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*Political
Activities*

August 14, 1975

MEMORANDUM FOR

THE HONORABLE JOHN T. DUNLOP
SECRETARY OF LABOR

As your office requested, I am sending a copy of a memorandum prepared in my office which has not as yet been generally circulated, but which deals with the subjects I discussed at the last Cabinet Meeting.

Philip W. Buchen
Counsel to the President

Enclosure



*Political
Activities*

August 14, 1975

MEMORANDUM FOR

THE HONORABLE EDWARD C. SCHULTS
UNDER SECRETARY OF THE TREASURY

As you requested, I am sending a copy of a memorandum prepared in my office which has not as yet been generally circulated, but which deals with the subjects I discussed at the last Cabinet Meeting.

Philip W. Buchen
Counsel to the President

Enclosure



*Political
Activities*

August 15, 1975

MEMORANDUM FOR

THE HONORABLE DALE K. FRIZZELL
ACTING SECRETARY OF THE INTERIOR

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Philip W. Buchen
Counsel to the President

Enclosure



*Pres-
Pol.
activities*

August 22, 1975

MEMORANDUM FOR

THE HONORABLE JAMES LYNN
DIRECTOR OF THE OFFICE OF
MANAGEMENT AND BUDGET

As requested by your office, I am sending a copy of a memorandum prepared in my office which has not as yet been generally circulated, but which deals with the subjects I discussed at the last Cabinet Meeting.

Philip W. Buchen
Counsel to the President

Attachment



Political activities

THE WHITE HOUSE

WASHINGTON

September 2, 1975

MEMORANDUM FOR: KEN LAZARUS
FROM: PHIL BUCHEN *P.*
SUBJECT: Jim Falk

In light of your previous memorandum to me regarding Jim Falk, I attach a subsequent memorandum to me from Jim Cannon on the same subject.

Kindly draft a reply for me to send to Jim Cannon.



THE WHITE HOUSE

WASHINGTON

August 30, 1975

MEMORANDUM FOR: PHIL BUCHEN

FROM: JIM CANNON

SUBJECT: Jim Falk

Jim Falk, Associate Director for Intergovernmental Relations for the Domestic Council, is under the Hatch Act. Yet his duties, particularly when he attends conferences of governors and mayors, frequently put him into the position of discussing with a Republican mayor or governor the possibility of a political trip by the President.

If I understand your summary of the Hatch Act correctly, this clearly puts Falk into an awkward position.

It is my feeling that we should attempt to find a way whereby Falk would not be under the Hatch Act.

Could I have your advice on this? Many thanks.



THE WHITE HOUSE

WASHINGTON

August 22, 1975

MEMORANDUM FOR: PHIL BUCHEN

FROM: KEN LAZARUS *KL*

SUBJECT: Political Activity/Domestic
Council Associate Director for
Intergovernmental Relations

Earlier this week, Jim Falk, Associate Director of the Domestic Council, Intergovernmental Relations, came to me with an invitation he had received from the Governor of North Carolina requesting that Jim be in attendance at a meeting of Southern Republican leaders, Jack Calkins from the White House staff, and representatives from the campaign organizations of both President Ford and former Governor Reagan. Jim was completely forthright in indicating that the sole purpose of the meeting was political in nature.

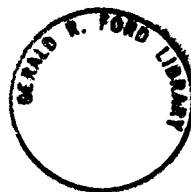
I advised Jim not to attend the meeting regardless of the manner in which his trip might be financed. As you know, members of the Domestic Council are subject to the provisions of the Hatch Act and are thus prevented from engaging in "political management or a political campaign." He will not attend the meeting.

After talking with Jim, I spoke with Jack Calkins relative to the financing of the trip. Although Calkins, as a member of the White House staff, is not prohibited from engaging in political activity I was concerned that he might inadvertently finance his trip from official funds or inappropriate political monies. In this regard, I advised him: (1) Not to use any government funds relative to this trip; (2) In the event the entire meeting was financed by the Republican National Committee, it would be appropriate for his portion of total expenses to be derived from that source; and (3) In the event the Reagan people were financing their expenses out



of their own political coffers, Jack should attempt to arrange for payment by the Ford election committee. I suggested that he get in touch with Bob Visser, General Counsel to the President Ford Committee.

Although the incident recited above requires no further action on your part, it serves as an illustration of a continuing problem which you might attempt to rectify. As the one Domestic Council member with very frequent contacts with elected Republican officials around the country, Jim Falk will, throughout the course of the election, be placed in an extremely tenuous position regarding the potential for "political activity" in the course of his official duties. In order to resolve this problem, I would recommend that he either be transferred to the White House staff or designated "Special Assistant to the President" and "Associate Director of the Domestic Council" and paid from the White House payroll in the mold of Jim Cannon. This would obviate any potential for running afoul of the Hatch Act. I communicated this opinion to Jim who intends to take the matter up with Jim Cannon at his earliest convenience.



THE WHITE HOUSE
WASHINGTON

*Political
Campaign*

September 5, 1975

MEMORANDUM FOR: JIM CANNON

FROM: PHIL BUCHEN *P.W.B.*

SUBJECT: Jim Falk

This is in response to your memorandum of August 30, requesting my advice in fashioning a solution to meet Jim Falk's potential Hatch Act problems.

You are correct in your understanding that Jim is subject to the Act which proscribes participation in "political management or political campaigns." As you know, these proscriptions are absolute and permit no deviation during private hours or during periods of leave. Moreover, the source of the funding of any political conduct is inapposite to the bar.

Due to the nature of his responsibilities, Jim often could be placed "between a rock and a hard place." This raises potential problems for him and could be a source of political embarrassment to the President.

In order to put this problem completely to rest, I would suggest that Jim be paid from the White House appropriation, i. e., "Special Assistant to the President and Associate Director of the Domestic Council." This would serve to take his position outside the scope of the Act in the model of your own position.

Kindly advise if I can be of any further assistance in this regard.



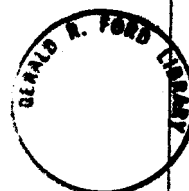
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*Presidential
Campaign*

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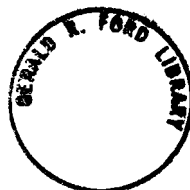
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THE WHITE HOUSE

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August 22, 1975

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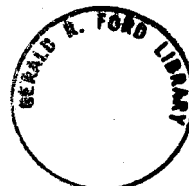
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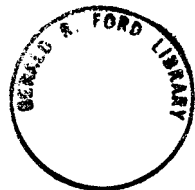
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ROGERS C. B. MORTON

November 13, 1975

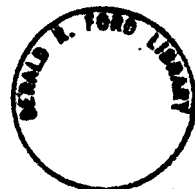
Dear Carla:

In the next few months the efforts to raise the funds necessary for the President's nomination campaign must be intensified. Under the limitations of the new election law these efforts to be successful must be tightly organized and broadly based.

I have been asked to pull together a pool of Cabinet and sub-Cabinet people who are not otherwise restricted from political activity who can collectively commit to participate on their own time in 100 or more appearances for President Ford dinners, receptions and lunches. These events will be held during the next 120 days.

The members of the pool for "Operation 100" will hopefully include all Cabinet members with the exception of the Secretaries of State and Defense and the Attorney General. I think we can each personally commit to seven or more appearances. In addition, each of us should request, based on their qualifications, sub-Cabinet members from our own Department to collectively commit to an additional eight events bringing each agency's total to fifteen.

The time of these events will be worked out after we have each made our commitments. The scheduling will be arranged from the President Ford Committee (PFC) office to fit, as much as possible, the convenience of the Cabinet participants.



I am asking you to pledge seven appearances on the President's behalf. Please let me know your response as soon as possible and who else from your agency will participate.

Yours sincerely,

Rog Morton

Rogers C. B. Morton

The Honorable Carla Hills
3125 Chain Bridge Road
Washington, D.C. 20016



THE WHITE HOUSE
WASHINGTON

December 2, 1975

Mr. Buchen,

Barry and Jim Connor
have copies.

Barry, no doubt, will
prepare a draft for
your signature.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

Date: 12-1-75

TO: *Phil Buchen*
FROM: Deputy Director

*As Jim's note below
indicates, he asked
for clearance from
you on this before
he makes any
commitments.*

Paul Stein



OFFICE OF MANAGEMENT AND BUDGET
TRANSMITTAL FORM

THE DIRECTOR DATE 11/26

TO : Paul

FROM: James T. Lynn

Please check this out w/
Buchen.



OFFICE OF MANAGEMENT AND BUDGET

TRANSMITTAL FORM

THE DIRECTOR

DATE 11/20

TO : Paul

FROM: James T. Lynn

Let's discuss.



DO NOT USE FOR PERMANENT RECORD INFORMATION

OFFICE OF MANAGEMENT AND BUDGET

TRANSMITTAL FORM

EXECUTIVE ASSISTANT
TO THE DIRECTOR

DATE 11/18

TO : JTL

FROM:

Secy Morton needs answer to his letter by end of week in order to make his report to Committee and to the President.

G



DO NOT USE FOR PERMANENT RECORD INFORMATION

ROGERS C. B. MORTON

Pol. Activities

November 13, 1975

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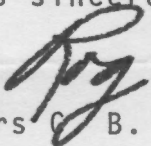
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Rogers C. B. Morton

The Honorable James T. Lynn
6736 Newbold Drive
Bethesda, Maryland 20034



55
John Paul He

RECEIVED
MAY 10 1964
U.S. AIR FORCE
WASHINGTON, D.C.

JOHN PAUL HE

WASHINGTON, D.C.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11-19-88 BY 60322/UC/STP/STP

December 5, 1975

The Honorable Rogers C. B. Morton
Presquile, Route One
Easton, Maryland 21601

Dear Rog:

I have reflected considerably on your letter of November 13 requesting my assistance and the assistance of others at HUD in raising funds necessary for the President's nomination campaign.

As you know, HUD has a large number of constituent groups: homebuilders, savings and loan associations, realtors, mutual savings banks, commercial banks, architects, planners, building material suppliers, city officials -- just to name a few. HUD is also engaged in subsidizing certain activities and in making grants, discretionary, categorical and general in substantial sums.

I am very concerned that the participation by me or others at HUD in fund-raising activities would raise serious conflict of interest questions, both real and apparent. I am particularly concerned that some of these types of questions could at a later date prove embarrassing to the President.

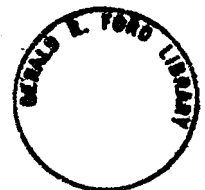


For these reasons I believe that my activities and the activities of others at HUD must be restricted to campaigning, and not fund-raising. If you wish, I will be pleased to discuss the matter further with you.

Sincerely,



Carla A. Hills



ROGERS C. B. MORTON

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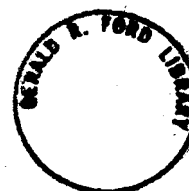
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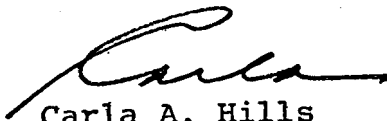
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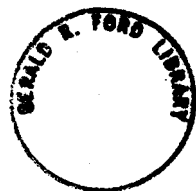


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THE WHITE HOUSE

WASHINGTON

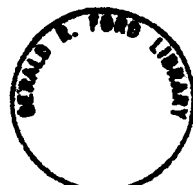
December 9, 1975

MEMORANDUM FOR: DICK CHENEY
FROM: PHIL BUCHEN *J.W.B.*
SUBJECT: Costs of Mixed Official - Political
Travel by Presidential Surrogates

Secretary Morton's recent letter to certain members of the Cabinet concerning the "100 Committee" has raised anew the question of how we handle the travel expenses of Presidential surrogates on mixed official-political campaign trips. Set out below is a description of how such expenses are presently handled, along with a proposed new method for their handling, and which I understand is to be discussed at tomorrow's Cabinet meeting.

At the present time, political funds are generally required to be used for mixed official-political travel by government officials, other than the President and Vice President, only for the incremental increase in costs caused by attendance at the political event. GAO has never addressed this question head-on, but this approach is consistent with both the Government travel regulations issued by GSA and GAO transportation regulations dealing with payments for services required by the traveler in excess of those required for official business.

While this method is the least expensive for the political committee, it does pose several serious problems. The Federal Election Commission will submit for Congressional approval later this month proposed regulations for the allocation of campaign expenditures including provisions relating to "campaign" travels at Government expense. These regulations are not yet in final form, but they almost assuredly will require, at a minimum, that we propose a reasonable method of allocating to the President's campaign expenditure limitation the "political" costs of such travel. The present procedure is also subject to considerable criticism from the public and media for misuse of



official funds by the possibility of scheduling official appearances that would not otherwise be made or be gerrymandered to avoid payments by the PFC. In this regard, Common Cause has requested that all Presidential candidates refrain from the use of tax-supported services, e. g., transportation for campaign purposes, except as required for personal security reasons. Even where the official undertakes the political event only after he has previously scheduled bona fide official business in that location, there remains a credibility gap which frequently cannot be narrowed.

Accordingly, my office has worked with the General Counsel of the PFC to develop a possible new method of allocating the costs of such trips, and which will minimize the criticism of possible misuse of official funds. Basically, except for the costs of travel, i. e., transportation, accommodations, etc., which can be associated with a particular event, travel costs for mixed official-campaign trips would be apportioned between the Government and the PFC in relation to the percentage of time spent at official versus campaign activities. For example, if the Government official were to spend two hours in official meetings and two hours in campaign meetings, then his travel costs would be apportioned equally between the Government and the PFC. As with Presidential travel, de minimis political activity would not alter the character of an official stop, and no allocation to the PFC would be necessary to insure that there is substantial and bona fide official business at a particular stop before allocation of the costs is made between the Government and the PFC.

This approach has the advantage of minimizing the current problems related to the use of appropriated funds. While this method does lessen the advantages of incumbency, it allows the incumbent to use surrogates in a manner that is not available to non-incumbents, and a possibility remains that it would be criticized by other candidates. However, that result is inevitable regardless of the method used.

In discussing this with the Cabinet, it should be made clear that this procedure applies only to mixed official-political trips and that it does not affect any personal matters they may undertake during a trip. In addition, it is not possible to make a final

decision on how such surrogate travel will be handled until the FEC finalizes the allocation regulations. Tomorrow's meeting will give the Cabinet an opportunity to comment on this proposed new method which does relate to how they spend their own agency's funds. I might add that this approach has been favorably received by the FEC staff in the course of informal discussions with the PFC General Counsel.



*See
Copy sent
to Barry*

THE WHITE HOUSE
WASHINGTON

December 10, 1975

MEMORANDUM FOR: PHIL BUCHEN

FROM: DICK CHENEY *P*

Phil, the President and I want to review personally the guidelines you're drafting for the Cabinet with respect to their participation in campaign activities. We need that as soon as possible.



THE WHITE HOUSE
WASHINGTON
12/19

This does not require any
action on your part at the
present time.

Bob has finally received your
draft memorandum from Connor.

Barry

President Ford Committee

1828 L STREET, N.W., SUITE 250, WASHINGTON, D.C. 20036 (202) 457-6400

*Barry has
a copy.*

December 16, 1975

Honorable Philip W. Buchen
Counsel to the President
The White House
Washington, D. C. 20500

Dear Mr. Buchen:

Enclosed herewith for your information and review in connection with the proposed draft memorandum regarding allocation of expenses for Cabinet members who may become involved with campaign activity are copies of the following:

(1) Letter to the Federal Election Commission, dated October 19, 1975, regarding the proposed allocation expenditure regulations;

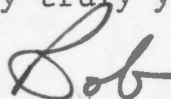
(2) Testimony of Robert P. Visser before the Federal Election Commission on November 19, 1975.

As I have advised Barry, the revised version of the allocation regulations as they will be forwarded to Congress by the Commission should be available in the very near future. At such time, I believe that we can best provide a comprehensive memorandum regarding such matters to the Cabinet members and other appropriate persons.

I look forward to meeting with you to review this matter at an early date.

With kind personal regards,

Very truly yours,



Robert P. Visser
General Counsel

RPV:em

cc: Barry Roth, Esq.



President Ford Committee

1828 L STREET, N.W., SUITE 250, WASHINGTON, D.C. 20036 (202) 457-6400

November 19, 1975

Federal Election Commission
1325 K Street, N. W.
Washington, D. C. 20463

Re: Notice 1975-72 - Allocation
Regulation (11 C.F.R. Part 107)

Dear Commissioners:

The President Ford Committee (PFC) respectfully submits the following comments regarding proposed regulations on federal campaign funds and the allocation of candidate and committee activities which were published in the November 5th issue of the Federal Register (Volume 40, No. 241).

I. General

The proposed allocation regulations are a significant improvement over the initial Commission attempts to specifically anticipate and define the myriad number of allocation circumstances which will be encountered by candidates and their committees in attempting to comply with the Federal Election Campaign Act of 1971, as amended. In particular, the current proposed regulations set forth rules of general applicability which require that the candidate act in a reasonable manner to determine, report and pay for the actual benefit received in connection with his or her campaign-related activities. Such regulations generally provide the requisite flexibility necessary for candidates to adapt to the unique and complex circumstances of particular campaigns and elections. The proposed regulations also encourage citizen participation in the political process by incorporating, implicitly and explicitly, standards based upon a rule of reason which is preferable to any attempt to rigidly and technically define universally applicable allocation standards. In addition, as a general matter, the proposed regulations fundamentally set forth reasonable objective tests. However, the regulations reflect the fact that all such allocations of expenditures and/or contributions necessarily reflect complex subjective judgments based upon the benefit received.



Parenthetically, it should be noted that, in order for candidates and their committees to effectively implement procedures and methods of dealing with difficult allocation problems, the Commission should reconsider its recent Advisory Opinion and encourage the retention of attorneys and accountants to ensure pragmatic compliance with the Act. The insistence that such costs be attributed to the candidate's expenditure limitation is both unreasonable and counterproductive to candidates, the FEC and the purposes of the Act.

II. 11 C.F.R. Part 107.1 - Allocation of Expenditures
Between Primary and General Elections

This section attempts to apply an objective standard regarding the date that expenditures are made in connection with the respective primary and/or general election periods. Expenditures are made attributable to and reportable in the election period in which they are made, with an exception for expenditures made after the primary election but "clearly and identifiably made in connection with a primary." In such cases, such election expenditures may be attributed to and reported as expenditures in the other election. However, it is interesting to note that, with regard to the converse situation in which expenditures are incurred before the primary election and "which are clearly identified as being for" the general election, such expenditures should be paid from the general election account and reportable as general election expenditures. As in all statutory construction and interpretation, unless there is a clearly definable and substantive purpose for making a distinction, statutory language should be uniform and consistent. It is respectfully suggested that the Commission adopt the standard and language set forth in Subsection 107.1b (i.e. "clearly and identifiably made in connection with") for purposes of Subsection 107.2.

Finally, it is our understanding that the general rules set forth in this section would encompass the precepts set forth in the October 22 draft of these regulations. In particular, such earlier draft had specifically noted that expenditures for services which benefit both the primary and general



election campaigns but which are not used during any single time period should be allocated to each election in accordance with the benefit provided. An example of such an expenditure would be the payment for creative services regarding media advertising and the like which may be utilized both in the primary and general election periods. It is reasonable that such expenditures although made during the primary election period, may be specifically allocated upon a reasonable apportionment formula to the respective election periods. In such event, such allocation would of necessity be based upon a proportionate time formula or other appropriate division and may be substantiated by appropriate contractual or other evidenciary arrangements.

III. Section 107.3 - Allocation of Expenditures Among (or Between) Candidates

The PFC is pleased that the Commission is proposing a broad general rule based upon the benefit to be reasonably derived by candidates in connection with expenditures on behalf of more than one candidate. It is our understanding that it was the nearly universal opinion of all candidates and other parties who expressed an opinion in connection with the relevant task force hearings that such a general rule is absolutely essential. Any anticipated abuse regarding unusual or extreme allocations will be fundamentally self-regulating by the normal political process particularly in view of the stringent expenditure limitations placed upon each candidate.

We also wish to note that the language of Section 107.c relates to a "clearly identifiable candidate" and that such term should be used uniformly in this section (i.e. Section 107.3b2 states merely "identifiable candidate . . .").

IV. Section 107.4 - Allocation of Expenditures Among States by Candidates for Presidential Nomination

The rule set forth in Section 107.4c1 regarding publication and distribution expenditures for media and like advertisements distributed in more than one state must be read in connection with the general attribution rule set



forth in Subsection 107.4c itself. In other words, pursuant to 18 U.S.C. 608(c)(4), the Commission is required to prescribe rules under which any such expenditure shall be attributed to the candidate's expenditure limitation in each such state "based on the voting age population in such state which can reasonably be expected to be influenced by such expenditure." (emphasis added). Accordingly, advertising expenditures made in connection with a primary election would be attributed in proportion to that portion of the estimated viewing audience or readership which such publication would reach and which can reasonably be expected to be influenced by such expenditure. It would be unreasonable at best to assume that you must allocate total viewing audience or readership of Republicans, Democrats and independents in connection with an election in which only a certain portion of that viewing audience is entitled to vote.

V. Section 107.5 - Allocation of Expenses Between Campaign and Non-campaign Related Travel

In general, this provision follows the method of allocation set forth in the September 3rd letter of Philip C. Buchen, Counsel to the President, regarding Presidential travel expenses. However, Section 107.5b is ill-defined and ill-advised. This subsection provides that "[w]here a person conducts any campaign-related business in a location, such location is a campaign-related stop and expenditures made are reportable." I have several comments to make with regard to this seemingly simple sentence.

First, it is neither reasonable nor fair to attribute any costs incurred in connection with an official and/or non-campaign-related trip which involves campaign activity merely of an incidental nature. For example, if a candidate were to be travelling on a private matter or in connection with an official function which was unrelated to his campaign activity, but were to briefly meet with a local campaign representative for a meeting, this rule would appear to require him to attribute such travel and associated costs to his expenditure limitation. Such incidental, non-public, non-advertised, events should not be included within such limitation.



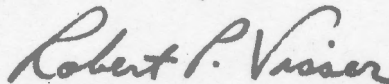
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Second, this draft regulation contains terms which are not defined anywhere in the Act.

Finally, I believe that Subsection b must also be revised to include in addition to incidental political meetings, a general allocation formula based upon the benefit to be derived in connection with such trip. A more appropriate method of allocation would be to incorporate language similar to that used in Section 107.3 to the effect that a candidate must allocate campaign-related expenses in connection with a campaign related trip in proportion to the benefit he can be reasonably expected to derive. As is the underlying premise in all of these regulations, the candidate should be allowed to make a reasonable and fair determination of such allocable expenses based upon the time allocated to such activities or other appropriate and relevant allocation standard. The fact that the Counsel to the President may desire to go beyond the requirements of the Act in allocating expenses regarding travel by the President and his aides on mixed official-political trips does not justify the utilization of such a strict standard in connection with all other candidates, as well as other candidate-related travel by other persons. To have such an absolute requirement as "ANY campaign-related business" is contrary to the approach taken throughout the other proposed allocation regulations, unfair and not required by the terms or purposes of the Act.

I trust that these comments may be of some value to the Commission and appreciate the sincere consideration given to our views.

Sincerely,



Robert P. Visser
General Counsel

RPV:em

cc: John G. Murphy, Jr., Esq.



1 MR. VISSER: I agree wholeheartedly, Commissioner.

2 I think it is essential.

3
4 It appears that after the events of yesterday,
5 a large part of the Commission and the audience have decided
6 to go home and cogitate about what was decided yesterday. So
7 I will accordingly keep my comments very, very brief this
8 morning.

9 I have another submission to make with regard to
10 the proposed allocation regulations. As you know, the
11 Federal Register notice contains a larger number than normal
12 of typographical errors. And I tried to include those in my
13 letter and decided that was silly, so I have merely marked
14 up a sheet which I happened to leave in the office this morning
15 that I will give to you with typographical corrections.

16 But as to matters of substance, I must say the
17 President Ford Committee was exceedingly pleased with the new
18 format of proposed regulations with a couple of major, indeed,
19 fundamental exemptions.

20 I hesitate to come up here and basically say
21 "congratulations, but," but in this case, I think when I went
22 back and compared the October 22 draft allocation regulations
23 with all of their myriad complexities and attempts to define
24 by rigid rule and specification how the allocation should be
25 made, even though it was done on an example and illustrative
basis, I think that the new attempt is superlative. And we are



1 generally very pleased.

2 I would just like to note a couple of comments of
3 general import. One is, as I say, we think that the rules
4 of general applicability as suggested by the President Ford
5 Committee and by, I believe universally all other candidates
6 and persons that I know commented during the Task Force
7 proceedings, is the proper and necessary way to go in terms
8 of attempting to regulate this area.

9 I think that the regulations generally provide
10 the flexibility, requisite flexibility, necessary to each
11 candidate to adapt to the circumstances of his own campaign
12 and election.

13 I think in addition, in general, the regulations
14 set forth a rule of reason and basically objective tests
15 in an area where, of course, objective judgment is very impor-
16 tant, but is discernable to an objective third party.

17 I think in particular, it is fundamental that the
18 Commission has incorporated the very basic concept of benefit
19 and they reflect the fact that all such allocations of expendi-
20 tures and/or contributions reflect these subjective judgments
21 based upon the benefit to be received by the candidate
22 or his political committee.

23 I won't bore you any further with that. I know
24 you have heard that for a long time and have obviously
25 heeded our comments.



22

1 I would note parenthetically, though, in connection
2 with these broadly-drawn regulations, you provided a fertile
3 area for the lawyers and accountants to begin to work.
4 The last time I testified, I was asked to give some idea of
5 what attorneys' and accountants' fees were. I have had my
6 treasurer who has been busy trying to certify for matching
7 funds and other things draw up a list. And I will be submitting
8 this tomorrow with a more formal request, opinion request,
9 I believe, setting forth in great detail explicitly what it
10 has cost the committee to date and what our projected legal
11 and accounting expenses will be through August 31, 1976.

12 I just want to advise you today because I think
13 in connection with the allocation regulations, it is important
14 that approximately 17 to 18 percent of the total expenditures
15 we have made to date would generally be applicable to this
16 area of legal and accounting expenses and that the dollar
17 total incurred to date and projected through August 31 with
18 the names of specific law firms and specific materials shown
19 in great detail with a certain amount of allocable overhead
20 and outside accounting and travel expense included would amount
21 to approximately one half a million dollars.

22 I think that is high compared to what normal
23 candidates may spend, presidential candidates may spend, at
24 this time. And I am certain it is in part due to the fact
25 that we are representing an incumbent president. But I do



1 think that is a significant portion of our budget.

2 As I said, we have spent almost about 18 percent
3 of the total money spent to date on activities I am engaged
4 in with the accounting firms.

5 VICE CHAIRMAN STAEBLER: Let me get this clearly
6 in mind. Are you saying that legal and accounting expenses
7 are 18 percent of \$500,000?

8 MR. VISSER: No, sir, not as yet. 18 percent of
9 the money we have expended to date.

10 VICE CHAIRMAN STAEBLER: And the total you have
11 expended to date is \$500,000?

12 MR. VISSER: No, the \$500,000 figure is what we
13 anticipate the total legal and accounting costs will be from
14 the beginning of the committee through the end of the
15 nomination period, August 31.

16 VICE CHAIRMAN STAEBLER: So that is something like
17 5 percent of the \$10 million.

18 MR. VISSER: That's correct. But of the moneys
19 we have expended to date in terms of all committee activity --
20 and this is the start-up cost -- 18 percent of that money or
21 approximately almost \$80,000 has been spent on lawyers and
22 accountants.

23 Now, that could be reduced to be absolutely fair
24 and candid somewhat by some other activities such as writing
25 a lease for the Ford Committee Headquarters, but it would be a



1 miniscule portion of the time I have spend and almost all of
2 the time of the outside accountants, in-house accountants,
3 have spent on compliance matters of the Act and certification
4 and reviews of proposed regulations in their myriad forms.
5 And I think that is a significant and substantial number.

6 We are going to file the details tomorrow, and
7 I invite your comment after you have had a chance to review it.
8 But to go back to the allocation regulations, I really just
9 have three points, I guess, only one of which I think is
10 absolutely fundamental.

11 To take the two smaller points first, I would like
12 to refer to Section 107.1 regarding allocation of expenditures
13 between primary and general elections. There are, again, a
14 number of inconsistencies in terms of the language in this
15 section. I am sure you have been alerted to that. And I
16 won't dwell upon it.

17 But in principle, it is our understanding in any
18 event that the general rules set forth in this section would
19 encompass the basic concepts which were elaborated upon in
20 the October 22 draft regarding this section. In particular,
21 the earlier draft had noted that expenditures for services
22 which benefit both the primary and general, but which are not
23 used during any single timeframe in a discrete way should
24 be allocated to each election in accordance with the benefit
25 provided.



1 This is a fundamentally important item for
2 candidates universally. And in particular, it is important in
3 terms of media expenditure with creative services.

4 I just wanted to note for the record it is our
5 interpretation of these provisions that we can on the basis
6 of contractual arrangement or other reasonable allocation
7 apportion these expenses even though they are not fungible
8 or tangible items.

9 Number two, I just wanted to comment on Section
10 107.3 as to allocation of expenditures among or between
11 candidates. I think that is the absolute proper and appro-
12 priate approach. I think that some of the questions that
13 have been raised by unusual allocations between candidates
14 will be fundamentally corrected by the self-regulatory process
15 of normal political politics, or normal politics.

16 And I have talked to many candidates about this,
17 and I don't think any of them want to give up their limited
18 expenditure limitation to help anyone else. And I think the
19 situations where that might occur would be very limited and
20 indiscernible. I think that is an excellent approach.

21 A second point of some substance is with regard
22 to Section 107.4 regarding allocation of expenditures among
23 the states. We would view that the rules set forth in 107.4(c)
24 (1) regarding publication and distribution expenditures for
25 media and the like distributed in more than one state must

1 be read in connection with Section 107.4(c), the more general
2 term, that talks about in terms of the statutory language
3 that you can only portion based on the voting age population in
4 each state that can really be expected to be influenced by
5 the expenditure.

6 Particularly when we are talking about advertising
7 expenditures made in a primary campaign, we would believe
8 that it is proper to look at the Nielson rating or the view-
9 ing population, but that that number must be reduced by the
10 allocable portion of Republicans in our case who are eligible
11 to vote and who consequently could be influenced by any of
12 those expenditures.

13 As in almost all of these regulations, I can think
14 of circumstances where that may not be appropriate, but I
15 think as a general rule and as a matter of construction of
16 these regulations, that is how the President Ford Committee
17 must and would view it unless directed otherwise.

18 VICE CHAIRMAN STAEBLER: Would you pursue that a
19 little further? Is that practical? The radio stations can
20 tell you pretty precisely where their signals are heard. The
21 magazines can tell you where their distribution is. They have
22 those figures pretty readily available. How would you move
23 from those to what you are suggesting?

24 MR. VISSER: Very simply, in the primary situation,
25 we would take those absolute figures and reduce them by the



1 proportion of voters that could vote in a Republican primary.
 2 There are some states where it is more ambiguous, and perhaps
 3 the Republican registration does not accurately reflect that
 4 portion of the normal media-viewing public. But I would
 5 reduce the 100,000 people, say, who would view a particular
 6 program or candidate-related advertisement by that proportion
 7 of Republican voters who could vote in the primary to whom
 8 we are directing our media effort at that time.

9 This is not in the general election where I think
 10 it would be a different matter because the constituency would
 11 be everyone. But in the primary election period, I think
 12 that that would be a reasonable and discernible approach.

13 MR. JOSEPH: Mr. Visser, but that wouldn't
 14 actually change the proportions very much.

15 MR. VISSER: No.

16 MR. JOSEPH: It might change the raw numbers.

17 MR. VISSER: That's correct. As I said, it was
 18 not a major point; it is just something we have discussed
 19 before.

20 The regulations, it appears to me, could be read
 21 to require absolutely it be done on the viewing numbers
 22 rather than the people that were intended to be. It seems
 23 to equate those who are discernible viewers with those who
 24 must be influenced. And I don't think that is appropriate.

25 I am not even sure that is what was intended, but



1 I just wanted to alert you it was our interpretation we
2 would have to read the statutory standard again with that very
3 pragmatic approach which is what the Nielson rating for the
4 area is for the state.

5 VICE CHAIRMAN STAEBLER: So if you used the station
6 let's say, in Connecticut that covered all of New England --
7 I suppose Boston would be more realistic -- and Boston covered
8 all of New England, you would only apportion that cost to
9 those New England states that have primaries, skip the states
10 where there weren't. Is that what you are aiming at?

11 MR. VISSER: I believe that is fundamentally
12 accurate. And in proportion to the Republican registration
13 or available voters in those states, I don't suggest I tried
14 to develop an absolute rule to that effect. And just as I
15 don't believe this rule would work in all circumstances, nor
16 do I believe my proposal would work in all circumstances.
17 Because there would be situations where the primaries are so
18 close to the general, the type of advertising that would be
19 done would be in effect intentionally and practically aimed
20 to both electorates, those in the Republican primary
21 situations, and those in the general, that we would not make
22 such an allocation.

23 VICE CHAIRMAN STAEBLER: Is this important and
24 valuable enough to warrant further complication in trying
25 to explain it?



1 MR. VISSER: No, sir. I think that the regulations
2 are subject to the interpretation I just made. I believe we
3 will make such an interpretation. And I just wanted to alert
4 you to that fact and would be happy to discuss that with your
5 staff further if you would interpret that differently.

6 I think it is subject to that interpretation, but
7 I know we have discussed it before, and I wanted to state it
8 explicitly.

9 My final point is something of much greater
10 substance as I review these regulations, and it is such a
11 pleasure to only read one page in the Federal Register for a
12 change, as I say, I was really fundamentally and generally very
13 favorably impressed with the approach taken throughout this.

14 I got to Section 107.5 regarding allocation of
15 expenses between campaign and non-campaign related travel and
16 reviewed the earlier proposals of the October 22 memorandum,
17 and I thought that with the exception of one paragraph, it was
18 excellent.

19 I believe that it also very significantly follows
20 the general approach and procedures set forth by Phil Buchen in
21 his September 3 letter.

22 I do think, though, that perhaps in the zeal
23 of the Commission in terms of reviewing the very detailed
24 proposals set forth by Phil Buchen and the round-trip, pro
25 rata allocation program which he set forth was his as adopted



30
1 in the proposed rules, the Commission may have gone overboard
2 in one very significant way. That is the Section 107.5(b).

3 There is a single sentence which perhaps is the
4 shortest sentence in this whole thing that I think is, (a)
5 unwise, (b) illadvised, (c) very confusing. And if left in
6 this form, it would result in, it would be my guess, rejection
7 by the Congress of all of the regulations.

8 The regulation says that "where a person conducts
9 any campaign-related business in a location, such location is
10 a campaign-related stop and expenditures made are reportable."

11 I am not so much concerned about the reportable
12 portion, but I think that it is unconscionable to try and
13 live from the candidate's point of view with a regulation
14 that says that not just our candidate, now, but of any can-
15 didate or any campaign-related activity carried on by a
16 representative such as myself of the President Ford Committee
17 is to make either an official -- in my case, I don't have an
18 official -- capacity or private trip and incidental to that
19 trip happen to meet with a PFC representative or Cabinet
20 Member or legislative aide to a member of Congress, were to
21 happen to meet in his political role which is proper on an
22 incidental basis with a non-advertised, non-major event,
23 that suddenly some portion of that trip is allocable.

24 I just can't believe that can be the intention.

25 I think also when you look at the words in this



1 section, that it contains words such as "campaign-related
 2 business," and I don't know what that means. "Location."
 3 I am not entirely sure if we are talking about events here or
 4 cities or exactly what we are talking about. And "campaign-
 5 related stop." We have created here a mixed bag of new con-
 6 cepts and terms that are (a) neither defined or (b) not
 7 reflected anywhere else in the Act that I can find of substance
 8 that would tell me what I can do except to have to alert
 9 everyone involved in the campaign that if he speaks to anyone
 10 on any kind of candidate-related business in connection with
 11 any trip he may be taking, officially, we are going to have
 12 to pay a portion of that.

13 I think that is probably a ridiculous conclusion,
 14 and I think that section should be redrafted for that reason.

15 I would suggest that the revision in addition to
 16 the incidental political trips which I believe could be again
 17 handled as a matter of construction or perhaps a de minimis
 18 basis that nobody is going to bother with that. And I must
 19 say as soon as I read that, I called Mr. Murphy and advised
 20 him I thought that was going too far.

21 And I don't think the thrust of the situation is
 22 to cover those incidental matters particularly, but I think
 23 that you should turn to language such as set forth in 107.3
 24 to the effect that a candidate must allocate campaign-related
 25 expenses in connection with the campaign-related trip in



1 proportion to the benefit he can reasonable be expected to
2 receive.

3 I would say in that case that it would be our view
4 that we would apportion the time spent of, say, a candidate's
5 aide or campaign manager in proportion to the time spent --
6 we would allocate the campaign time spent in proportion to his
7 official time and prorate that against an allocable portion
8 of his expenses, dual allocation.

9 I think where the Commission may have gone astray
10 is that the Phil Buchen approach with regard to the movement
11 of the President and his aides is that if any presidential
12 aide does anything political on any official trip, they will
13 allocate any of his expenses pro rata proportion thereof -- say
14 Mr. Cheney -- as entirely political.

15 At this time, I thought that was an error in
16 terms of what the statute required; for pragmatic and other
17 political reasons, they have decided for the purposes of the
18 President and his aide, that will be what they will do.
19 Indeed, those are my instructions what we will do. But when
20 Bo Callaway or a Cabinet member or other people travel where
21 there is substantial other purpose or official business, and
22 he spends an hour in the evening attending even a PFC function,
23 I see no reason, but then to take a pro rata roundtrip
24 formula and reduce that by an appropriate reduction of the
25 proportion of time spent on political activity as opposed to



1 official.

2 I would suggest that is the only way we could do
3 it in this case.

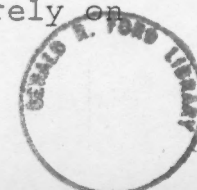
4 VICE CHAIRMAN STAEBLER: Let me ask a question
5 there. If the allocation were done wholly on the basis of
6 what the candidate did and the whole entourage were treated
7 in the same way, might not that achieve the same thing?
8 Instead of having to try to bookkeep each individual who
9 accompanies a candidate.

10 MR. VISSER: I think that is going to be very
11 difficult to do, the allocation on a time basis. I am suggesting
12 in a sense it is going to require a lot of our additional
13 bookkeeping.

14 VICE CHAIRMAN STAEBLER: We shudder at the thought
15 of people running around with calculators and trying to
16 decide how much time they have spent where.

17 MR. VISSER: I understand that. But I think you
18 recognize from your prior political activity that trip
19 reports are kept; extensive memoranda of the advancement and
20 candidates are kept on each trip, indicating what they did,
21 who they saw, the time spent. And I think it is feasible
22 to do that, and I am concerned when I read a regulation if it
23 says he does anything, we have to pay the whole cost.

24 VICE CHAIRMAN STAEBLER: What would happen in your
25 judgment if we did it in a simpler way based entirely on



1 candidates' meetings and let the members of the entourage do
2 whatever they were going to do on the side which would
3 probably be even more political than the candidate, but
4 relating their travel the same way as the candidates.

5 MR. VISSER: Well, in our case, that's exactly
6 what we are going to do. That's really what I am proposing.
7 We are under the instructions of the White House through the
8 people we talk to that the President will not allocate his
9 time in the fashion I am suggesting. And I think in terms
10 of dealing with any candidate, perhaps that is a very wise
11 decision, all political practically, although I don't think
12 it is required by the statute.

13 But I think we are talking about a slightly
14 different situation and maybe unique to a number of candidates.
15 I am not just talking about the entourage that travels with
16 the President, but we deal with a lot of people who travel
17 in their official capacity alone that may do some incidental
18 political activity. And I think to suddenly charge those
19 official trips to the President Ford Committee would be
20 extremely expensive for us and not required under the statute.

21 When we are talking about the President and his
22 aides going anywhere together, we are taking part. If we are
23 talking about anyone else going, myself or -- and again, I
24 am not talking about a trip in which the whole purpose is
25 political, but if I as I am next week, go to New York for



1 purely personal matters, for Thanksgiving, and I intend at
2 that time to give a call to the chairman I have never met
3 in New York to have lunch with him, to suddenly allocate my
4 trip to New York to the campaign, I think is unconscionable.

5 MR. JOSEPH: How are you going to split that up?

6 MR. VISSER: I am not going to at all. I say
7 that is totally incidental. I don't know if I am going to
8 reach him. I was going to call him when I got to New York
9 to say "hello." I don't think I would charge anything.

10 In fact, I am going to see in-laws that I haven't
11 seen for a year. That is the purpose.

12 MR. JOSEPH: You would rather have it a primary
13 purpose, then, and this is personal?

14 COMMISSIONER HARRIS: Would you want primary or
15 allocation scheme for each stop?

16 MR. VISSER: I think that in terms of that, it is
17 two-fold. One is incidental meetings such as I am suggesting
18 in this. The primary purpose would protect that as well.
19 I won't even put that in. What I am talking about is the
20 time-allocation formula.

21 I think the time-allocation formula works for
22 everybody, but incidental matters. If we ask a Congressman or
23 somebody to do something for us and he happens to, about as
24 we do with a lot of those fellows who know their schedules
25 in advance, say, "While you are there attend a function,"



1 we would certainly prorate his time. And I think we could
2 do that.

3 If we were to turn that into a primary purpose
4 test, I think you would be giving us something we are not
5 entitled to under the Act. We are inviting him to do something
6 on our behalf, asking him to attend a function, spend a
7 certain amount of time. Within a normal workday kind of rule,
8 we can say he spent 30 percent of his time on PFC matters,
9 and we would pay for that.

10 But I think the incidental test is separate from
11 either of those. I think that is de minimis type test just
12 as in terms of using the space of a corporation if a secretary
13 makes one phone call. I really don't think that is a report-
14 able kind of situation. And I don't think your staff has
15 felt that way except in an abstract manner. As a legal, abstract
16 matter, yes, it is a corporate contribution. But it is
17 impossible to handle.

18 COMMISSIONER HARRIS: Could I inquire what was
19 intended by the regulations as drafted?

20 MR. JOSEPH: Actually, it was adapted from the
21 President Ford policy of treating trips.

22 MR. VISSER: That's right. You see, what happened
23 is -- and I remember distinctly -- the Phil Buchen letter
24 came in; Jack Murphy read this and said it was eminently
25 reasonable upon first blush, and they were going to consider

37

1 it, but if he does any political activity, apportion the whole
2 trip to him.

3 That is something I spoke about at the time and
4 said this was something I disagreed with; the Act doesn't
5 require it.

6 Mr. Murphy said at that time he felt the Act
7 didn't require it, but if Mr. Phil Buchen and his advisors
8 decided he wanted to go far beyond anything the Act required,
9 he would not allow people to challenge how much time was
10 spent and let the press and the opposition make any kind of
11 political hay out of that type of apportionment.

12 But for the most part, we are moving a lot of
13 other people around. And in that case, we are perfectly
14 willing to act more reasonable because of the expenditure
15 limitation.

16 I think what you have done, you picked up on
17 Phil Buchen's extreme position, being extra conservative, and
18 applied it to all candidates. And if you move away to the
19 presidential situation and send this up to the Hill in this
20 fashion, I don't think there is a chance these regulations
21 could be adopted. I just think that is too extreme. It was
22 not intended.

23 VICE CHAIRMAN STAEBLER: Does that answer your
24 question?

25 COMMISSIONER HARRIS: Yes.



1 MR. VISSER: As a matter of fact, I am happy you
2 said that because that's exactly how we felt if you accepted
3 Phil Buchen's position to the point where it wasn't mandated
4 by the statute without thinking it accrued to the other people
5 involved.

6 VICE CHAIRMAN STAEBLER: I guess I want to be
7 clear in my own mind. Are we advocating principal purpose in
8 terms of this discussion?

9 MR. VISSER: No, I would do it on a strict
10 allocable basis in terms of time. If that is too complex,
11 a primary purpose test, I think, muddies the waters somewhat
12 more because if his principal purpose is an official trip and
13 he engages in two hours of political activity, prearranged,
14 campaign-related activity, what would the relation be on an
15 allocable basis, on a principal purpose test?

16 I am saying I would take the actual cost and pro-
17 rate it in proportion to his time. And I can do that. But
18 if you take a principal purpose test, what do you do? Do I
19 charge half if he does anything?

20 I don't understand what the follow-through is on
21 principal purpose.

22 MR. JOSEPH: I asked you on principal purpose, on
23 the basis of your trip to New York, to find out what basis.

24 MR. VISSER: That's just the de minimis test in
25 terms of incidental.



1 VICE CHAIRMAN STAEBLER: I would interpret just
2 for the sake of discussion here principal purpose to mean if
3 more than half the time is spent on something, then that
4 becomes --

5 MR. VISSER: All candidate related.

6 VICE CHAIRMAN STAEBLER: -- the allocation for
7 all of the time.

8 MR. VISSER: I see. Of course, that is an approach.
9 I think I can be more precise, and I think we would come out
10 economically far better, although there would be additional
11 complicating reporting and accounting and auditing situation.
12 It would not be unreasonable to follow that kind of approach.

13 VICE CHAIRMAN STAEBLER: Dan?

14 MR. SWILLINSER: Let me try a third approach on
15 this. If we use a principal purpose test, let's say in the
16 case where the principal purpose of a trip is political, then
17 those expenditures made for political purposes during that
18 trip are reportable and allocable, but what we are saying is
19 is it a trip in which the principal purpose is political,
20 presumptively reportable, and its presumptive expenditures
21 made for the purpose of influencing an election.

22 And in the case where the principal purpose is
23 other than that, other than political, then the trigger
24 of presumption doesn't exist.

25 MR. VISSER: Would the primary purpose test be



1 based, though, upon objective factors like the amount of time
2 spent in the activity? Are we talking about the quality of
3 the activity?

4 I am saying no matter what he does politically, I
5 will take that time whether it is the President going down to
6 Georgia and putting his arm around Bo Callaway and saying,
7 "You are my campaign manager," which may have taken him one
8 hour, but politically far more significant than anything else
9 he could have done.

10 COMMISSIONER HARRIS: He may have played golf the
11 rest of the day.

12 MR. VISSER: Right. Do you just take the time
13 factor or impact of the trip? I don't think you want to get
14 into that.

15 MR. SWILLINSER: I think the whole purpose of the
16 entire set of allocation regulations was to let you decide
17 your label there.

18 MR. VISSER: This section does not let me decide.
19 It says anything political in terms of business and stops. I
20 don't understand. I am saying I think it is poorly drafted,
21 (a), but I think the concept is in error.

22 VICE CHAIRMAN STAEBLER: Let me try a little
23 different approach. What would happen if we gave candidates
24 the alternative, either the principal purpose in which case
25 all of the trip would be chargeable, or the allocable option?

1 MR. VISSER: I think the broader you make it in
2 terms of allowing the candidate to choose a reasonable
3 standard, I think a time allocation is reasonable if we want
4 to go through it or primary purpose test is reasonable in
5 certain situations because it would depend upon the trip,
6 the amount of cost involved as to how the accountants and
7 lawyers would want to view it, but it would have to be
8 substantiated to the satisfaction of the Commission. We
9 recognize that.

10 We don't want to be frivolous. I think that
11 would be the approach because there is absolute --

12 VICE CHAIRMAN STAEBLER: I am visualizing can-
13 didates with less complicated schedules will want the
14 simplest possible procedure. I can see that the candidates
15 with more complicated and probably other presidential can-
16 didates with more complicated tours and problems might want
17 a more involved, more detailed, allocation of expense.

18 MR. VISSER: In our case, we are set up to do this.
19 We can do it. We have three trips. We are working on the
20 Boston, North Carolina and Georgia trip. And the Boston trip,
21 of course, is the one in which the President announced he
22 would enter every primary which suddenly transformed a trip
23 we assumed was going to be RNC related solely into at least
24 in part a candidate-related trip.

25 We are making those allocations, attempting to



1 collect all the dollar numbers, and we will be filing our
2 form of allocation even though it is not required with the
3 Commission just to educate you as to how we approach this and
4 would like to get your, at least, informal views on that in
5 connection with our future activity.

6 But we are set up to do that, and the other can-
7 didate, as you suggest, Mr. Staebler, may not be in a position
8 to do that and would like a simpler method because to them
9 the dollars probably don't matter as much.

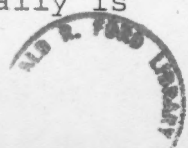
10 It is probably not going to be as difficult a
11 situation as we have when we are dealing with so many people
12 in a major presidential race. It is too complicated for us
13 not to be able to do it in a sophisticated way.

14 MR. SWILLINSER: Speaking to this particular
15 section, 107.5(b), I guess I am at least reaching a tentative
16 conclusion to probably eliminating it and not losing any-
17 thing.

18 MR. VISSER: I think that's correct.

19 MR. SWILLINSER: It seems to me it covers, if it
20 has both campaign-related, non-campaign-related, to support
21 the campaign-related portion and not the non-campaign-related
22 portion and leave it at that.

23 MR. VISSER: I would agree wholeheartedly with that
24 and would do nothing differently, just that this is the only
25 rule here that seems to mandate an approach that really is



1 incomprehensible in practical effect.

2 Frankly, it just, I think, would be wholly unen-
3 forceable and very difficult to try to enforce from the
4 Commission's point of view and impossible in terms of us
5 dealing with people and telling them, however, it may be
6 that although he is going to be there officially and spending
7 four days on official business, the fact he spent an hour
8 meeting with the PFC privately for our benefit, suddenly we
9 had to pay part of the Jet Star cost to California.

10 And those are the questions we are getting back
11 now because these things have received wide distribution and
12 because they are not that complicated, a lot of people have
13 read them and made comment to us.

14 As I say, that is the only sentence in here I
15 would change. I think the rest, we can all live with
16 happily.

17 Those are the only comments I have today unless
18 there are further questions.

19 VICE CHAIRMAN STAEBLER: Mrs. Robnett?

20 MS. ROBNETT: No, I have no questions. Thank you,
21 Mr. Visser.

22 VICE CHAIRMAN STAEBLER: Any more questions, Dan?

23 MR. SWILLINSER: No.

24 VICE CHAIRMAN STAEBLER: Joel?

25 MR. JOSEPH: No.

1 VICE CHAIRMAN STAEBLER: I guess we have put all
2 our questions in the course of your discussion, and it has
3 been very, very helpful. You put your finger on a lot of
4 questions.

5 MR. VISSER: These allocation regulations are,
6 absent that sentence, very helpful to us. We appreciate it.

7 MR. SWILLINSER: And speaking for Jack Murphy,
8 again, I would say that your appearances are always helpful
9 to us.

10 MR. VISSER: Thank you very much.

11 MR. SWILLINSER: We know we will continue to
12 hear from you so we don't need to invite that, but neverthe-
13 less, we do appreciate it.

14 MR. VISSER: Thank you. I appreciate it.

15 VICE CHAIRMAN STAEBLER: Thank you.

16 Now, let us call on Mr. Loren Smith, Counsel for
17 the Citizens for Reagan for President Committee.

18 STATEMENT OF LOREN SMITH, COUNSEL, CITIZENS
19 FOR REAGAN FOR PRESIDENT COMMITTEE

20 MR. SMITH: Thank you, Mr. Chairman.

21 In the last few days, I have participated along
22 with Mr. Visser and Dan Swillinser and other members of the
23 Commission Staff in the meetings of the American Association
24 of Political Consultants in discussion. I feel I am getting
25 used to having a table in front of me, papers relating to



1 the Federal Election Commission notes, and discussing every
2 kind of topic.

3 I participated in two panels, one Monday. Monday,
4 the principal topic discussed, or the topic at least raising
5 the most questions, was allocation and the problems that allo-
6 cation raised for federal candidates.

7 Our comments in general are fairly brief.

8 VICE CHAIRMAN STAEBLER: Before you go on, did
9 you find the two days helpful?

10 MR. SMITH: I did. I found them helpful for my
11 understanding of the law. I think the Commission Staff did
12 an excellent job of trying to illuminate the consultants and
13 campaign representatives on what the law meant and with
14 excellent resource individuals.

15 As Dan Swillinser and Paul Camner were on the
16 panel, and Bob Dougherty, that I was engaged in, each one of
17 those two sessions, and I think it was very useful for the
18 Commission to do this. I hope it will continue to provide
19 these kinds of resource persons who can through some light on
20 what the law actually says and what the Commission is doing
21 and what the Commission's approach is in certain areas.

22 VICE CHAIRMAN STAEBLER: We are in the course of
23 planning a rather extensive program of meetings of that sort,
24 and I am interested in your comments on the one that has just
25 been held.

