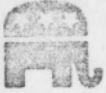


**The original documents are located in Box 2, folder “Republican National Committee - White House Accounts (2)” of the Benton L. Becker Papers at the Gerald R. Ford Presidential Library.**

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Republican National Committee.

Mary Louise Smith  
Chairman

*Pres. gave  
Chairman  
in oval office 10/2/63  
Edmund Lewis*

*James Jones -  
- views point of party  
looking at the Pres*

*Clayton*

*Draft 2  
with changes*

September 10, 1975

*"call upon"  
← "to stress we people  
"why cost of  
to represent our  
party."  
R.R.  
spoke of  
Party roles for  
expenses assumed  
by US Senate. Jackson  
travels telephone, state  
Party functions, staff  
involvement etc  
- Congressional  
staff function etc*

Honorable Thomas B. Curtis  
The Federal Election Commission  
1325 K Street, N. W.  
Washington, D. C. 20005

Dear Chairman Curtis:

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Honorable Thomas B. Curtis  
Page 2  
September 10, 1975

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Honorable Thomas B. Curtis  
Page 3  
September 10, 1975

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But, who shall assume the cost incurred when the executive so functions?

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Honorable Thomas B. Curtis  
Page 4  
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Political campaign committees accept contributions and make expenditures that are identifiable with that committee's support of its particular candidate for a particular office. National political parties, conversely, are charged with the ongoing responsibility of creating voter recognition of party identity and ideology, without reference to an individual candidate or election. A large measure of this function is performed by the President, Vice President and their aides on behalf of their National and State parties. When these party functions are performed and costs result from same, the beneficiary of those functions, i.e., the National or State political parties, should and does assume the cost incurred.

Obviously, some slight personal political dividends may accrue to an incumbent President traveling and speaking on his National party's behalf simply by the Presidential exposure. Such incidentals, as name recognition and constituency exposure, are not specifically

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9/27/75  
contributions

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GERALD R. FORD LIBRARY

Honorable Thomas B. Curtis  
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September 10, 1975

prohibited by the Federal Election Campaign Law and are, in fact, reserved under the Act, itself, to incumbent United States Senators and Representatives seeking reelection by virtue of the Act's allowed continuing use of franked mail privileges after a declaration of candidacy [2 U.S.C. 439(b)]. The legislative body that enacted the Federal Election Campaign Law rightfully concluded that a declaration of candidacy should not prohibit a legislator from continuing to conduct his or her usual, routine ongoing business, and thereby allowed continued free mailing privileges even when seeking reelection. To postulate a different rule for an incumbent President seeking reelection, and thereby mandating an abdication by an incumbent President of his continuing to conduct routine ongoing National party obligations, would be manifestly unfair. He would be required, as President Kennedy suggested, to avoid the party's leadership role he was chosen to fulfill and thereby weakening his political party and dealing a blow to the democratic process itself.

P.B. ✓



P.B.  
role of conducting ✓

~~Congress further recognized Congressional officeholders' needs for supportive funds during the period of their incumbency. Section 439(a) of the Act permits Congressional candidates to use political contributions received, in excess of expenditures incurred, to defray the "ordinary and necessary" expenses associated with the activities of a Federal officeholder, subject only to disclosure to the Federal Election Commission. The ordinary and necessary expenses associated with the activities of Federal legislative officeholders are not dissimilar to those activities undertaken by a Presidential party head in furtherance of his National party's goals.~~

counted against next election

Partisan political activity is a recognized and Federally codified facet of an incumbent President's ordinary business. The purpose of the Federal Hatch Act (5 U.S.C. 7321, et seq.) is to prohibit partisan political activities by employees of the Executive Branch of the Federal government. That prohibition excludes employees of the Office of the President. This statutory exclusion

↓  
P.B.  
and the Kennedy Presidential campaign ✓



Honorable Thomas B. Curtis  
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is a Congressional recognition of the inherent partisan nature and duties of the Presidency. It does not necessarily follow that because Congress recognized the political role of the President of the United States as head of his party, and authorized his aides to assist him in fulfilling that role, that the expenses thereby incurred should be borne by the Treasury of the United States. As suggested earlier, the more feasible and practical alternative to the taxpayer bearing these costs is that payment of these obligations be assumed by the beneficiary of the acts, i.e., the President's National political party.

In 1975, the Republican National Committee allocated the sum of Five Hundred Thousand Dollars (\$500,000) to support the activities of the President, the Vice President and their aides when engaged in the role as head of the National party. This budgetary allotment is consistent with past years budgets, without regard to the year in question was an election or nonelection year. On September 1, 1975, the Republican National Committee had ~~received~~ bills totaling Three Hundred Nine Thousand Dollars (\$309,000) toward the annual allotment. The Republican National Committee has filed quarterly reports reflecting its quarterly expenditures with the Federal Election Commission since the establishment of that agency. The Republican National Committee believes that it is the proper body to assume these expenditures, just as presumably, the Democratic National Committee believed it was the proper body to pay the expenses incurred by Democratic Presidents engaged in their National party affairs during the years 1960 through 1968. \*

When the President, Vice President and their aides are engaged in political activity on behalf of their National or State political parties, the R.N.C. assumes the cost of their travel and transportation, advance men expense, telephone and telegraph cost and the cost of receptions incidental to those activities. In addition, the Republican National Committee assumes the costs incurred for films and photographs taken during such Presidential

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\* 73  
The purpose of this travel  
is not to further the candidacy  
of the Incumbent Pres.

Honorable Thomas B. Curtis  
Page 7  
September 10, 1975

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The Republican National Committee does not assume the expenses resulting from Presidential and Vice Presidential travel incurred when engaged in Presidential or Vice Presidential candidacy or travel associated with the candidacy of other individuals. In those instances, the candidate's committee is required to pay all cost, in accordance with the strictures of the Federal Election Campaign Law. With one notable exception, the R.N.C. does not pay any of the expense associated with Presidential official travel, i.e., travel occurring as an adjunct to the Chief Executive's role as President of the United States, having no political overtones. That exception is the expenditures incurred by advance men during Presidential official travel. These charges are incurred by individuals, most frequently not employed by the Government, and not engaged in any official Governmental business. Although the National Committee is not, per se, a beneficiary of official Presidential travel, it assumes the advance men cost on official trips in the belief that such an expenditure from the United States Treasury would be unjustified. All other expenditures incurred during the Presidential official travel are borne by the White House budget appropriated funds.

The differing roles of a Presidential candidate and a Presidential party leader are sometimes subtle, but nonetheless real and subject to dispassionate analysis. The past and present system of payments by National political parties for expenses incurred by the President, Vice President and their aides for party promotional activity has the virtue of fairness. The alternatives, full payment of Presidential party promotional expenses by the taxpayers or, in those years when applicable, by the incumbent President's campaign committee, are simply not practicable. The former would constitute an improper expenditure of

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Honorable Thomas B. Curtis  
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Government funds and the latter imposes an equitable disadvantage upon incumbent Presidents seeking re-election, requiring them to deplete a significant amount of their Ten Million Dollar (\$10,000,000) primary election limit for expenses unrelated to their primary campaign effort. Incumbency would then become a serious political liability to an American President.

The Republican National Committee plans to continue to implement the procedures outlined in this communication. We would appreciate very much any comments or suggestions that the Commission may think appropriate to make with respect to our treatment of the payment of expenses incurred by the President, the Vice President and their aides when engaged in party promotional activities.

Sincerely yours,



MARY LOUISE SMITH  
Chairman

✓

*Actually, the records of the RNC reflecting ~~past~~ these past expenditures are available for ~~the Commission~~ inspection by the F.E.C., should the Commission so desire.*





Republican  
National  
Committee.

Mary Louise Smith  
Chairman

*Draft 3*  
*subject to wll changes*

<sup>15</sup>  
September 10, 1975

Honorable Thomas B. Curtis  
The Federal Election Commission  
1325 K Street, N. W.  
Washington, D. C. 20005

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Honorable Thomas B. Curtis  
Page 2  
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Honorable Thomas B. Curtis  
Page 3  
September 10, 1975

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Honorable Thomas B. Curtis  
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September 10, 1975

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for nomination  
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Honorable Thomas B. Curtis

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Honorable Thomas B. Curtis  
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Honorable Thomas B. Curtis  
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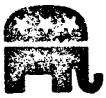
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Sincerely yours,

MARY LOUISE SMITH  
Chairman





Republican  
National  
Committee.

Mary Louise Smith  
Chairman

September 15, 1975

w/o changes

Honorable Thomas B. Curtis  
The Federal Election Commission  
1325 K Street, N. W.  
Washington, D. C. 20005

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Honorable Thomas B. Curtis  
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Honorable Thomas B. Curtis  
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Political campaign committees accept contributions and make expenditures that are identifiable with the committee's support of its particular candidate for a particular office. National political parties, conversely, are charged with the ongoing responsibility of creating voter recognition of party identity and ideology, without reference to an individual candidate or election. A large measure of this function is performed by the President, Vice President and their aides on behalf of their National and State parties. When these party functions are performed and costs result from same, the beneficiary of those functions, i.e., the National or State political parties, should and does assume the cost incurred.

Obviously, some slight personal political dividends may accrue to an incumbent President traveling and speaking on his National party's behalf simply by the Presidential exposure. Such incidentals, as name recognition and constituency exposure, are not specifically

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prohibited by the Federal Election Campaign Law and are, in fact, reserved under the Act, itself, to incumbent United States Senators and Representatives seeking reelection by virtue of the Act's allowed continuing use of franked mail privileges after a declaration of candidacy (39 U.S.C. 3210). The privilege is suspended only for, ". . . 28 days immediately before the date of any primary or general election . . . in which such Member or Member-elect is a candidate for public office." [32 U.S.C. 3210(5)(D)]. The legislative body that enacted the Federal Election Campaign Law rightfully concluded that a declaration of candidacy should not prohibit a legislator from continuing to conduct his or her usual, routine ongoing business, thereby allowing continued free mailing privileges even after an announcement of candidacy. To postulate a different rule for an incumbent President seeking reelection, and thereby mandating an abdication by an incumbent President of his continuing role of conducting routine ongoing National party obligations, would be manifestly unfair. He would be required, as President Kennedy suggested, to avoid the party's leadership role he was chosen to fulfill and thereby weakening his political party and dealing a blow to the democratic process itself.

Partisan political activity is a recognized and Federally codified facet of an incumbent President's ordinary business. The purposes of the Federal Hatch Act (5 U.S.C. 7321, et seq.) is to prohibit partisan political activities by employees of the Executive Branch of the Federal Government. That prohibition excludes employees of the Office of the President and the President, himself. This statutory exclusion is a Congressional recognition of the inherent partisan nature and duties of the Presidency. It does not necessarily follow that because Congress recognized the political role of the President of the United States as head of his party, and authorized his aides to assist him in fulfilling that role, that the expenses thereby incurred should be borne by the Treasury of the United States. As suggested earlier, a more feasible and practical alternative to the taxpayer bearing these costs is that payment of these obligations be assumed by the beneficiary of the acts, i.e., the President's National Political Party.

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The obligation to assume a party role for one's National Political Party is not restricted to the President of the United States. Senators and Congressmen frequently are called upon to function as spokesmen for, to aid in fund raising events of, and, generally, to represent their own National Political Party. Such a party role is often undertaken by members of Congress who are also party leaders, after announcing their candidacy for reelection to the position they presently hold and/or after announcing their candidacy to the Office of President of the United States. The costs incurred by a United States Senator, who is an announced candidate for the Presidency, when attending a fund raising event for his National or State Party shall not deplete his Ten Million Dollar (\$10,000,000) Presidential primary effort. The party role performed by such individuals, acting as party spokesmen at party functions, is identical to that party role of a President. Neither incurs the expenditures associated with their role in furtherance of their quest, ". . . for nomination for election, or for election, to Federal office . . ." (18 U.S.C. 608). Democratic National Committee Chairman Strauss' September 5, 1975, press release postulates this very question. Labeling it as absurd, he stated:

"Suppose I as Chairman of the Democratic Party, should name one of our presidential candidates, or four of them, or all of them, as party leaders and sent them around the country at D.N.C. expense, without limit, and without allocating charges against their spending limits?"

It is both wrong and unjust to insist that the political status of an individual's candidacy automatically denies to the National Political Parties the party services of its party spokesmen.

In 1975, the Republican National Committee allocated the sum of Five Hundred Thousand Dollars (\$500,000) to support the activities of the President, the Vice President and their aides when engaged in the role as head of the National party. This budgetary allotment is consistent

has to date



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with past years budgets, without regard to whether the year in question was an election or nonelection year. On September 1, 1975, the Republican National Committee had paid bills totaling Three Hundred Nine Thousand Dollars (\$309,000) against the annual allotment. The National Party and various State Parties have been substantially aided by this effort. The purpose of the travel associated with these payments by R.N.C. was not to further the candidacy of the incumbent President, but rather to further Republican Party interest. The Republican National Committee has filed quarterly reports reflecting its quarterly expenditures with the Federal Election Commission since the establishment of that agency. The Republican National Committee believes that it is the proper body to assume these expenditures, just as the Democratic National Committee believed it was the proper body to pay the expenses incurred by Democratic Presidents engaged in their National party affairs during the years 1960 through 1968.

When the President, Vice President and their aides are engaged in political activity on behalf of their National or State political parties, the R.N.C. assumes the cost of their travel and transportation, advance men expense, telephone and telegraph cost and the cost of receptions incidental to those activities. In addition, the Republican National Committee assumes the costs incurred for films and photographs taken during such Presidential travel and the expense of Presidential and Vice Presidential gifts such as cuff links, tie bars and charm bracelets picturing the Presidential or Vice Presidential seal.

The Republican National Committee does not assume the expenses resulting from Presidential travel incurred when engaged in Presidential candidacy or Presidential travel associated with the candidacy of other individuals. In those instances, the candidate's committee is primarily responsible for the payment of cost, in accordance with the strictures of the Federal Election Campaign Law. With one notable exception, the R.N.C. does not pay any of the expense associated with Presidential official travel, i.e., travel occurring as an adjunct to the Chief Executive's role as President of the

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United States, having no political overtones. That exception relates to certain expenditures incurred by advance men in the course of official travel by the President. These expenditures, which in most cases are for persons not employed by the Government, are assumed by the R.N.C. because the Chief Executive's appearances, regardless of their purpose, further party interest. All other expenditures incurred during the Presidential official travel are borne from appropriated funds.

The differing roles of a Presidential candidate and a Presidential party leader are sometimes subtle, but nonetheless real and subject to dispassionate analysis. The past and present system of payments by National political parties for expenses incurred by the President, Vice President and their aides for party promotional activity has the virtue of fairness. The alternatives, full payment of Presidential party promotional expenses by the taxpayers or, in those years when applicable, by the incumbent President's campaign committee, are simply not practicable. The former would constitute an improper expenditure of Government funds and the latter imposes an inequitable disadvantage upon incumbent Presidents seeking reelection, requiring them to deplete a significant amount of their Ten Million Dollar (\$10,000,000) primary election limit for expenses unrelated to the primary campaign effort. Incumbency would then become a serious political liability to an American President.

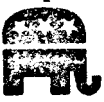
The Republican National Committee plans to continue to implement the procedures outlined in this communication. Naturally, the records of the R.N.C. reflecting these past expenditures are available for inspection by the F.E.C., should the Commission so desire. We would appreciate very much any comments or suggestions that the Commission may think appropriate to make with respect to our treatment of the payment of expenses incurred by the President, the Vice President and their aides when engaged in party promotional activities.

Sincerely yours,

MARY LOUISE SMITH  
Chairman







Republican  
National  
Committee.

Mary Louise Smith  
Chairman

September 15, 1975

Final / Final

Honorable Thomas B. Curtis  
The Federal Election Commission  
1325 K Street, N. W.  
Washington, D. C. 20005

Dear Chairman Curtis:

As indicated by Philip W. Buchen, Counsel to the President, on August 7, 1975, the Republican National Committee (R.N.C.) has undertaken the payment of certain expenditures incurred by the President, Vice President and their aides when engaged in National, state or local political party promotional activities. He correctly observed that these R.N.C. expenditures are within the public domain, having been filed quarterly by the R.N.C. with the Federal Election Commission, the Clerk of the House of Representatives and the Secretary of the United States Senate. This correspondence shall serve to further amplify those filings, to discuss the historical tradition associated with the President's role and obligation as head of the Republican Party, to consider alternative sources of payment for such expenditures, and, finally, to briefly categorize the items paid for by the Republican National Committee.

Mr. Buchen's letter of September 3, 1975, responded to F.E.C. Notice 1975-38 (F.R. 80202) wherein the Commission, "sought comments concerning a request from the Campaign Manager for Mr. Louis Wyman". Counsel's correspondence disclosed the method employed by the White House to allocate the cost of operating Government-owned aircraft on political and mixed official-political trips by the President, Vice President and their aides. Accordingly, this Memorandum will not address itself to the apportionment formula contained in Mr. Buchen's letter of September 3, 1975.

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The question to be considered is:

"DOES THE FEDERAL ELECTION CAMPAIGN LAW OF 1974 HAVE APPLICATION TO THE HISTORICAL TRADITION OF A NATIONAL POLITICAL PARTY'S PAYMENT OF EXPENSES INCURRED BY THE PRESIDENT OF THE UNITED STATES, THE VICE PRESIDENT OF THE UNITED STATES AND THEIR AIDES WHILE ENGAGED IN NATIONAL, STATE, OR LOCAL PARTY PROMOTIONAL ACTIVITIES?"

The question of the Federal Election Campaign Law's application is restricted to expenses incurred for acts of the President, Vice President and their aides when engaged in Republican party political activities and is not addressed to those expenses incurred by the President, Vice President and their aides when engaged politically on behalf of any individual political candidate, including the candidacy of the President and Vice President themselves.

National political parties in the United States arose in the late Eighteenth and Nineteenth centuries. What had been largely legislative parties evolved into constituency-based parties when the states expanded male suffrage by eliminating property-owning and taxpaying qualifications for the voting franchise. Although not mentioned in the American Constitution, National political parties have historically served to effectuate, organize and promote the exercise of the franchise right by the electorate.

In the early days of the Republic, Federal candidates had no great need for funds to reach a vast popular electorate. The electorate was widely scattered, served by a primitive communication system and largely restricted in its size by racial, sexual and property holding qualifications. The typical campaign was waged, almost exclusively, in the newspapers and financed largely by the individual candidates themselves. With the abolition of voting right restrictions, a new electorate resulted. To service, to communicate and to persuade that new electorate, National political parties evolved.

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The American President has traditionally served as the leader of his party. President John F. Kennedy viewed the Presidents' partisan role in the following manner:

"No President, it seems to me, can escape politics. He has not only been chosen by the nation--he has been chosen by his party . . . if he neglects the party machinery and avoids his party's leadership--then he has not only weakened the political party . . . he has dealt a blow to the democratic process itself."<sup>1/</sup>

In the minds of the public, the programs of the President are also the programs of his party; his personal success or failure becomes the party's success or failure. The Chief Executive is the embodiment of his party.

Thomas W. Madron and Carl P. Chelf, 1974 treatise titled Political Parties in the United States, commented on the President's role as head of the party:

"Frequently the party and the executive constitute a sort of mutual accommodation society . . . the executive uses the party as a channel for interacting with other elements in the political system, while on other occasions the executive will function as a vehicle for promoting party goals."<sup>2/</sup>

But, who shall assume the cost incurred when the executive so functions?

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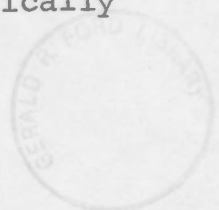
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Honorable Thomas B. Curtis  
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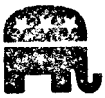
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The Republican National Committee plans to continue to implement the procedures outlined in this communication. Naturally, the records of the R.N.C. reflecting these past expenditures are available for inspection by the F.E.C., should the Commission so desire. We would appreciate very much any comments or suggestions that the Commission may think appropriate to make with respect to our treatment of the payment of expenses incurred by the President, the Vice President and their aides when engaged in party promotional activities.

Sincerely yours,

MARY LOUISE SMITH  
Chairman





Republican National Committee.

Mary Louise Smith  
Chairman

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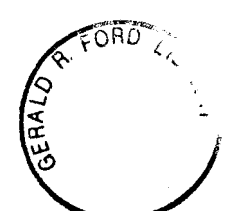
September 15, 1975

Honorable Thomas B. Curtis  
The Federal Election Commission  
1325 K Street, N. W.  
Washington, D. C. 20005

Dear Chairman Curtis:

As indicated by Philip W. Buchen, Counsel to the President, on August 7, 1975, the Republican National Committee (R.N.C.) has undertaken the payment of certain expenditures incurred by the President, Vice President and their aides when engaged in National, state or local political party promotional activities. He correctly observed that these R.N.C. expenditures are within the public domain, having been filed quarterly by the R.N.C. with the Federal Election Commission, the Clerk of the House of Representatives and the Secretary of the United States Senate. This correspondence shall serve to further amplify those filings, to discuss the historical tradition associated with the President's role and obligation as head of the Republican Party, to consider alternative sources of payment for such expenditures, and, finally, to briefly categorize the items paid for by the Republican National Committee.

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The question to be considered is:

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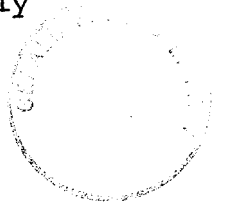
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The obligation to assume a party role for one's National Political Party is not restricted to the President of the United States. Senators and Congressmen frequently are called upon to function as spokesmen for, to aid in fund raising events of, and, generally, to represent their own National Political Party. Such a party role is often undertaken by members of Congress ~~who are also party leaders,~~ after announcing their candidacy for reelection to the position they presently hold and/or after announcing their candidacy to the Office of President of the United States. ~~The costs incurred by a United States Senator, who is an announced candidate for the Presidency, when attending a fund raising event for his National or State Party ~~shall~~ should not deplete his Ten Million Dollar (\$10,000,000) Presidential primary effort. The party role performed by such individuals, acting as party spokesmen at party functions, is identical to that party role of a President. Neither incurs the expenditures associated with their role in furtherance of their quest, ". . . for nomination for election, or for election, to Federal office . . ." (18 U.S.C. 608). Democratic National Committee Chairman Strauss' September 5, 1975, press release ~~postulates this very question. Labeling it as absurd, he stated:~~~~

reflected his disagreement with this principle and argued:

← this party role

"Suppose I as Chairman of the Democratic Party, should name one of our presidential candidates, or four of them, or all of them, as party leaders and sent them around the country at D.N.C. expense, without limit, and without allocating charges against their spending limits?"

Roth  
New

It is both wrong and unjust to insist that the political status of an individual's candidacy automatically denies to the National Political Parties the party services of its party spokesmen. New

In 1975, the Republican National Committee allocated the sum of Five Hundred Thousand Dollars (\$500,000) to support the activities of the President, the Vice President and their aides when engaged in ~~the role as head of the National party.~~ This budgetary allotment is consistent

← a party role.

Honorable Thomas B. Curtis  
Page 7  
September 15, 1975

*See*  
*for weekly and otherwise reviewed and/or*

with past years budgets, without regard to whether the year in question was an election or nonelection year. On September 1, 1975, the Republican National Committee had paid bills totaling Three Hundred Nine Thousand Dollars (\$309,000) against the annual allotment. The National Party and various State Parties have been substantially aided by this effort. The purpose of the travel associated with these payments by R.N.C. was not to further the candidacy of the incumbent President, but rather to further Republican Party interest. The Republican National Committee has filed quarterly reports reflecting its quarterly expenditures with the Federal Election Commission since the establishment of that agency. The Republican National Committee believes that it is the proper body to assume these expenditures, just as the Democratic National Committee believed it was the proper body to pay the expenses incurred by Democratic Presidents engaged in their National party affairs during the years 1960 through 1968.

*Democrate*

*or Loan?* → When the President, Vice President and their aides are engaged in political activity on behalf of their National, ~~or State~~ political parties, the R.N.C. assumes the cost of their travel and transportation, advance men expense, telephone and telegraph cost and the cost of receptions incidental to those activities. In addition, the Republican National Committee assumes the costs incurred for films and photographs taken during such Presidential travel and the expense of Presidential and Vice Presidential gifts such as cuff links, tie bars and charm bracelets picturing the Presidential or Vice Presidential seal.

The Republican National Committee does not assume the expenses resulting from Presidential travel incurred when engaged in Presidential candidacy or Presidential travel associated with the candidacy of other individuals. In those instances, the candidate's committee is primarily responsible for the payment of cost, in accordance with the strictures of the Federal Election Campaign Law. With one notable exception, the R.N.C. does not pay any of the expense associated with Presidential official travel, i.e., travel occurring as an adjunct to the Chief Executive's role as President of the

*understand by the President in his role as Chief Exe.*

Honorable Thomas B. Curtis  
Page 8  
September 15, 1975

*is for*  
United States, ~~having no political overtones.~~ That exception <sup>NEW</sup> relates to certain expenditures incurred by advance men in relation to ~~the course of~~ official travel by the President. These expenditures, which in most cases are for persons not employed by the Government, are assumed by the R.N.C. because the Chief Executive's appearances, regardless of their purpose, further party interest. All other expenditures incurred during the Presidential official travel are borne from appropriated funds.

The differing roles of a Presidential candidate and a Presidential party leader are sometimes subtle, but nonetheless real and subject to dispassionate analysis. The past and present system of payments by National political parties for expenses incurred by the President, Vice President and their aides for party promotional activity has the virtue of fairness. The alternatives, full payment of Presidential party promotional expenses by the taxpayers or, in those years when applicable, by the incumbent President's campaign committee, are simply not practicable. The former would constitute an improper expenditure of Government funds and the latter imposes an inequitable disadvantage upon incumbent Presidents seeking reelection, requiring them to deplete a significant amount of their Ten Million Dollar (\$10,000,000) primary election limit for expenses unrelated to the primary campaign effort. Incumbency would then become a serious political liability to an American President.

The Republican National Committee plans to continue to implement the procedures outlined in this communication. Naturally, the records of the R.N.C. reflecting these past expenditures are available for inspection by the F.E.C., should the Commission so desire. We would appreciate very much any comments or suggestions that the Commission may think appropriate to make with respect to our treatment of the payment of expenses incurred by the President, the Vice President and their aides when engaged in party promotional activities.

Sincerely yours,

MARY LOUISE SMITH  
Chairman





REPUBLICAN NATIONAL COMMITTEE  
EXPENSE ANALYSIS BY ACTIVITY  
AS OF OCTOBER 31, 1975

ACTIVITY: ACTIVITY 1 (PRESIDENT & FIRST FAMILY)

<u>ACCOUNT</u>	<u>TITLE</u>	<u>Y-T-D EXPENDED</u>
851.00	TRAVEL & TRANSPORTATION	\$ 38,364.80
852.00	ADVANCEMEN	74,577.29
853.00	RECEPTIONS	12,424.05
854.00	GIFTS	76,767.20
855.00	MISCELLANEOUS EXPENSES	18,309.84
856.00	OPINION POLLS	.00
857.00	FIELD OPERATIONS	54.50
859.00	BUDGET	<u>.00</u>
	TOTALS	\$220,497.68

WH accto

REQUEST FOR HEARING  
On AOR 1975-72 (Pres. Travel)

DEMOCRATIC  
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

*Fiske*

Robert S. Strauss  
Chairman

NOV 19 10:12

November 18, 1975

Honorable Thomas B. Curtis, Chairman  
Federal Election Commission  
1325 K Street, NW  
Washington, DC 20463

*Howe to Curtis  
11/19/75*

Dear Chairman Curtis:

The Democratic National Committee hereby requests that the Federal Election Commission schedule public hearings on AOR 1975-72 on presidential travel. Due to the importance of the subject matter and its potential effect on the law and the American political system, it is incumbent that the full range of views from all interested parties be fully presented and discussed before any official Commission action takes place. We therefore respectfully request that the Commission schedule such public hearings, arranged with public notice and in reasonable time, and pending the completion of such hearings, the Commission withhold action on AOR 1975-72.

Sincerely,

*Robert S. Strauss*  
Robert S. Strauss

- cc: Commissioner Joan Aikens
- Commissioner Thomas Harris
- Commissioner Neil Staebler
- Commissioner Vernon Thompson
- Commissioner Robert Tiernan
- Honorable Francis Valeo
- Honorable Edmund Henshaw





Republican  
National  
Committee.

2/8/77

February 7, 1977

*F. Le*  
*W H* / *P. Le*  
*Billings*

Mr. Roy Hughes  
President Ford Committee  
1828 L Street, N. W.  
Washington, D. C. 20036

Dear Roy:

Enclosed is an invoice from Alperstein Bros. Inc., dated October 7, 1976. This is for souvenirs for the White House.

It is my understanding that Benton Becker and you had an agreement that any orders from the White House for items prior to November 2, 1976 should be paid by the President Ford Committee.

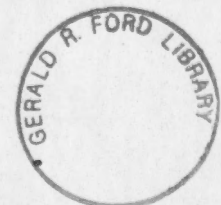
I am returning the invoice which we apparently received from the White House on January 19, 1977 and paid in error. I am requesting that you reimburse us for this amount.

Sincerely,

James J. Grumley

JJG:sl

cc: Eddie Mahe, Jr.  
Benton Becker ✓



VENDOR NUMBER	VENDOR NAME			CHECK DATE	CHECK NO.
000026	ALPERSTEIN BROS INC			02/03/77	0382
INVOICE NO.	INVOICE AMOUNT	ADJUSTMENT	NET AMOUNT	EXPLANATION	
00288	3,678.00		3,678.00	SOUVENIRS	



**Republican National Committee**

310 First Street Southeast, Washington, D.C. 20003.

CHECK NO. **03822**

153  
-540

THE RIGGS NATIONAL BANK  
WASHINGTON, D.C.

**PAY EXACTLY 3,678 DOLLARS AND \*NO\* CENTS**

02/03/77 038223

PAY TO  
THE  
ORDER OF: **ALPERSTEIN BROS INC**  
**900 7TH ST NW**  
**WASHINGTON, DC 20001**

\$\*\*\*\*\*3,678.00

**NON-NEGOTIABLE**  
AUTHORIZED SIGNATURE



THE WHITE HOUSE  
WASHINGTON

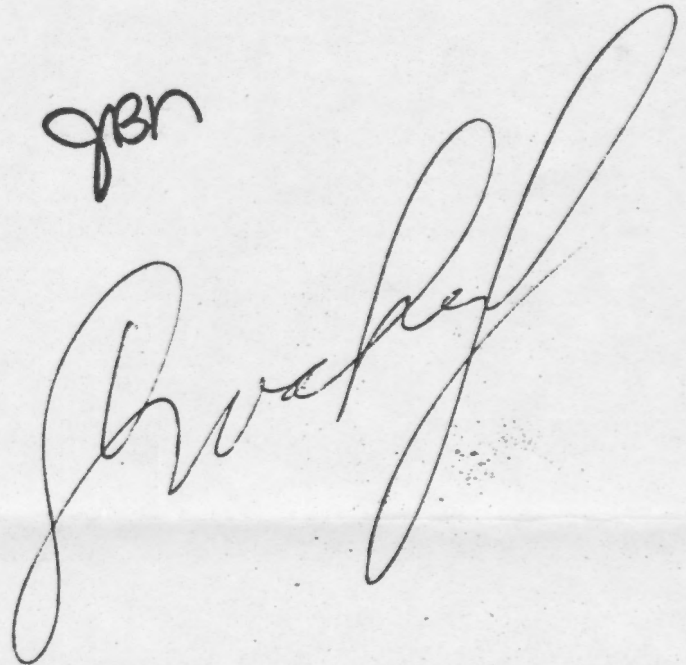
January 20, 1977

MEMORANDUM FOR: HELEN ROGERS  
FROM: SARA EMERY

The attached invoice from Alperstein Bros. Inc. in the  
amount of ~~\$3,776.50~~ is sent to you again for payment.  
3,678.00

Thanks.

gbr

A large, stylized handwritten signature in cursive script, likely belonging to Sara Emery, written in dark ink.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

January 20, 1977

FOR: Dr. James Connor

FROM: Marjorie Wicklein, Chief of the Gift Unit

May I pass on to you the attached request for payment from Alperstein Bros., Inc., which was received this morning. The original invoice #00288 in the amount of ~~\$3,776.50~~ was forwarded to your office on November 10, 1976. *3,678.00*

Thank you.

Encl: Memo re Unpaid Invoice #00288, Alperstein Bros., Inc.  
\$3,776.50. Memo dated 1/19/77 signed by Bruce Alperstein,  
Credit Mgr.



TO: WHITE HOUSE OFFICES  
17<sup>TH</sup> & PENN. AVE., N.W.  
WASHINGTON, D.C. 20500

FROM  
**ALPERSTEIN BROTHERS, INC.**  
900 7th STREET N. W.  
WASHINGTON, D. C. 20001  
(202) 393-6970

SUBJECT: UNPAID INVOICE #00288 10-7-76 ~~\$376.50~~ DATE: 1-19-77

FOLD ↑ Dear Mrs. Wicklin: \$3,678.00

The above invoice is still open on our books. If there is any problem, please advise.  
This is for 15,106 EA 900G pens at 25¢ ea.

Thank you,  
Bruce Alperstein, credit mg.

PLEASE REPLY TO → SIGNED

REPLY \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE: \_\_\_\_\_ SIGNED \_\_\_\_\_

GRAYARC CO., INC., BROOKLYN, N. Y. 11232

THIS COPY FOR PERSON ADDRESSED



FOR IMMEDIATE RELEASE

NOVEMBER 7, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY  
(Boston, Massachusetts)

---

THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AT THE  
MASSACHUSETTS GOP RECEPTION

LOGAN INTERNATIONAL AIRPORT

8:15 P.M. EST

Thank you very, very much, Ed. I am most grateful for all that you have done for the Commonwealth of Massachusetts and in the United States Senate. I am deeply grateful for all you have done for the United States in the United States Senate. You should be doggone proud you have a Senator like Ed Brooke, and I am.

Let me say I feel better that John Volpe is our Ambassador to Italy. Representing us in a tough situation, John, we thank you for the fine work you are doing on behalf of our country.

And I had the great privilege of serving in the House of Representatives with this young fellow and this very young lady and I can tell you that they are quality, real top-notch fighting quality for what they represent in your State. The only problem is we need a little more quantity. (Laughter) So why don't you multiply the representation that Silvio and Margaret give by giving us a couple, or more, representatives in the House of Representatives from the great Commonwealth of Massachusetts.

I am honored and pleased to speak up on behalf of an outstanding State Chairman and an outstanding young lady who has done a superb job, Nancy Sinnott and John Sears. I know a little bit about those people and the job they do and they are first class and I hope you let them stay in there and fight for us in 1976.

And then we have had some great Chairmen, Mrs. Cutler and Mrs. Logan. I am grateful for what they have done and I appreciate all of you being here. This is great to come to Massachusetts and find this kind of a warm welcome and a sizeable crowd and we should thank Mrs. Logan and Mrs. Cutler for their part in it, too. Thank you very, very much.

MORE





Now can I say a word or two to get the record straight. A great Democratic Governor of New York once said, "Let's look at the record."

I am not going to abandon the Commonwealth of Massachusetts in 1976 and I want that very clearly understood. And let me give you some evidence of that. And I want you way in the back to listen. The best evidence of the fact that I want Massachusetts in and not out is the fact that in the Cabinet of twelve we have four from Massachusetts. We have Henry Kissinger, John Dunlop, Pat Moynihan and Elliot Richardson -- very soon. That is not bad representation.

And, number two, I have been in the great Commonwealth of Massachusetts twice in about the last four or five months. I love it. I like the people and I am going to come back in the spring of 1976 to win the primary.

Now, let me speak a little bit, if I might, about 1976. I know a fellow that is going to enter New Hampshire, Massachusetts, Florida and every other primary and I know he is going to win. He is going to stick it out and he is going to win, if he has any competition, right up to the end of August of 1976. And don't forget it.

And then, I know a fellow that is going to win in 1976 -- in November. (Laughter) And I happen to think with the kind of leadership you have in Ed, Silvio and Margaret and John and Nancy and all of you out there, and millions like you all throughout the Commonwealth, we are going to win in Massachusetts in 1976.

You know, I am delighted, I am really delighted to be in Massachusetts again tonight, the home of the world champion Boston Red Sox.

MORE



That is right, the world champion Boston Red Sox. Like any good Republican and Boston Red Sox fan, we are thinking of 1976. (Laughter)

You know, coming to Massachusetts -- now let's be quiet back there (Laughter) -- it is great to come to Massachusetts again. I feel sorry for the Democrats in the Commonwealth. They have 188 seats out of 240 in your lower House; they have 33 out of 40 in your upper House; they have every Constitutional office and look where they have left you. (Laughter)

They have nobody to blame but themselves and if we don't win in 1976, we have nobody to blame but ourselves.

Now let's talk a little practicality. The Republican Party has the right philosophy but in order to win you have to come in first. Coming in second doesn't do any good. So I say to you we should open the doors to everybody that believes fundamentally in our philosophy.

We are not a rich man's party. We are not a farmer's party. We are not a laborer's party. We are not a big city party. We are not a small city party. We are a party of people, and let me assure you when I come, or this friend of mine comes back up here to campaign in 1976, he is going to prove to you that between now and then he had a great concern and compassion for the people in the Commonwealth of Massachusetts.

We don't like high unemployment. We don't like the difficulties that you face economically. I don't like them any better in Massachusetts than I do in my State of Michigan. But we are on the upgrade. We have turned the situation around economically. We are going to have more employment. We are going to have less unemployment. We are going to have far less in the rate of inflation. We are on the way in this country to a solid, cheaper, healthier economy.

But more importantly, because it involves all that we stand for, we are on the road to real progress overseas. We strengthened, as Ambassador Volpe knows, our relationships both militarily and economically in Western Europe. We made headway despite a setback in Vietnam in strengthening our ties in Japan and elsewhere out in the Pacific. We are making tremendous strides in the steps towards a just and permanent peace in the Middle East. We are moving forward in trying to find an answer to the problems between those behind the Iron Curtain and those on this side. We are going to push under proper circumstances for a way to lower our arms burden without interfering with our national security.

MORE



We are on the road to making real progress at home and abroad and this is what the American people want, an affirmative forward moving program, and that is what the Republican Party stands for, and that is why we should open our door to people from small towns, big cities, the people from the working class, to the other people in our society who may be bankers or professional people -- we should open our doors to people in all stratas of our society. We love people and we want them in the Republican Party.

Really, it is just great to be in this great Commonwealth of Massachusetts. I was up here in April and had the opportunity and the pleasure to speak at the Old North Church ceremony, to speak at Concord and Lexington and to feel in that environment and that atmosphere and those historic places a part of the great history of America. Those people fought early and they fought well and they left us a great heritage and a great tradition, something that we should stand for. They stood for something. They stood for freedom. They stood for what it is all about.

So our mission in 1976 and in the years ahead is to look forward, not backwards, to feel strongly about what is good at home and abroad, economically, within the realm of our possibility of achieving for the betterment of the young, the old and all others. And one of the things that impresses me about the strength of America and what we need to make our party great -- when I was very young I had a Sunday school teacher who said something to me one time that I will never forget, she said, "The beauty of Joseph's coat is its many colors" -- the strengths of the United States of America is its diversity.

We have the heritage of many peoples and many religions and many nationalities in our blood, but that is what made America great. And we in the Republican Party welcome each and every one of them, young and old and all other. That is what made our country great and that is what will make our party great, and I look forward to the opportunity of representing you and every one of the 50 States in 1976.

Thank you very much.

END (AT 8:27 P.M. EST)



February 25, 1977

Barry Roth, Esquire  
Gerald R. Ford Transition Office  
P. O. Box 2345  
Washington, D. C. 20013

Dear Barry:

The attached indebtedness of the RNC regarding the January 7 and 14 White House functions was brought to Chairman Brock's attention by me during a meeting of February 23. After explaining the history of RNC's White House obligations during occupancy of that residence by a Republican, Chairman Brock consented to payment. If payment is not received by March 15, please advise me and I will follow through.

I further advised that RNC efforts to roust Ford records from your office (Cudlip to Winnecamp call) were useless in that (1) Ford Committee has transmitted to the RNC all that it is obligated to transmit, and in fact has transmitted more than it is obligated to do and (2) that the balance of the materials are presently lodged at the Library at the University of Michigan and may be of little value to the RNC. I would hope that this would end further requests to the former President and his staff for additional transmittals.

Fondest personal regards,

BENTON L. BECKER

BLB:ps

Attachment

GERALD R. FORD

February 22, 1977

MEMORANDUM FOR: BENTON BECKER

FROM: BARRY ROTH

*Barry*

The attached is self-explanatory. If the RNC check can be sent to me, I will make sure it is appropriately credited.

Thank you.

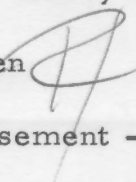


MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

February 16, 1977

Memorandum for: Barry Roth

From: Rex Scouten 

Subject: Reimbursement - RNC

During the month of January 1977, two social functions were held at the White House which require reimbursement from the Republican National Committee.

1/7 Dinner - Chowder & Marching Society	\$6,537.28
1/14 Reception - Republican National Cmte.	\$2,928.09

The total reimbursement requested, \$9,465.37, represents the cost of food, beverage, flowers and extra labor.

Please make check payable to the Treasurer of the United States.

Thank you.

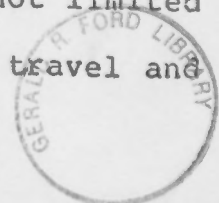


PART 113 - OFFICE ACCOUNTS AND FRANKING ACCOUNTS; EXCESS CAMPAIGN CONTRIBUTIONS

- § 113.1 Definitions.
- § 113.2 Contribution and Expenditure Limitations and Prohibitions.
- § 113.3 Deposits of Funds into Office and Franking Accounts.
- § 113.4 Reports of Franking Accounts.
- § 113.5 Reports of Office Accounts.
- § 113.6 Excess Campaign Funds.

§ 113.1 Definitions.

- (a) Commission. "Commission" means the Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20463, (202) 382-5162.
- (b) Excess campaign funds. "Excess campaign funds" means the surplus of campaign receipts, including all contributions, sales and income, over campaign expenditures.
- (c) Franking account. "Franking account" means an account which is used exclusively for the purpose of receiving and expending funds pursuant to 39 U.S.C. §3210. Such funds may not be transferred to any other account or political committee.
- (d) Office account. "Office account" means an account other than a franking account which is used for the purpose of supporting the activities of a federal officeholder.
- (e) Principal campaign committee. "Principal campaign committee" means the political committee designated by a candidate as his or her principal campaign committee pursuant to 2 U.S.C. §432(f)(1).
- (f) Legislative activities. "Legislative activities" means those activities which are paid for solely out of appropriations approved by either or both houses of Congress, for use by members and members-elect of Congress. Such appropriations include but are not limited to those for salaries, constituent services, stationery, travel and



General office expenses.

2

§ 113.2 Contribution and Expenditure Limitations and Prohibitions.

(a) All Funds including but not limited to gifts, loans, advances, credits or deposits of money or any other thing of value which are received or expended by an incumbent or elected holder of a federal office for the purpose of supporting his or her activities as a holder of such office shall be considered contributions or expenditures subject to the limitations of 18 U.S.C. §§ 608, 610, 611, 613, 614 and 615.

(b) Notwithstanding subsection (a) of this section the limitations of 18 U.S.C. § 608 do not apply (1) when a contributor states in writing that the contribution is to be used exclusively for expenditures made pursuant to 39 U.S.C. §3210, provided that such contributions shall be deposited in a franking account, or (2) when expenditures are made from funds provided for legislative activities.

§ 113.3 Deposits of Funds into Office and Franking Accounts.

Except for funds appropriated for legislative activities, all funds received by or on behalf of a federal officeholder for the purpose of supporting his or her activities as a holder of such office shall be deposited into one of the following accounts:

(a) an account of the officeholder's principal campaign committee, or pursuant to 2 U.S.C. §437b, or

(b) a franking account, or

(c) an office account, pursuant to 2 U.S.C. §437b.

§113.4 Reports of Franking Accounts.

(a) All individuals having franking accounts shall file reports with the Commission on April 10 and October 10 of each year.

(b) The April 10 report shall include all receipts and expenditures





made from October 1 of the prior year to March 31 of each year.

The October 10 report shall include all receipts and expenditures made from April 1 to September 30 of each year. These reporting obligations shall be effective prospectively on the effective date of this regulation (designated Part 113).

(c) Such reports shall include the name, address, occupation and principal place of business of all persons making contributions aggregating in excess of \$100 during the reporting period. Such reports shall include the name and address of all persons receiving expenditures aggregating more than \$100 during the reporting period.

(d) Forms will be provided by the Commission to implement this section.

#### §113.5 Reports of Office Accounts.

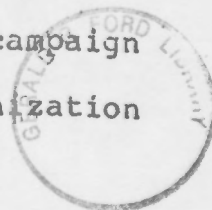
(a) All individuals having office accounts shall report as if such account is a political committee, and on forms provided for that purpose, pursuant to 2 U.S.C. §434.

(b) If the officeholder, former officeholder, or candidate has designated a principal campaign committee such officeholder's, former officeholder's or candidate's office account(s) shall file reports with such principal campaign committee.

(c) If the officeholder has not designated a principal campaign committee such officeholder's office account(s) shall file reports with the Commission.

#### § 113.6 Excess Campaign Funds.

(a) A principal campaign committee may transfer excess campaign funds to an office account, a franking account, an organization



described in 26 U.S.C. §170(c), or for any other lawful purpose.

(b) Excess campaign funds expended on or before December 31 in an election year will be considered expenditures for the last election of that year. Excess campaign funds not expended or transferred by December 31 of an election year will be considered expenditures for the next election when they are expended or transferred. Except for transfers to a franking account, such expenditures, whether made before or after December 31 of an election year, are subject to the expenditure limitations of 18 U.S.C. 608(c).



EXPLANATION OF PART 113 - OFFICE ACCOUNTS AND FRANKING  
ACCOUNT; EXCESS CAMPAIGN CONTRIBUTIONS

The following explanation of part 113 will follow the proposed regulation section by section, omitting only those sections which are self-explanatory.

§113.1 Definitions.

(b) Excess campaign funds. The terms "contribution" and "expenditure" are defined in the Federal Election Campaign Act, 2 U.S.C. §431 et seq. The Commission, in regulations which are to follow this regulation, will further define these two terms. The term "expenditures" includes, for the purposes of this regulation, goods or services ordered or received but not yet paid for. The term "receipts" includes all money or other things of value actually received. For example, if a principal campaign committee orders and receives \$10,000 worth of bumper stickers but does not pay for them, the \$10,000 nonetheless counts as an expenditure. A pledge to make a \$1,000 contribution does not count for excess campaign funds purposes until actual receipt of the monies pledged. In other words, excess campaign funds are the total assets of a campaign less debts and other commitments.

(c) Franking account. A franking account can be used for all uses enumerated in 39 U.S.C. §3210 including, but not limited to:

(1) mail matter regarding governmental programs, and actions of a past or current Congress,



- (2) newsletters,
- (3) press releases,
- (4) questionnaires.

Personal and political letters can not be sent under the frank. Mass mailings can not be sent under the frank less than 28 days before an election.

Expenditures can be made from a franking account for the preparation and printing of materials sent under the frank.

(d) Office account. Examples of expenditures which would be made from an office account are travel expenses, expenditures for printing non-frankable matter (e.g., newsletters and questionnaires sent less than 28 days before an election) and telephone expenses over and above Congressional allowances.

(f) Legislative activities. Activities paid for by donations, over and above Congressional allowances, are deemed not to be legislative activities.

### §113.2 Contribution and Expenditure Limitations and Prohibitions.

All contributions and expenditures from an office account are treated as political contributions and expenditures. A person can therefore make only a \$1,000 contribution per election to either a candidate's office account or to his or her principal campaign committee, or can split the \$1,000 between the two accounts. 18 U.S.C. §608(b). Similarly, a candidate and his immediate family can personally spend only \$25,000, if a Member of the House of



Representatives, or \$35,000 if a Senator, for office expenses and campaign expenditures combined. 18 U.S.C. §608(a).

The above contribution and expenditure limitations do not apply to contributions "earmarked" for a franking account or expended by such an account. However, contributions to a franking account from corporate and union treasuries are prohibited (18 U.S.C. §610), as are contributions by government contractors (18 U.S.C. §611), contributions by foreign nationals (18 U.S.C. §613), contributions in the name of another (18 U.S.C. §614) and cash contributions of more than \$100 (18 U.S.C. §615).

§113.3 Deposits of Funds into Office and Franking Accounts.

This section provides for the deposit of funds into three segregated accounts: 1) principal campaign committee, 2) office, and 3) franking. An officeholder is not required to set up any of these accounts if he or she does not receive contributions or make expenditures over and above Congressional allowances for legislative activities. Further, even if an officeholder receives contributions to support his or her activities as a holder of such office, the officeholder need not establish a principal campaign committee. An officeholder, not wishing to establish a campaign organization, can set up an office account and not designate a principal campaign committee.

Office accounts, inasmuch as they are treated as political committees, must designate depository pursuant to 2 U.S.C. §437(b).



§113.4 Reports of Franking Accounts.

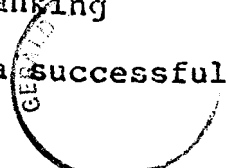
Franking accounts are required to file two six month reports per year with the Commission on April 10 and October 10. These reports will include the same type of information that is required on reports of political committees. The October 10 report will include expenditures for mass mailings made prior to the general election, since a franking account can not be used for such mailings 28 days before an election.

§113.5 Reports of Office Accounts.

Office accounts are required to file quarterly reports of receipts and expenditures in the same manner as political committees. If the officeholder has designated a principal campaign committee the office account will file reports with the principal committee. If the officeholder has not designated a principal campaign committee the officeholder's office accounts will file reports directly with the Commission.

§113.6 Excess Campaign Funds.

If, after a campaign and after meeting all debts and other obligations, a principal campaign committee has funds left over, the excess can be given to charity, to an office account, a franking account or for any other lawful purpose. For example, if a successful



candidate for the House of Representatives raises \$100,000 in contributions for the general election and expends only \$60,000, he or she has \$40,000 in excess campaign funds. This member-elect of Congress has until December 31 to expend the \$40,000 surplus. Only \$10,000 can be expended out of an office account during this period because of the \$70,000 expenditure limit imposed by 18 U.S.C. §608. However, the remaining \$30,000 can be expended by a franking account without affecting the \$70,000 limitation. More than \$10,000 can be put in the office account. However, no more than \$10,000 can be expended before December 31 of the election year. Expenditures by the office account in January of the next year will count toward the member's limit for the next election, either a special election or a primary election.



JUSTIFICATION OF PART 113 - OFFICE ACCOUNTS AND FRANKING  
ACCOUNT: EXCESS CAMPAIGN CONTRIBUTIONS

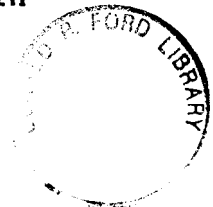
This statement will provide justification for the proposed office account regulation on a section-by-section basis.

§113.2 Contribution and Expenditure Limitations and Prohibitions.

Contributions to and expenditures by an office account are treated as political contributions and expenditures subject to the limitations and prohibitions on such transactions. There are two exceptions: Matter sent under the frank and monies appropriated by Congress to fulfill the functions of a Member of Congress.

The Commission, pursuant to its duty to formulate general policy with respect to the administration of the Federal Election Campaign Act, as amended (the Act) [See 2 U.S.C. §437d(a)(9)], and to its authority under 2 U.S.C. §437d(d)(8), has determined that expenditures and contributions over and above the two exceptions should be treated as political in nature. This determination is based on recent legislation concerning the frank and the tax treatment of newsletter accounts.

Congress has determined that the cost of preparing and printing frankable matter should not be considered a contribution or an expenditure for the purpose of determining any limitation on expenditures or contributions. 39 U.S.C. §3210(f). The Commission has followed this precedent in





its treatment of frankable matter. Congressman Frenzel, in supporting the Federal Election Campaign Act Amendments of 1974, stated:

Questions have been raised as to whether or not congressional newsletters and other similar publications would be considered expenditures under the provisions of this bill. The congressional franking law passed last spring clearly states that such newsletters and other similar publications are legitimate expenses and can be sent under the frank. In general, I believe the Commission should follow the following guideline: If any item or publication can be sent under the frank, it should not be counted as an expenditure for the purpose of influencing an election. Hence, congressional newsletters and other similar publications need not be credited to the contribution or expenditures limits of congressional candidates.

120 Cong. Rec.  
H 10333 (Daily Ed., October 10, 1974)

It logically follows at the very least that a newsletter and other matter not sent under the frank should be considered political and therefore funds contributed and expended to support such newsletters and other matter should be subject to the limitations of 18 U.S.C. §608(c).

Several other laws deal with franked matter which suggest its use should be non-political. See 39 U.S.C. §3210(a)(5)(C). For example, no franked mass mailings are permitted less than 28 days before an election. Activities such as soliciting contributions and mass mailings within four weeks of an



election are clearly political and funds used for these purposes should clearly be treated as expenditures and contributions subject to all limitations in the Federal Election Campaign Act.

Recent tax legislation reflects the intimate relationship between newsletter funds and campaign funds. The conference report to the Upholstery Regulator Act states: "Generally newsletter committees (and separate funds are to be treated for tax purposes in the same manner as political campaign committees." H. Rept. 93-1642, 93d Cong., 2nd Sess. 22. During the debate on this legislation, several Members further noted the similarity between these two types of funds:

MR. SCHNEEBELI. Another change of importance would make individual contributions to candidates for public office which are used for newsletters to be eligible for the above-mentioned income tax credit for deductions.

Mr. ULLMAN. Mr. Speaker these provisions place in the law the procedures outlining how we can use funds we have collected for political purposes, for newsletter purposes. We think this avoids the necessity for having a separate newsletter fund for Members who have a continuing campaign fund (emphasis added). (Congressional Record, daily edition December 20, 1974, page H12597.)

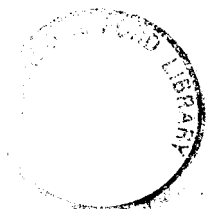
This exchange and the quoted report seem to the Commission to be a statement of Congressional awareness of the political and campaign nature of some newsletters.

The Upholstery Regulator Act permits individual taxpayers to take a tax deduction or a tax credit for money



given to a newsletter account. 26 U.S.C. §§41 and 218. These sections of the Internal Revenue Code treat newsletter fund contributions and political contributions in the same manner; lumping the two together to allow an aggregate tax deduction or credit. Following this precedent, the Commission will treat funds contributed to support a non-frankable newsletter as a political contribution and expenditures made in connection with such newsletter as an expenditure subject to the limitations of the Act.

The Commission is of the opinion, however, that Congressional appropriations for staff salaries, newsletters, stationery and travel are for presumptively non-political, legislative activities and, therefore, not subject to the limitations and prohibitions of the Act. One may assume that Congress has provided or will provide sufficient funds for the non-political functions of the Membership. Accordingly, additional monies not appropriated by Congress but rather raised independently by the Members themselves or their supporters should be viewed as political and not legislative funds. Congress is, of course, always free to appropriate any additional funds deemed necessary to enable Members to carry out their legislative functions. Indeed, the point was recently emphasized by the Honorable Wayne L. Hays, when he indicated that such additional money should come from



the public treasury and not from contributions to Members<sup>1</sup> or from the Members' own pocket.

§113.3 Deposits of Funds into Office and Franking Accounts.

This section was drafted to implement 2 U.S.C. 439a. The provision of separate accounts facilitates reporting so that different accounts are not commingled. Members of Congress will have the option of using a principal campaign committee or an office account to make certain expenditures, such as for a non-frankable newsletter or questionnaire.

§113.4 Reports of Franking Accounts and

§113.5 Reports of Office Accounts

2 U.S.C. 439a provides that contributions to a federal officeholder for the purpose of supporting his or her activities as an officeholder and expenditures thereof "shall be fully disclosed in accordance with rules promulgated by the Commission." The Commission determined that office accounts, since they are treated for most purposes as political (See Section 113.2, supra), should file in the same manner as at the same time as political committees. Franking accounts are required to file less often, twice a year, so as not to

---

1. "Bearing the Costs of Government" by the Honorable Wayne L. Hays, Washington Post at A14 (July 19, 1975).

be unduly burdensome to legislators. The times for filing were established so that the franking account reports would be available for public inspection prior to the general elections.

§113.6 Excess Campaign Funds

This section has been proposed pursuant to the Commission's rulemaking authority under 2 U.S.C. 439a.

Lorn Smith } League for U.P.  
223 8560 }

Meet with GRT yesterday:

(1) Political round trip

i.e. side trip to San Fran  
from LA trip

Decision to go to San Fran + back

(2) Cost to travel - seats on airplane Air Force One  
- i.e. official personnel

approx 14 people { Sec Service  
Physician, Civil Aid

\* will add seats for 10 people  
traveling with Pres on  
Pres' trip.

cost has been allocated at  
\$44.00 per hour per person

2200.00 per hour to fly Air Force One

i.e. WH is charged by BOTI

approx 14 of those seats cost  
will be absorbed by BOT

- \* 10 seats for political
- 26<sup>seats</sup> balance for press at \$44.00  
per seat per person

Crew Chev. trip - \$6600.00  
on Round trip bases - \$4400.00



Salaries of flying staff:

W.H. staff is exempt from ~~staff~~

Each get so that there is statutory recognition of W.H. personal engaged in politics

- Same as Congressional staffers
- WH views this as proper expenditure of appropriated funds.

Bill suggest so that begin to reimbursement of salaries to the 10 to the Army of U.S.

Ongoing party expenses:

"official" - trips

i.e. Advance office etc expenses

WH suggests:

(a) allocation between RNC-PFC-WH

reason: will account for each expenditure between campaign and ongoing

WH will not bear expenses

- Motorcycles
- Drinks in the rooms



Figuring opinion

(1) tell what RNC is

i.e. ongoing bus of party (between  
conventions)

(2) in that role (ongoing party bus)  
there is long history.

- looks to off years as well  
as on years

research  
publications  
travel

political support for the  
head of party.

All of which is "ongoing party bus"

Jim Conroy - Pres  
Staff Sec to Pres

Frank Regan - U.P.

Send bill  
to Red Smith

authorizes the payment of the account  
RNC then writes the check

No disclosure by Conroy or FP to RNC  
- nor disclosure of purpose of billing





Bob Hartmann on GPF  
receptive view as a committee  
- attestation would help

Possible solution

over a certain \$ amount (\$10,000.)  
Connor & By should attest  
to a 3<sup>rd</sup> party (Kenny etc)  
for further attestation and  
authorization to pay by either  
PFC, RNC or WH.

or committee of 3 from  
- counsel from all 3

Note 2m convention problem

\* - Suggested question to FRC from  
RNC or PFC or both re  
\$25000 to RNC in one year 1975  
and \$2000 to PFC for 1976  
but given in 1975

Call Visser re convention



RNC

Budgetary - RNC

statement for all

RNC holds & writes checks

1/2 - 3/4 bill amount

expenses (titular head of party = Pres)

Connoisseur RNC - guy things  
by

5-6 step  
ch

Q = Presentable

etc

- 1) Historical Data
- 2) Procedures Employed
- 3) Expenditures - pd by RNC  
what they
- 4) Applicable Law  
not 3k limit
- 5) Unworkable Alternatives



Some items in this folder were not digitized because it contains copyrighted materials. Please contact the Gerald R. Ford Presidential Library for access to these materials.

# Election Panel Eyes Billing For Ford Trips

By Douglas Watson

Washington Post Staff Writer

A spokesman for the Federal Election Commission said as Mr. Ford goes to that state



THIS COVER SHEET MUST BE AFFIXED TO ANY AND ALL INVOICES, EXPENSE REPORTS, AIR TRAVEL REQUEST, PURCHASE ORDERS, CHECK REQUEST AND ANY OTHER DOCUMENT WHICH IS OR MIGHT BECOME A FINANCIAL OBLIGATION OF THE RNC.

I certify that I have reviewed this invoice in detail and that no portion or part of it except as indicated below was incurred in support of a Federal Election and/or Presidential Nominating Convention as defined under the Federal Election Campaign Act Amendment of 1974. This is a legitimate obligation of the Republican National Committee. The Accounting Division is instructed to pay this bill in the normal course of business making the appropriate allocations as indicated below.

Approval Signature \_\_\_\_\_

The purpose of this expenditure is: \_\_\_\_\_

**(A) Campaign and/or Convention Support**

<u>Account Number</u>	<u>Campaign Name</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Campaign Sub-Total		\$ _____

**(B) Non-Campaign and/or Convention Support**

<u>Account Number</u>	<u>Account Name</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Non-Campaign Sub-Total		\$ _____

TOTAL INVOICE \$ \_\_\_\_\_



Chip Andre  
of Todd

Smith's number

re ongoing  
Party expenses

Wayne Hays

484-6500

Bill Schwitzer

393-5360

"On-going Party Business"

Red Smith  
Memo

The Federal Election Campaign Act Amendments of 1974 has given important new financial responsibilities to the National and State Committees of both major political parties. These new responsibilities are in addition to the traditional on-going functions of the parties. It seems clear that one of the intents of Congress was to strengthen, not weaken, the two-party system in this country.

Both the Republican and Democratic National Committees want to do everything possible to see that the regulations formulated and/or adopted by the Federal Election Commission clearly recognize the intent of Congress, and do not intentionally or unintentionally weaken the two-party structure in this country. In this regard, both parties feel that the FEC should clearly recognize and adopt the following two concepts:

1. FEC recognition of the concept of "on-going Party business".
2. FEC recognition that expenditures in the area of "on-going Party business" are generally not chargeable to any federal candidates.

The concept of "on-going Party business" is relatively easy to discuss in general terms. However, the problem of defining "on-going Party business" in specifics is much more difficult. To understand "on-going Party business" in specifics, it is necessary to understand the structure and traditional functions of both Parties.

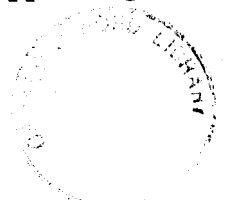
The Party structure of both parties at the State and Local level is essentially created by State law. However, the National Committees of both parties are re-created every four years by their respective national conventions. The traditional functions of Party organizations have traditionally included such things as registration, voter turnout, providing speakers, organizing volunteers, publications, research, field work, travel, Presidential (or Titular Head of the Party)

support, fund raising, administration, auxiliary support, convention arrangements, committee meetings, voter education, etc.

Both political parties feel very strongly that expenditures in the area of "on-going Party business" are ~~not~~ generally not chargeable to any candidate.

In this regard, both Parties recommend that the FEC adopt the following guidelines:

1. Expenditures for "on-going Party business" functions which are performed by a Party organization year in and year out in non-election years are not candidate-related expenditures and are not chargeable to that organization's expenditure limit for any federal candidate.
2. Expenditures for "~~on~~-going Party" functions which are preformed periodically or sporadically by Party organizations which are not general election period (i.e., after the primary) related activities such as conventions, committee meetings, registration drives, etc. are not candidate related expenditures and are not chargeable to that organization's expenditure limit for any federal candidate.
3. Expenditures for "on-going Party" functions which are general election period functions and are performed specifically for a federal candidate and/or for two or more federal candidates are expenditures chargeable to the organization's expenditure limit for that federal candidate and/or candidates on a "direct cost" basis -- that is that the value of the expenditure chargeable to to the organization candidate limit is the incremental cost specifically incurred by the Party organization specifically because that organization is actively supporting that specific candidate.

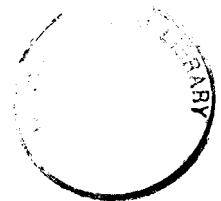




4. That candidates are allowed to purchase goods and services from official Party organizations at a price calculated on a direct cost basis -- that is that the candidate is to reimburse the Party organization for the specific incremental cost incurred by the Party organization to provide said goods and/ or services to the candidate and that such reimbursement in no way affects that Party organization's contribution and/or expenditure limitation for that candidate.

5. That direct cash outlays during the general election period specifically for one or more federal candidate are expenditures fully chargeable to the Party organization's expenditure limitation for that federal candidate and/or candidates.

6. That direct cash contributions by a Party organization to a federal candidate are fully chargeable to that Party organization contribution limitation for that federal candidate.



*conclude*

QUESTION PRESENTED:

May the payment of expenditures incurred by the President, Vice President and their aides while engaged in their national political party's behalf, be assumed by the national political party without consequence to (several cites) of the Federal Election Campaign Law of 1974?

For informal purposes this memorandum is segregated into the following categories:

1. Historical background.

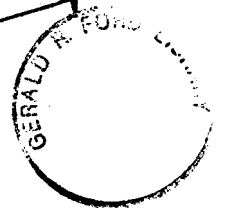
*1.2. decrease*

*official trips*

*as well*

*House Office*

*acc*



*new totals*

PRESIDENTIAL TRIP TO:

TOTAL EXPENSES

Alaska	527.80
Arizona, Phoenix	2210.46
Boy Scout Banquet	35.00
California, Bakersfield, San Diego, Oakland, Fresno, and San Francisco	16627.63
California, San Diego (Mrs. Ford)	2093.94
Colorado 6/75 (Susan Ford?)	93.10
Colorado, Vail	1702.33
Connecticut, New Haven (Yale)	445.41
Europe	221.59
Far East	92.12
Florida	4568.47
Georgia, Atlanta	5491.91
Georgia, Fort Benning	4081.56
Illinois, Chicago	2343.13
Indiana, Indianapolis	623.95
Indiana, South Bend (Notre Dame)	4117.67
Iowa, Des Moines	1399.14
Iowa, Sioux City and Colorado, Grand Junction	2002.01
Jordan	321.17
Kansas, Topeka	2345.63
Kansas, Wichita	1167.65
Kentucky, Louisville	269.28
Korea	377.83
Louisiana, New Orleans	2009.15
Martinique	839.57
Massachusetts, Boston, Concord, Lexington	3282.44



<u>PRESIDENTIAL TRIP TO:</u>	<u>TOTAL EXPENSES</u>
Mexico	1114.15
Michigan, Detroit	1175.84
Michigan, Grand Rapids	1408.56
Missouri, Kansas City	2249.67
Nevada, Las Vegas	2730.90
New Hampshire	1556.53
New York, New York City 6/75	190.71
New York, New York City 12/74, 2/75	5359.32
New York (Mrs. Ford)	85.22
New York, West Point	1377.08
North Carolina, Charlotte	1967.57
North Carolina, Greensboro	3215.09
Ohio, Cincinnati	108.92
Ohio, Cleveland	2989.43
Oklahoma, Oklahoma City	616.18
Oregon, Portland	5250.76
Pennsylvania, Philadelphia	1538.85
Pennsylvania, Philadelphia (Army-Navy Game)	1047.52
South Carolina, Greenville	1143.30
South Dakota, Sioux Falls	378.86
Tennessee, Nashville	371.17
Texas, Houston	5992.60
Tokyo	729.38
Utah	1716.18
Vermont, Burlington	152.74
Virginia, Fredericksburg, Winchester, Norfolk	3389.12



\* Political  
Trips

January

Washington, D.C.  
Colorado, Vail

February

Georgia, Atlanta  
Kansas, Topeka  
\* New York City, N.Y. (13th)  
Texas, Houston

March

California, Bakersfield, San Diego, Oakland, Fresno, San Francisco  
Florida,  
Tennessee, Nashville  
\* Washington, D.C.  
Washington, D.C.  
Indiana, South Bend

April

Louisiana, New Orleans  
Massachusetts, Boston, Concord, Lexington  
Nevada, Las Vegas  
New Hampshire  
Connecticut, New Haven (Yale) (25th)  
\* Virginia, Arlington

May

California, San Diego (Mrs. Ford)  
Europe  
New York, West Point  
North Carolina, Charlotte  
Pennsylvania, Philadelphia  
Virginia, Fredericksburg, Winchester, Norfolk  
Washington, D.C. (Iranian Embassy)

June

Colorado (Susan Ford)  
Georgia, Fort Benning (14th)  
New York, New York City, Poughkeepsie  
New York (Mrs. Ford)  
Ohio, Cincinnati  
Europe (end of trip)



<u>July</u>	
* 3	Ohio, Cuyahoga Ohio, Cincinnati
4	Maryland, Ft. McHenry, Baltimore
11	Michigan Illinois
12	Illinois
13	Michigan, Traverse City, Mackinaw
26 - 31	Europe

<u>August</u>	
1 - 4	Europe
10	Arkansas, Fort Smith,
10 - 17	Colorado, Vail
* 18	Iowa, Des Moines
* 18 - 19	Minnesota, Minneapolis
19	Illinois, Pekin, Peoria
19 - 24	Colorado, Vail
24	Montana, Libby Dam
24 - 25	Illinois, Chicago
25	Wisconsin, Milwaukee
* 30	Maine, Brunswick, Augusta, <u>Portland</u>
* 30	Rhode Island, Newport

\* Political trip. On trips of more than one stop, the political stop is underlined.

~~September 2, 1975~~

MEMORANDUM FOR:

Republican National  
Committee Members

FROM:

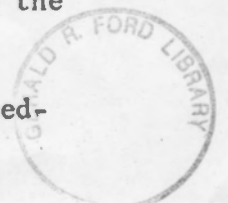
Mary Louise Smith

On March 17th I wrote you concerning the Republican National Committee's new role in processing all political invitations extended to the President and Vice President. As I pointed out, this is necessary due to the change in the new campaign finance law.

In my letter I also explained the policy as it relates to the costs involved in Presidential and Vice Presidential travel. However, we have encountered numerous complaints and problems with this policy and accordingly have decided to make the following changes:

1. The cost of the President's transportation will be charged to more closely reflect actual cost: \$5.00 per air mile and a flat fee of \$2500 to cover all additional expenses which includes advancement, hotel, rental cars, etc..
2. The cost of the Vice Presidential's transportation will be charged to \$4.00 per air mile and a flat fee of \$1500 to cover all additional expenses which includes advancement, hotel, rental cars, etc..
3. Under the existing policy The Republican National Committee is to receive 10% of the gross proceeds from any fund raising event which involves White House participation. Under the new policy we will no longer require that 10% of the gross proceeds be forwarded to the

continued-



National Committee. Thus we are simply going to try to recover actual cost - no more - no less!

If you have any questions please feel free to call Charlie Peckham, ( 202 - 484 - 6767 ), whose office is the liason with the President and Vice President for political clearance of executive travel.

We look forward to working with you and your associates and are enthusiastic about the opportunities that await us through mutual cooperation and willingness to work together.