition of Lobbyist" regulation, 2 Cal. Adm. Code Section 18239, and the Guidelines are available from the Commission offices.

#### PROPOSED AMENDMENTS TO FPPC REGULATIONS AFFECTING LOBBYING DISCLOSURE

There are no pending proposed amendments which will substantively change the lobbying disclosure provisions. Notices of proposed amendments to regulations are published in the monthly FPPC Bulletin. In addition, the FPPC Bulletin contains a summary of regulations adopted by the Commission and advice letters issued by the Commission. Substantive changes affecting lobbyist and lobbyist employer reporting will be provided in the FPPC Lobbying Newsletter, which is published periodically.

#### UPDATE ON 1984 PROPOSED LEGISLATION AFFECTING LOBBYING PROVISIONS

AB 2541 (Mojonnier) - would require itemization of lobbyist employer expenses only when the payment benefits an official ("activity expenses") and would remove the \$25 threshold for reporting such payments; and would allow all lobbyist employer expenses for "general support" to be reported as a lump sum. Also, deletes sections previously declared unconstitutional but never repealed.

AB 3147 (Mojonnier) - would require lobbyists to report bills and administrative actions they have actively attempted to influence. Also deletes sections previously declared unconstitutional but never repealed.

#### LOBBYIST PROHIBITIONS

In addition to Gov. Code Section 86203 which prohibits lobbyists from making, arranging, or acting as an agent or intermediary in the making of, gifts aggregating more than \$10 in a

calendar month to a state candidate, an elected state officer, a legislative official or certain agency officials, the Political Reform Act imposes the following prohibitions on lobbyists (Gov. Code Section 86205):

No lobbyist shall:

(a) Do anything with the purpose of placing any elected state officer, legislative official, agency official, or state candidate under personal obligation to him or to his employer;

(b) Deceive or attempt to deceive any elected state officer, legislative official, agency official, or state candidate with regard to any material fact pertinent to any pending or proposed legislative or administrative action;

(c) Cause or influence the introduction of any bill or amendment thereto for the purpose of thereafter being employed to secure its passage or defeat;

(d) Attempt to create a fictitious appearance of public favor or disfavor of any proposed legislative or administrative action or to cause any communication to be sent to any elected state officer, legislative official, agency official, or state candidate in the name of any fictitious person or in the name of any real person, except with the consent of such real person;

(e) Represent falsely either directly or indirectly, that he can control the official action of any elected state officer, legislative official, or agency official;

(f) Accept or agree to accept any payment in any way contingent upon the defeat, enactment or outcome of any proposed legislative or administrative action.

IMPORTANT INFORMATION REGARDING "UNLAWFUL GIFTS"  
(Government Code Sections 86201, 86203 and 86204)

Government Code Section 86203 provides:

It shall be unlawful for a lobbyist to make gifts to one person aggregating more than ten dollars (\$10) in a calendar month, or to act as an agent or intermediary in the making of any gift, or to arrange for the making of any gift by another person.

In addition, Gov. Code Section 86204 makes it unlawful for any person to accept a gift made unlawful by Section 86203.

Government Code Section 86201 defines "gift" as used in Section 86203 as follows:

"Gift" as used in this article means a gift made directly or indirectly to a state candidate, an elected state officer, a legislative official or an agency official.

The term "gift" is defined in Gov. Code Section 82028, and includes anything of value for which consideration of equal or greater value is not received in return.

Lobbyists are prohibited from making gifts of more than \$10 in a calendar month to any state candidate, elected state officer or legislative official, regardless of whether or not the lobbyist has attempted to influence the candidate or official.

A gift to an agency official, however, comes under the gift prohibition only if the official's agency is, or should be, listed on the lobbyist's registration statement. Gifts to officials of agencies the lobbyist has not attempted, and is not attempting, to influence do not come under the gift prohibition.

DEFINITION OF "ARRANGING" A GIFT

It is not necessary for a lobbyist to actually pay or incur an expense to meet the definition of "arranging" a gift. A lobbyist has "arranged" a gift, and the gift prohibition applies, if the lobbyist does anything which facilitates the making of the gift. To "act as an agent or intermediary in" and "to arrange for" the making of any gift include:

- Taking any action involving contact with a third party which facilitates the making of the gift.
- Having any contact, which facilitates the making of the gift, with the public official who is to be the recipient of the gift.

Example 1: Lobbyist A invites an official to lunch. After the lunch has been arranged, Lobbyist A decides to invite Lobbyist B. Lobbyist A pays the entire cost of the lunch (Lobbyist A's share, Lobbyist B's share, and the legislator's share). Lobbyist B is not required to report the activity because he has not paid for the gift, and he has not "arranged" or acted as an intermediary in providing the gift. Lobbyist A must report the entire cost as the "Total Amount of Activity," and also must provide the name and official position of the official and the amount attributable to the official.

Example 2: Lobbyist A and Lobbyist B agree to share the costs of providing holiday gifts to a number of legislators. Lobbyist A purchases the gifts and delivers them to the legislators. Both lobbyists must report the total cost of each gift as the amount benefiting each legislator; the lobbyists may not report only the one-half each actually paid, because both lobbyists participated in "arranging" the entire gift. The total cost of each gift may not exceed \$10.

Example 3: A company which is an employer of a lobbyist arranges a reception for some legislators and their staffs. The company's lobbyist is the contact person for the legislative officials, and the officials call the lobbyist if they have questions about the event. Although the lobbyist does not pay any of the expenses, the lobbyist must report the same information required to be reported by the employer, because the lobbyist's activities come within the definition of "arranging." The pro rata benefit to each of the legislative officials may not exceed \$10.

Example 4: A company which is the employer of lobbyists arranges a tour of its facilities for a group of legislators. The arrangements include transportation for the legislators from their districts to the start of the tour. The tour itself meets the definition of "informational material" and therefore is not reportable by the company or by the legislators. The transportation from the legislators' districts to the start of the tour, however, is excluded from the definition of "informational material," and therefore is a reportable gift. (However, if there is no public transportation available to the facility, such transportation provided by the company would be considered a part of the tour and would not be a gift.) Since the cost of the transportation will exceed \$10, the company's lobbyists may not have any contact with the legislators with regard to arranging the transportation, and may not accompany the legislators on the plane trip as representatives of the company.

For further discussion of activities which meet the definition of "arranging," see the following Fair Political Practices Commission opinions:

Institute for Governmental Advocates, 7 FPPC Opinions 1  
(No. 81-003, Feb. 1, 1982)

Institute for Governmental Advocates, 4 FPPC Opinions 1  
(No. 77-004, Jan. 11, 1978)

REPORTING AN ACTIVITY EXPENSE WHICH IS REIMBURSED BY  
AN OFFICIAL; ACTIVITY EXPENSES WHICH EXCEED THE  
GIFT LIMITATION

If a lobbyist makes a payment which benefits an official and the official reimburses the lobbyist before the end of the calendar month, the lobbyist has no obligation to report that portion of the payment which has been reimbursed. In the case of a payment made less than one week prior to the end of the month, if reimbursement is received within one week of making the payment, the lobbyist need not report it. However, if reimbursement is not received within the times indicated above, the lobbyist must report that portion of the payment which benefited the official as a note to Part III, Section A of the Form 620, with a notation that either (1) reimbursement has been requested but not yet received; or (2) reimbursement has been received. If the amount being reimbursed is \$1.00 or more, reimbursement must be made by check, and a copy of the check must be kept with the lobbyist's records.

With respect to the gift prohibition contained in Gov. Code Sections 86203 and 86204, to avoid the appearance of an improper gift, lobbyists and officials should make every effort to avoid a situation in which a lobbyist makes a payment of more than \$10 in a calendar month which benefits an official. If such a payment is made, no violation of the gift prohibition will occur so long as reimbursement is received pursuant to the conditions indicated above for disclosure, i.e., the lobbyist is reimbursed by the official before the end of the calendar month in which the payment was made; except in the case of a payment made less than a week prior to the end of the month, in which case no violation will occur if the lobbyist receives reimbursement within one week of making the payment. FPPC Advice Letter No. 83-210

REPORTING CONTRIBUTIONS MADE OR  
DELIVERED BY A LOBBYIST

Lobbyists must report on their quarterly reports (Form 620, Part IV) all contributions of \$25 or more to a state candidate, an elected state officer or a committee primarily formed to support such candidates or officers. In addition to contributions made by a lobbyist from his or her personal funds, a lobbyist must report contributions made from a separate account which the lobbyist controls, and contributions from others which the lobbyist personally delivers to state candidates or elected state officers. Copies of checks for contributions a lobbyist is required to report should be maintained in the lobbyist's records.

REPORTING BY LOBBYIST EMPLOYERS AND PERSONS  
WHO SPEND \$2,500 -- IMPORTANT REMINDERS

Reporting Payments for Reception or Other Event Which Benefits  
Officials

A lobbyist employer or "person spending \$2,500 in a calendar quarter to influence legislative or administrative action" who makes a payment for an event at which legislators or other reportable persons are guests, must report the payment as an "activity expense" in Part II, C of Form 650. The "Total Amount of Activity" is the entire amount paid for the event by the filer, not just the portion that benefited officials. If the amount paid by the filer is a portion of the total cost of the event, the balance of which was paid by another person, a notation must be made to indicate the total cost of the event. To determine the amount benefiting each reportable person, all payments must be aggregated, including payments for rental of the facilities, food and beverages, decorations, entertainment, and payments to bartenders or food servers. The total of all payments is then divided by the number of guests to determine the pro rata benefit to each guest. (The cost of producing and sending invitations and compensation and reimbursement of expenses to the filer's employees who work on the event are not required to be included in the "activity expense." These costs are reported as "Other Payments to Influence" in Part II, D of Form 650.)

NOTE: If a lobbyist participates in arranging the event, the lobbyist must report, as an attachment to his or her quarterly report (Form 620), the same information required to be reported by the employer, including the total cost of the event. A lobbyist may not participate in arranging a gift aggregating more than \$10 in a calendar month to an official.

Reporting Contributions Made by the Filer's Political Action  
Committee

Lobbyist employers and persons who spend \$2,500 in a calendar quarter to influence legislative or administrative action must report in Part III of their Form 650 all campaign contributions of \$25 or more made to a state candidate, an elected state officer or a committee primarily formed to support such candidates or officers. In addition to the contributions which are made directly by the filer, if the filer is an organization which sponsors a political action committee, the filer must also report such contributions made by its political action committee. PAC contributions are required to be reported by the filer because of the close relationship between a sponsoring organization and its PAC and because a sponsoring organization is deemed to have made the contributions made by the PAC.

## Reporting Payroll Taxes and Payments for Employee Benefits

Lobbyist employers must report payments to the Internal Revenue Service and Franchise Tax Board for payroll taxes and payments for the employer's share of Social Security and other employee benefits. Such payments are reported on the Form 650 as a lump sum amount under Part II, D, Line 2 -- "Other Payments (including office overhead and operation costs)." However, the amount reported should not include any portion which represents employee income tax withholding or the employee's share of Social Security, etc. These payments are required to be included in the amount reported as "gross salary" paid to employees.

# State of California



## Fair Political Practices Commission

P.O. BOX 807 • SACRAMENTO, 95804 • • • 1100 K STREET BUILDING, SACRAMENTO, 95814

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### LOBBYING NEWSLETTER

Vol. 6, No. 2

October, 1984

#### 1985 REVISIONS TO INFORMATION MANUAL AND FORMS

The Commission is reviewing the "Information Manual for Lobbying Provisions" and the lobbying reporting forms to incorporate the legislative and administrative changes which go into effect in 1985. The manual and forms were revised in 1984, and we would appreciate your comments on how they are working. Please take a few minutes to complete the questionnaire on the last page of this Newsletter.

#### FILING DEADLINE APPROACHING

October 31, 1984 is the deadline for filing reports covering activity occurring during the third quarter (July, August and September). There are no provisions in the Political Reform Act for extensions of filing deadlines. Persons filing late reports are subject to a fine of \$10 per day. Lobbyists and employers of lobbyists must file reports for each calendar quarter that the lobbyist is registered, whether or not any payments have been made or received during the quarter. Persons who spend \$2,500 during a calendar quarter to influence legislative or administrative action must file a report for that quarter.

#### ATTENTION LOBBYISTS: IMPORTANT INFORMATION ABOUT "ARRANGING" A GIFT

The Commission continues to get inquiries from lobbyists who have inadvertently violated the gift prohibition in Gov. Code Section 86203. That section provides:

officials are guests the aggregate amount the lobbyist has participated in arranging might exceed \$10 per month per official, and the lobbyist would be in violation of Section 86203.

Lobbyists who wish to attend events at which officials may be guests may avoid the possibility of arranging a prohibited gift by paying only the amount of their own actual costs, i.e., the actual amount of the meal, and not contributing toward the gift being provided to the officials.

For a discussion of some other activities which meet the definition of "arranging," see FPPC Opinion No. 81-003 (Institute of Governmental Advocates, 7 FPPC 1).

If you have any questions about the gift prohibition, call the Technical Assistance and Analysis Division at (916) 322-5662.

#### LEGISLATIVE CHANGES TO THE LOBBYING PROVISIONS

AB 2541 (Ch. 161, 1984 Stats.) makes the following changes to the Political Reform Act, effective January 1, 1985:

Amends Gov. Code Section 86109. Periodic Reports; Employers and Others; Contents. Provides that only the following payments influence legislative and administrative action are required to be itemized by Lobbyist Employers and Persons Spending \$2,500:  
Influence Legislative or Administrative Action: payments to a lobbyist; payments to a retained entity; payments which benefit in whole or in part any elective state official, legislative official, agency official, state candidate or member of their immediate family ("activity expenses"). Also, removes the \$25.00 itemization threshold for activity expenses.

Previously, all payments of \$25 or more in connection with influencing legislative or administrative action were required to be itemized. Effective January 1, 1985, Employers and Persons Spending \$2,500 will no longer be required to itemize "general lobbying" type payments. Such payments will be reported as a lump sum. (This change is reflected in the 1984 Form 650.)

Previously, only activity expenses of \$25 or more were required to be itemized by Employers and Persons Spending \$2,500. Effective January 1, 1985, all activity expenses of any amount must be itemized.

REPORTING CONTRIBUTIONS MADE OR DELIVERED  
BY A LOBBYIST

Lobbyists are required to report in Part IV of the Form 620 all campaign contributions and independent expenditures of \$25 or more from the lobbyist's personal funds or from a separate account under the control of the lobbyist to state candidates, elected state officers and committees supporting such candidates or officers. In addition, lobbyists must report contributions of \$25 or more which are personally delivered by the lobbyist to state candidates or elected state officers.

A lobbyist is not required to report as "personally delivered" a contribution that the lobbyist delivers for an employer or other person to a state candidate's fundraiser unless the lobbyist or his or her agent actually hands the contribution to the candidate or hands it to a treasurer, campaign worker or other agent of a candidate or state officer in the presence and with the knowledge of the candidate or state officer.

CHANGE IN LOBBYIST EMPLOYER REPORTING:  
REPORTING PAYROLL TAXES AND ROUTINE FRINGE BENEFITS

The last "Lobbying Newsletter" (Vol. 6, No. 1, June, 1984) carried an item on page 12 which indicated that employers must report as "overhead" on their quarterly reports payments to the Internal Revenue Service and Franchise Tax Board for payroll taxes and payments for the employer's share of Social Security and other employee benefits.

The staff has reconsidered this interpretation of the regulations and has determined that the additional benefit which the public would receive from this information is minimal, and that requiring the information poses a significant burden on lobbyist employers who, because their employees are not engaged in lobbying on a full-time basis, would report only a portion of their payments for payroll taxes and employee benefits.

Therefore, lobbyist employers are no longer required to report on their quarterly reports payroll taxes, payments to Social Security and routine benefits which are made on behalf of all employees, such as contributions to pension or retirement plans and employer paid health or life insurance plans.

Retained entities, should contact the Technical Assistance and Analysis Division regarding reporting these payments.

QUESTIONNAIRE

1984 Information Manual for Lobbying Disclosure Provisions of the Political Reform Act: Is the Information Manual easy to use? Are the explanations and examples clear? Is the manual well-organized? What additional information would you like to see included in the manual? Other comments?

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1984 Reporting Forms for Lobbyists and Lobbyist Employers: Are the instructions for the forms clear? Are the forms convenient to use? What changes would you like to see made to the forms? Other comments?

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PLEASE SEND THE COMPLETED QUESTIONNAIRE TO THE TECHNICAL ASSISTANCE AND ANALYSIS DIVISION, P.O. BOX 807, SACRAMENTO 95804, AS SOON AS POSSIBLE SO YOUR SUGGESTIONS CAN BE CONSIDERED FOR THE 1985 REVISIONS.

COMMON CAUSE SUMMARY OF  
CONTRIBUTION LIMITS FOR STATE ELECTIONS

	<u>Corporate</u>	<u>PAC</u>	<u>Labor</u>	<u>Individual</u>
Alabama	\$500 per candidate or party per election	None	None	None
Alaska	\$1,000 per year per candidate	\$1,000 per year per candidate	\$1,000 per year per candidate	\$1,000 per year per candidate
Arizona	Prohibited	None	Prohibited	None
Arkansas	\$1,500 per year per candidate	\$1,500 per year per candidate	\$1,500 per year per candidate	\$1,500 per year per candidate
California	None	None	None	None
Colorado	None	None	None	None
Connecticut	Prohibited	If established by individuals -- no limit If established by labor organization, same as individual limit -- \$50,000 aggregate limit per election If established by corporation, twice individual limit -- \$100,000 aggregate limit per election	Prohibited	Between \$2,500 for governor to \$250 for state representative per election (varies for each office) Aggregate limited to \$15,000 Individual contribution to political committee also limited
Delaware	\$1,000 per statewide candidate, per election \$500 per non-statewide candidate	\$1,000 per statewide candidate, per election \$500 per non-statewide candidate	\$1,000 per statewide candidate, per election \$500 per non-statewide candidate	\$1,000 per statewide candidate, per election \$500 per non-statewide candidate
Florida	\$3,000 per statewide candidate, per election*/ \$1,000 to others	\$3,000 per statewide candidate, per election \$1,000 to others	\$3,000 per statewide candidate, per election \$1,000 to others	\$3,000 per statewide candidate, per election \$1,000 to others \$1,000 to political committee

\*/ Florida has three primaries.

	<u>Corporate</u>	<u>PAC</u>	<u>Labor</u>	<u>Individual</u>
Georgia	Prohibited from agents of public utility corporations	None	None	None
Hawaii	\$2,000 aggregate per candidate, per election	\$2,000 aggregate per candidate, per election	\$2,000 aggregate per candidate, per election	\$2,000 aggregate per candidate, per election \$50,000 aggregate limit from immediate family
Idaho	None	None	None	None
Illinois	None	None	None	None
Indiana	\$3,000 aggregate to statewide candidates and committees \$1,000 aggregate to others \$1,000 aggregate to all party committees (\$8,000 aggregate per calendar year)	None	\$3,000 aggregate to statewide candidates and committees \$1,000 aggregate to others \$1,000 aggregate to all party committees (\$8,000 aggregate to all party committees)	None
Iowa	Prohibited	None	None	None
Kansas	Prohibited from certain corporations and their majority stockholders Otherwise, \$3,000 to statewide candidates per election \$750 to others per election	\$3,000 to statewide candidates per election \$750 to others per election	\$3,000 to statewide candidates per election \$750 to others per election	\$3,000 per election to candidate for statewide office \$750 per election for legislative office
Kentucky	Prohibited	None	None	\$3,000 per candidate per election
Louisiana	None	None	None	None
Maine	\$5,000 per candidate per election	\$5,000 per candidate per election	\$5,000 per candidate per election	\$1,000 per candidate per election \$25,000 in the aggregate per calendar year

	<u>Corporate</u>	<u>PAC</u>	<u>Labor</u>	<u>Individual</u>
Maryland	\$1,000 per candidate \$2,500 aggregate per election	None, except for limits on out-of-state PACs to \$1,000 per candidate, \$2,500 per election	\$1,000 per candidate \$2,500 aggregate per election	\$1,000 per candidate \$2,500 aggregate
Massachusetts	Prohibited	None	None	\$1,000 per candidate and per committee per calendar year
Michigan	Prohibited	\$1,700 to statewide office, \$450 to state senator, \$250 to state representative	\$1,700 to statewide office, \$450 to state senator, \$250 to state representative	\$1,700 to statewide office, \$450 to state senator, \$250 to state representative \$25,000 aggregate limit from immediate family
Minnesota	Prohibited	Between \$150 and \$12,000 in non-election years depending on office Limits are increased five times for contributions in election year	Between \$150 and \$12,000 in non-election years depending on office Limits are increased five times for contributions in election year	Between \$150 and \$12,000 in non-election years, depending on office Limits are increased five times for contributions in election year
Mississippi	\$1,000 per calendar year \$250 per primary for judicial candidates	None, except for \$250 per primary for judicial candidates	None, except for \$250 per primary for judicial candidates	None, except for \$250 per primary for judicial candidates
Missouri	None	None	None	None
Montana*/	Prohibited	\$8,000 to governor and lieutenant governor \$2,000 to other statewide \$600-300 non-statewide	\$8,000 to governor and lieutenant governor \$2,000 to other statewide \$600-300 non-statewide	\$1,500 to governor and lieutenant governor \$750 to other statewide \$400-250 others
Nebraska	None	None	None	None
Nevada	None	None	None	None

\*/ House candidates in Montana cannot accept more than \$600 from all PACs. Senate candidates cannot accept more than \$1,000 from all PACs.

	<u>Corporate</u>	<u>PAC</u>	<u>Labor</u>	<u>Individual</u>
Tennessee	Prohibited	None	None	None
Texas	Prohibited	None	Prohibited	None
Utah	None	None	None	None
Vermont	\$1,000 per candidate per election	\$5,000 per candidate per election	\$1,000 per candidate per election	\$1,000 per candidate per election
Virginia	None	None	None	None
Washington	None	None	None	None
West Virginia	Prohibited	\$1,000 per candidate	\$1,000 per candidate	\$1,000 per candidate
Wisconsin	Prohibited	\$1,000 to statewide \$500 to state assembly Others: 4% of spending limit which varies depending on office	Prohibited, if labor organization was incorporated after December 31, 1977	\$10,000 statewide per election \$1,000 for senate \$500 to state assembly Aggregate limit of \$10,000 per year for state and local office and committees
Wyoming	Prohibited	No limit	Prohibited	\$25,000 aggregate biennially \$1,000 per candidate biennially

Sources: Federal Election Commission's National Clearinghouse on Election Administration, "Campaign Finance Law 81" (Washington, D.C. 20463)  
Haley, Martin Companies, Inc., Campaign Contributions and Lobbying Laws, 1982.

	<u>Corporate</u>	<u>PAC</u>	<u>Labor</u>	<u>Individual</u>
New Hampshire	Prohibited	None	Prohibited	\$5,000 per election per candidate
New Jersey	Prohibited from certain corporations and their majority stockholders \$800 per gubernatorial candidate	\$800 per gubernatorial candidate	\$800 per gubernatorial candidate	\$800 per gubernatorial candidate
New Mexico	None	None	None	None
New York	\$5,000 for all political activity per year Formula based on voter population	Formula based on voter population	Formula based on voter population	\$50,000 per campaign, \$150,000 for all political activity per calendar year, Formula based on voter population
North Carolina	Prohibited	\$4,000 per candidate per election	Prohibited	\$4,000 per candidate per election
North Dakota	Prohibited	None	Prohibited	None
Ohio	Prohibited	None	None	None
Oklahoma	Prohibited	\$5,000 to state candidates \$1,000 to local candidates	\$5,000 to state candidates \$1,000 to local candidates	\$5,000 to state candidates \$1,000 to local candidates \$5,000 to a party or organization
Oregon	Prohibited from certain corporations	None	None	None
Pennsylvania	Prohibited	None	Prohibited	None
Rhode Island	None	None	None	None
South Carolina	None	None	None	None
South Dakota	Prohibited	None	Prohibited	\$1,000 to statewide candidates \$250 to legislative or county candidates \$3,000 to parties

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# ON THE FIRING LINE

The Washington press corps asks the tough questions

**CC** President Fred Wertheimer announced a "War on PACs" in a speech before the National Press Club in February. Following the speech, which was broadcast live on National Public Radio, Wertheimer took questions from the Washington press corps and others in the audience. Below are edited excerpts from the question and answer session.

**Q** Why weren't you complaining about PACs [political action com-

mittees] when organized labor had the overwhelming share of them?

**A** I'm glad you asked that question. We were! You can look at the statements that CC put out in 1971, '72 and '73 and '74 when labor was the dominant [PAC] force. In fact, the leaders of the fight in 1974 to open the door for the PAC movement's growth were labor organizations. We were on the opposite side at that time and it was a very bitter fight. We think [PACs] are bad for the system regardless of where they come from.

**Q** The advantages of incumbency in a political campaign [free mailing privileges, publicity, etc.] have been valued at as much as a quarter of a million dollars. What do you propose to give the challengers so they may beat incumbents?

**A** What we propose is a new system of financing these elections. It's incumbents who really benefit most from the present system—the percentage of PAC money that went to incumbents, rather than challengers, reached an all time high in 1982.



CC President Fred Wertheimer announced Common Cause's "War on PACs" in a speech before the National Press Club in February. Members of the Washington press and others seated at the head table include (top row, left) Ed Fouhy, ABC TV; Mary McGrory, The Washington Post; Rep. David Obey (D-Wis.); John Peterson, Detroit News; and Don Byrne, Traffic World (president of the Press Club and moderator); (bottom row, left) Ann McBride, CC vice president for program operations; Don McLeod, AP; Judy Woodruff, NBC TV; Evan Thomas, Time; Arnold Sawislak, UPI; and Winnie Long, CC volunteer.

We're asked, "Well, isn't public financing of congressional races an 'incumbents' protection act?'" You can ask former Presidents Carter and Ford. They were the first two presidents to run under the new system of public financing for presidential races and also the first two incumbent presidents to be defeated in a 40-year period. They will not tell you it's an incumbents' protection act.

Also, for some strange reason, after a decade, we have still not been able to convince the majority of Members in both the House and the Senate simultaneously that public financing is such a good deal that they should grab it. The fact is the new system [of public financing for congressional races] will give challengers a better chance to compete, but it won't stop incumbents from being able to run their races.

**Q** *With public financing of congressional elections, how would candidates in the primaries be selected to receive public funds?*

**A** At this stage, we support public financing of general elections—not primaries. The reason is a practical one. We think it has to be demonstrated that the system will work at the general election level first to show that it can work at the primary level as well. The way funds would be provided would be quite similar to the way they are provided for presidential primaries now. You would establish a financial threshold of small contributions [that candidates would have to raise before becoming eligible for public matching funds] to separate the viable candidates from the non-viable ones.

**Q** *Common Cause has recently been advocating partial public financing for congressional elections, but isn't the real aim of your organization full public financing?*

**A** No. We have supported full public financing of general elections for presidential campaigns. We believe in a system for Congress that allows a role for small private contributions [to congressional campaigns] and which provides public [matching] funds to make those contributions much more important [to a



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candidate]. That also allows a viable role for the political parties. Candidates can run for office without being dependent on [PACs] in a system that allows small private contributions. They cannot do that with PAC contributions playing the role they're playing today.

**Q** *Are you at all concerned about wealthy candidates, like Sen. Edward Kennedy (D-Mass.) and H. John Heinz (R-Pa.) who can afford to bankroll their campaigns from family fortunes?*

**A** Yes, we're very concerned about the advantage wealthy candidates have under our current system. That advantage will always be there unless we can pass public financing. Under a Supreme Court ruling, a wealthy candidate is free to spend as much of his or her money as the candidate wants. But we can limit that spending as part of a public financing system, if the candidate agrees to participate in it. If the candidate doesn't participate, you can provide additional resources and public funds for the opponent so that the opponent can com-



*The source of money is not the issue, it's the concept behind it. The whole system is infected [by PAC contributions] and that's what has to be cured.*

pete. Public financing gives us the best chance to stop the extraordinary advantages that a wealthy candidate has today.

**Q** *If money is so important [for winning campaigns], why didn't [millionaire Mark] Dayton win [his congressional campaign] in Minnesota?*

**A** Wealthy candidates don't always win. Money isn't a guarantee, but I'd like to point out that although Dayton lost his race in Minnesota, he also forced [his opponent], Sen. Durenburger [R-Minn.], to spend three or four times as much as he spent to win the same seat just four years ago. Dayton made Durenburger a million-dollar PAC man.

**Q** *Isn't public financing really an impractical solution? What about the bureaucracy and disputes over implementing it?*

**A** No—it's not an impractical solution. . . . We could spend a lot of time talking about the difficulties of implementing public financing, but we know it can be done—because it has been done, not only at the national level, but at the state level. It's been done in New Jersey for gubernatorial races, and in Wisconsin for state legislative races. The real question is, will a new system put us in a better situation than we're in today? The answer is yes. We're in such bad shape today there's nowhere to go but up.

**Q** *How do you feel about such organizations as the Council for a Liveable World [a group which supports a nuclear freeze] and the National Committee for an Effective Congress [a liberal political organization] which contribute [through PACs] to campaigns of congressional candidates?*

**A** Our organization has problems with PACs regardless of who forms them. It's natural for any group to lobby for its own point of view, whatever its philosophy. But when you combine that natural act with campaign contributions, and then watch PACs' campaign contributions increase from \$12.5 million in 1974 to \$80 million in 1982—you know you've gotten into a very unnatural

situation.

The source of the money is not the issue, it's the concept behind it. The whole system is infected [by PAC contributions] and that's what has to be cured.

**Q** *Some people, such as New Yorker political correspondent Elizabeth Drew, have argued that public funding of presidential races hasn't really [eliminated special interest money]. If that's the case, why would public financing work any better for congressional races?*

**A** I don't agree with that analysis. There have been some problems with public financing of presidential elections, but I think the system has worked. The people who are elected president under this system cannot be indebted to those who finance their campaigns—they can and do get enough [public] money to run their elections without having to become dependent on private groups or individuals putting up money.

There are some problem areas—such as the role of independent expenditures [since individuals or groups who are supposedly independent of the candidate's official campaign organization can circumvent the current limits on campaign contributions]. Such problems can and should be dealt with—but they do not mean the system doesn't work. Imagine, for example, how the presidential election would be run in 1984 without public funds, with individuals free to give a million rather than a thousand dollars, and you can see that the system to date has accomplished its most basic goals.

**Q** *If you limit the role of PACs, isn't there a danger of weakening the constitutionally guaranteed right to petition Congress?*

**A** If we really clamp down on PACs, I don't think General Motors, the AFL-CIO or other groups are going to lose their ability to speak. What they're going to lose is their ability to use money to obtain public policy decisions on their behalf.

We're not going to eliminate interest groups. We're not going to eliminate competing ideas. We're not going to eliminate lobbying, and we should not. We are going to eliminate the vehicle

that is allowing corruption of the entire political process today.

**Q** *If you were to wage a successful war on PACs, what role, if any, would you leave for PACs? What would you offer in their place to help provide access to lawmakers?*

**A** Ideas, words, hard work—not money. Our approach would leave a role for PACs, but a vastly diluted role such as that played in publicly financed presidential campaigns. PACs gave less than \$2 million to the 1980 presidential campaigns. That's a minimal role, and one which does not allow them to dominate or influence the system excessively with money. We believe in preserving a role for private money, and we also believe that if you allow individuals to give a small amount, you can allow a group to give a small amount.

**Q** *What do you see as a model for citizen involvement in the electoral process—taking into account the fact that most of us are ordinary people who have primary responsibilities to our families and jobs and have no desire to run ourselves ragged going to political meetings? What contribution can we make?*

**A** Well, vote, for starters. There are a variety of ways that people can be involved in a campaign—and our approach leaves room for small private contributions for both candidates and the political parties. But your question evokes the often heard argument that PAC money is simply an accumulation of lots of small contributions and therefore an important new way for individuals to participate in the political process. What really happens is that those contributions change their character when they go to a PAC. They take on the identity of the interest [group represented by] the PAC rather than that of the individual. Individuals, fortunately, are more complex than PACs. They weigh a variety of things in trying to decide whether their representation in government is good or bad. PACs have a much narrower agenda, and thus fragment the system. They are not a positive vehicle for allowing people to participate in the political process. ●

# SPEAK

## The public, the press and even some Members

Some Members of Congress have been willing to buck the system and call for reform of the way their campaigns are financed. They join many outraged citizens who are demanding an end to a system that undermines our basic notions of democracy.

The phenomenal increase in PAC spending and the abuses that have followed have not gone unnoticed by the press either.

Just a few weeks after the 1982 elections, an editorial in *Business Week* endorsed public financing of congressional elections and limits on the amount of PAC money a candidate can accept. "Fears are growing that the proliferation of PACs—sponsored by unions, corporations, associations and ad hoc collections of like-minded people—is balkanizing the nation's political process as swarms of candidates and well heeled special interest groups jostle to trade political favors for money," said *Business Week*.

In perhaps the most comprehensive look at the role of money in politics, *The New Yorker* magazine published a two-part series examining the PAC phenomenon. Staff writer Elizabeth Drew wrote, "The processes by which Congress is supposed to function have been distorted, if not overwhelmed, by the role of money. The ability of even the best of the legislators. . . to act independently. . . has been seriously impaired."

Other members of the media have added their voices to the debate. *The New Republic* called congressional campaign fundraising "a kind of financial arms race [in which] candidates from both parties aggressively solicit funds from PACs—who in turn solicit votes from Members of Congress." *Time* magazine published a cover story entitled "The PAC Men: Turning Cash Into Votes." Other stories appeared in *The New York Times*, *The Washington Post*, *The Los Angeles Times*, *Newsweek* and *U.S. News and World Report*.

Common Cause contributed to public awareness during the 1982 elections with the aid of a new computer system to "track the PACs." With the help of the new computer, CC was able to provide the most sophisticated analysis to date on PAC contributions to 1982 congressional candidates. Among the highlights of CC's media efforts:

- Interviews that contributed to election coverage by ABC, NBC, CBS, Canadian Broadcasting Corp., British Broadcasting Corp. and Cable News Network.

- A full page rundown on PAC contributions compiled by CC that appeared in *The Washington Post* shortly before the elections.

- An Associated Press story that described CC as "the recognized leader in the private sector for watchdogging election finances."

This Congress, CC will continue to provide up to the minute information on the role money is playing in Congress. By comparing PAC contributions with congressional votes on key pieces of legislation, Common Cause hopes to provide even more dramatic and timely evidence that PAC money does influence votes.

Along with public support for change, some Members of Congress are beginning to speak out about the pressures and problems of PAC money in politics. There's what some of them have had to say:



Sen. Robert Dole (R-Kan.)

When these political action committees give money they expect something in return other than good government. It is making it much more difficult to legislate. We may reach a point where everybody is buying something with PAC money. We cannot get anything done.



Sen. Thomas Eagleton (D-Mo.)

It virtually forces Members of Congress to go hat in hand, begging for money from special interests whose sole purpose for existing is to seek a *quid pro quo*. The scandal is taking place every day and will continue to do so while the present system is in place.



Rep. Barber Conable (R-N.Y.)

I'm scared. These new PACs not only buy incumbents but

# ING OUT

of Congress are saying enough is enough.

affect legislation. It's the same crummy business as judges putting the arm on lawyers who appear before them to finance their next campaign.



**Rep. Thomas Downey**  
(D-N.Y.)

You can't buy a congressman for \$5,000. But you can buy his vote. It's done on a regular basis.



**Rep. Les Aspin**  
(D-Wis.)

What you are talking about here is changing votes at the margin. Of course, there are certain issues where people are going to vote for something, no matter what. But then there

are undecided votes at the margin that can be tipped by PACs. Also, there are various degrees of being for a bill—cosponsoring it, or fighting for it in committee, in debate, on the floor, or in a leadership role on the floor. PAC funds can determine a Member's intensity as well as position.



**Rep. David Obey**  
(D-Wis.)

When a large number of groups which have made substantial contributions to Members are all lobbying on the same side of an issue, the pressure generated from these aggregate contributions is enormous and warps the process. It is as if they made a single, extremely large contribution.



**Rep. Jim Leach**  
(R-Iowa)

I can remember a Member coming up to me from an urban area and asking how to vote on a particular milk [issue] based upon what the milk lobby wanted, because he had received milk [lobby] funds. I thought that was fairly ridiculous. It wasn't in his constituents' interest, and he didn't even look at the merits of the bill. He looked at what his obligations were.



**Sen. William Proxmire**  
(D-Wis.)

PAC money is not free; it has strings attached. PAC money represents specific eco-

nomics or ideological interests. Campaign contributions help open doors, help to advance special interest rather than the public interest.



**Sen. Daniel Inouye**  
(D-Hawaii)

The fact remains that when someone gives you a thousand or two thousand dollars, he expects that door to be open to him—and he gets a little preferential treatment. . . . You have 10 people vying for one hour. A staff member will say, "I think you ought to see Mr. So-And-So and Mr. So-And-So. We'll send letters to the others." Often that decision depends on the level of support.



**Rep. W. Henson Moore**  
*(R-La.)*

If he [the Member of Congress] knows you aren't politically active, he may be polite to you, but if you really want to see him perk up and be interested in what you say, let him know you represent a political action committee that is going to be active in the next election.



**Rep. Dan Glickman**  
*(D-Kan.)*

It wouldn't be a problem if every side had a PAC, but everyone doesn't. There aren't PACs on every side of the issue. Public interest is less well addressed than it used to be when political parties had more influence in congressional races. As [Sen.] Bob Dole says, there is no 'Poor PAC,' 'Used Car Buyers PAC,' a 'Milk Drinkers PAC,' or a 'SickPAC.'



**House Minority Leader Robert Michel**  
*(R-Ill.)*

(On legislation setting levels for the farm industry's price supports): The dairy industry spreads an awful lot of money around and that gets reflected in votes out here, I'm afraid.



**Sen. Dale Bumpers**  
*(D-Ark.)*

Money is the number one political problem our country is facing. . . . You can't have a sensible debate about how much is enough for defense when those PACs are contributing so much.



**Rep. Barney Frank**  
*(D-Mass.)*

We are the only human beings in the world who are expected to take thousands of dollars from perfect strangers on im-

portant matters and not be affected by it.



**Rep. Tim Wirth**  
*(D-Colo.)*

PACs are a scandal waiting to happen.

## A PAC PAVES THE WAY FOR CHANGE

The public, Members of Congress and the press aren't the only ones calling for an end to the PAC system. At least one PAC, sponsored by the National Asphalt Pavement Association, has also said enough is enough.

The road makers' PAC gave \$66,770 during the last two elections and was one of the first construction industry PACs formed in the '70s. In January, it closed down.

Among the reasons given by the group's president in a recent letter to Members of Congress: the "ludicrous" amount of money being spent on elections; the growing public perception that a Member's vote can be "purchased or rented"; and the belief that closing down its PAC won't lessen the group's ability to represent its interests before Congress.

By taking this unusual step, the group says it hopes "to encourage the Congress to examine the present trends in the financing of campaigns and to prescribe remedies before the 1984 elections."

~~DK~~  
~~SW~~  
MK

TESTIMONY OF  
ARCHIBALD COX  
CHAIRMAN, COMMON CAUSE

before

Task Force on Elections  
Committee on House Administration

Faneuil Hall  
Boston, Massachusetts  
July 8, 1983

GREAT



TESTIMONY OF ARCHIBALD COX BEFORE TASK FORCE  
ON ELECTIONS OF THE HOUSE ADMINISTRATION  
COMMITTEE OF THE U.S. HOUSE OF REPRESENTATIVES

July 8, 1983

Mr. Chairman and Members of the Task Force:

I appreciate the opportunity to testify before you on the most important domestic problem now facing the Congress and the American people: the skyrocketing cost of congressional election campaigns and the increasing influence, or appearance of influence, of special interest money. I appear as Chairman of Common Cause. I am also a student and teacher of constitutional law at Harvard.

It is peculiarly fitting that one of your Task force hearings be held here at Faneuil Hall. This very building -- this room -- is one of the places where government of the people, by the people, and for the people was born. Your deliberations upon the reform of the financing of political campaigns for election as U.S. Senator or Representative in Congress will determine how well -- may even determine whether -- that form of government will survive.

I. PERSPECTIVE

The problems of money in political campaigns are not new. We got where we are in four phases.

The first massive infusion of special interest money into a federal campaign occurred in 1832 when Nicholas Biddle and the Bank of the United States spent \$800,000 to \$1,000,000 in

Watergate made voters keenly aware of the consequences: of the Milk Producers Association's pledge of \$2 million to President Nixon's campaign for reelection, given at the same time as the Nixon Administration's grant of an increase in the support price of milk; of the approval of American Airlines' application for profitable routes shortly after a large and unlawful corporate contribution to the party in power; and of the settlement of antitrust litigation against International Telephone and Telegraph shortly after an ITT subsidiary agreed to underwrite a large portion of the expenses of the Republican Party's national convention.

Congress responded by enacting the Federal Election Campaign Act amendments of 1974. Congress solved the problem -- it pretty much eliminated the evils -- in the context of Presidential campaigns, and in doing so it pointed to the solution that ought to be adopted for House and Senate races. In primary campaigns the federal government agrees to match with public funds the first \$250 of each private contribution received by a candidate after raising enough to cross a specified threshold. In the general election each major party may elect to receive an equal allowance under a formula that actually yielded each major party candidate \$29.4 million in 1980. In return, the candidate is required to agree to limit personal expenditures and to pledge that neither he nor any political committee authorized by him will make expenditures or incur debts in excess of the public allowance. So-called "independent expenditures" by any other

candidates in the pursuit of office. Then the second factor came into play. The Supreme Court held that involuntary overall ceilings on a candidate's expenditures are unconstitutional. After that the PAC loophole allowed a flood of special interest money from labor unions as well as corporations, and also from trade and professional associations.

This is the core of the problem today. Campaign expenditures continue to skyrocket. PAC contributions increase even faster, so that the dependence of candidates upon PAC contributions becomes proportionately greater in each election:

<u>YEAR</u>	<u>TOTAL EXPENDITURES</u>	<u>PAC CONTRIBUTIONS</u>	<u>PAC PERCENTAGES</u>
1974	\$ 74 million	\$12.5 million	16%
1976	99 million	22.6 million	22%
1978	194 million	35.1 million	22%
1980	239 million	55.2 million	29%
1982	343 million	83.1 million	30%

The public is increasingly distressed and dismayed by these figures. Not just the media but men and women everywhere speak with varying degrees of worry, anger and cynicism of "the finest Congress money can buy." This "nifty" is unfair to many individual members, but it expresses what the public sees. Gallup poll released in December 1982 reveals that by a majority of 55 to 31 the public favors public financing of congressional campaigns and a flat prohibition on all other contributions.

## II. THE PRESENT DANGERS

These two trends -- skyrocketing expenditures in congressional campaigns and the increasing dependence of House and

3. PAC money favors incumbents and disadvantages challengers. There are currents and cross-currents, but the statement is markedly true on the whole because PAC money goes preponderantly to incumbents. In 1982, for instance, each major category of PAC -- business, labor, trade association, and the like -- gave more money to incumbents than to challengers. PAC money in the 1982 election went to incumbents over challengers at a ratio of over three to one, according to the Federal Election Commission.

4. PAC money is distorting the congressional process. Even if there is little to show that PAC contributions are explicitly made quid pro quo, several kinds of evidence go far to demonstrate that PAC contributions do influence votes on Capitol Hill -- in congressional committees and also on the floor of the Senate and House of Representatives.

Occasionally a PAC figure acknowledges the link. Justin Dart, the chief executive officer of Dart Industries, acknowledged that dialogue with politicians "is a fine thing but with a little money they hear you better." The chairman of the Grumman Aviation PAC acknowledged that their contributions do buy access: "We don't expect contracts because we give someone \$5,000. But the likelihood of us getting in to see the Congressman is much higher."

Pointed comments have come from Members of Congress themselves. Senator Robert Dole of Kansas, who is not given to exaggerated statement, observes, "When these PACs give money they expect something in return other than good government."

received on the average more than \$100,000 each from PACs in the 1982 campaign. Energy industry PACs alone provided nearly half a million dollars for members of the Committee. As Representative Obey has pointed out, "[W]hen a large number of groups which have made substantial contributions to members are all lobbying on the same side of an issue, the pressure generated from those aggregate contributions is enormous and warps the process. It is as if they had made a single, extremely large contribution . . ."

5. The cumulative effect of these trends is to breed cynicism to present government to the average person as a rip-off, and so to erode confidence in democracy. The 1974 testimony of John Gardner, then Chairman of Common Cause, is equally applicable today: "There is nothing in the political system today that creates more mischief, more corruption, and more alienation and distrust on the part of the public than does our system of financing elections."

### III. THE REMEDY

Only the foolhardy would claim to have a total and ideal solution to the problems surrounding the financing of election campaigns. I know only that progress must be made -- and made soon. I am pretty well convinced, and submit to you now, that the solution you recommend, in addition to retaining ceilings upon the size of contributions and the bans on corporations and labor unions, must embrace four principles if it is to be effective:

The provision for overall ceilings is essential. There is no reason for government to assist in supplying unlimited campaign funds beyond those appropriate to run a solid race. It is also the pressure to escalate spending that gives advantage to the wealthy, drains the time and energy of the candidates, and forces candidates to look to sources of money whose acceptance gives rise to an imprecise but nonetheless reciprocal obligation.

The absence of spending limits in congressional races creates four other problems for our political system.

First, large differences in ability to finance mass media advertising, including television spots, gives the wealthy candidate or the candidate supported by great wealth an advantage unrelated to his or her personal merit or the merits or popularity of his or her political views. It is difficult to prove precisely how much difference money makes but no practical politician doubts its importance. The ability of one candidate or the candidate's supporters to marshal vastly larger sums than their opponents with which to buy time or space in the mass media often becomes a decisive factor in the outcome.

Second, the infusion of massive amounts of money emphasizes competition of mass media advertising rather than of ideas or ability to perform well in public office. No doubt a restriction reduces the size of the audience reached. But the amount of money spent in modern campaigns bears almost no relation to the number of issues discussed or the depth of their exploration. As Judge Skelly Wright observed, "The ceilings on giving and spending take from wealthy citizens, candidates or organizations only

ceiling and the government assistance. Under these circumstances it would be unfair to enforce the limit.

3. Congress should protect candidates against the activities of "political committees" formed to make so-called "independent expenditures".

In the 1980 election so-called independent "political committees" were established to raise and spend money in support of Ronald Reagan in excess of the amounts the candidate was allowed to spend under the system of public financing of Presidential elections. To allow the practice to spread unrestrained would lead to the circumvention of other ceilings on overall candidate expenditures and quite possibly to circumvention of restrictions upon contributions. Such independent expenditures, when truly independent, can also be embarrassing and unfair to the candidate they are intended to help.

Three methods of dealing with the independent expenditure problem have been suggested:

(a) Imposition of a very low ceiling upon independent expenditures by any "political committee," such as presently applies to a Presidential election campaign in which the candidate accepts public funds.

(b) Invoking the doctrine of Red Lion Broadcasting Co. v. FCC, 395 U.S. 367 (1969) to require any broadcast licensee who allows the broadcast of a program or advertisement supporting one of rival candidates to give any other candidates equal free time in which to reply.

(c) Providing government funds to match such expenditures.

rerunning the candidate's most successful 45-second television spots. In such a case the spender says nothing; he supplies money that essentially serves the same function as a contribution: it buys advertising. At the former end of the range, where the individual is truly engaging in self-expression, there may be some justification for equating restrictions on spending with restrictions on speech. At the latter end, where the individual, like the contributor, is simply putting up money in order to buy space or time for another's speech, the lower level of constitutional protection applicable to contributions would seem appropriate even in the case of individual expenditures. The statute before the Court, Section 608(e), prohibited even expenditures to give one's own speech. To hold Section 608(e) unconstitutional the Court had only to decide that that form of expenditure is constitutionally protected by the First Amendment. The Court did not have to decide and may not have decided anything about other forms of individual expenditure, such as those typically initiated by organized committees for advertising in the media of mass communication.

Similarly, although the Court did indicate that at least some expenditures by "persons or groups" are protected, there is scant reason to suppose that the word "groups" was intended to apply to a formally structured committee organized to solicit contributions and make expenditures in support of a candidate or candidates. The Court could just as easily have had in mind a small circle of friends or associates who jointly write an appeal