

Rep. Philip Crane (R-Ill.), who called for the abolition of the FEC in the April edition of *Trial Magazine*, to Rep. Frenzl (R-Minn.) who protested the FEC's inefficient and unnecessary red-tape in a letter to the *Wall Street Journal*.

Labor Party testimony before the House panel occurred just as D.C. District Court Judge Aubrey Robinson denied the party's request for a Temporary Restraining Order against the FEC's continued in-

vestigation of the U.S. Labor Party's finances and FEC lawyers' argument for a criminal investigation against the party. When that news reached Capitol Hill, conservative Congressmen already opposed to the FEC's campaign regulations went into action. Top-ranking members of the Senate Rules and Judiciary Committees are now studying the Labor Party charges indicating that a bi-partisan coalition within the two committees may be formed to initiate an investigation.

'Does The Campaign Act Cost More Than It's Worth?'

The following are excerpts from an article, written by U.S. Representative Philip M. Crane (R-Ill.) which appeared in the April, 1977 issue of the American Trial Lawyers Association Trial Magazine. Crane calls for the replacement of the Federal Elections Campaign Act and the dismantling of the Federal Election Commission.

In 1974, Congress, in its infinite wisdom, decided to banish corruption and influence peddling from presidential politics. The instrument to accomplish this laudable goal was entitled the Federal Election Campaign Act, and was administered by the Federal Elections Commission. Two years have elapsed, a presidential election has come and gone, and there remains little evidence that the existence of the FEC has altered public life for the better. There is evidence, however, that the involvement of the federal government in regulation of elections has altered our political freedoms. It is my view that the Federal Election Campaign Act is neither necessary nor desirable, and should be replaced...

...The law requires so many reports, and prohibits so many activities that even the most scrupulous candidate runs a severe risk of falling afoul of some of its provisions. It is no accident that the two major parties spent more than \$1 million in 1976 just to deal with the provisions of the Federal Election Campaign Act. No one knows how much time was devoted to compliance by congressional and senatorial candidates.

There is general agreement that the FEC has created an administrative nightmare...The real problem with the FEC, however, is not that it is another obtuse bureaucracy. The problem is that the law FEC seeks to administer works against established political freedoms and thus threatens the entire political process.

Political contributions are a valid and defensible means of citizen participation in politics. Many people are unable to devote large amounts of time to political activity, but are in a position to make a financial contribution...

Removal of an individual's right to make a political contribution is a severe restriction upon his political freedom. The First Amendment guarantees Americans freedom of expression. One of the most tangible means of

expression is the attempt to influence his fellow citizens on the course of public policy and on the choice of candidates...

The removal of private contributions has as its purpose the elimination of the power of wealthy individuals to seek their own advancement and that of "special interest groups" to achieve their aims. In reality, it is doubtful whether this purpose has been achieved, or whether influence has simply been shifted to other interest groups. Professor Ralph K. Winter has persuasively argued that with the elimination of private contributions, real power has shifted to those political activists with free time, those who operate so-called "issue" campaigns (such as Common Cause and the environmental groups) and those who control the media. I might also place labor unions in this category. It's therefore entirely possible that all we have achieved is the substitution of one power bloc for another, while simultaneously chopping away at the First Amendment...

Incumbents Have Upper Hand

One area where private contributions are of overwhelming importance is in an election challenge to an incumbent... Barring special considerations, a successful challenger would have to raise at least twice as much as the incumbent in order to overturn the advantages of office. The \$1,000 limit on contributions has made that task virtually impossible. In a very real sense, the Federal Election Campaign Act has become the Incumbents Re-Election Act. This tendency would be even more pronounced if public financing were extended to congressional candidates.

An absurd exception to this limitation is the use of a candidate's private fortune to bankroll his campaign. The Supreme Court in *Buckley v. Valeo* removed the limitation on personal expenditures, and allowed a candidate to spend as much of his own money as he saw fit... It has been pointed out that with such provisions of law the House and Senate could be filled with nothing but millionaires.

Just as FECA has preserved incumbents, it has also preserved the dominance of the two-party system. I am personally of the belief that America works best with two parties, but I am completely opposed to the notion that this should be locked into law. Throughout our history third parties have been active and received considerable

public support...an objective review of the Federal Elections Campaign Act will show that it is not the instrument of salvation. It is, however, a serious infringement upon the rights of our citizens, and an indirect assault

upon the diversity of American political thought. The House and Senate have an obligation to admit their mistake, and restore the freedoms they have cavalierly subverted in the name of justice.

The Origins Of The FEC — 15 Years Of Subversion

The history of the Federal Election Commission, voted into existence four days after the resignation of Richard Nixon, in August 1974, is not the story of an honest Federal agency gone bad. The creation and illegal deployment of the FEC is part of a larger campaign of subversion, waged intensively since approximately the beginning of the Kennedy Administration, by foundations and individuals such as the Twentieth Century Fund, Common Cause, and Ralph Nader — all acting on behalf of the Rockefeller and Rothschild financier groups.

The FEC was created to be used along with special operations by the Internal Revenue Service, the Justice Department and the Labor Department, to create bogus scandals around campaign funding, corporate contributions, union pension fund management, and similar issues. The aim of such coordinated dirty tricks has been to prevent any incipient pro-growth labor-industry alliance from wielding power in Congress or the Executive Branch in effective opposition to the extreme austerity measures which the monetarist interests have demanded for the United States — beginning with the 1957-58 recession and accelerating with the 1960s unraveling of the international monetary system.

Even the extremely limited and shortsighted pro-growth labor-industry cooperation on behalf of Nixon's 1972 campaign, based primarily in the construction, defense and transport industries, represented an intolerable potential threat to monetarists then planning in earnest to dismantle high-technology U.S. industry. They sought a way to eliminate this threat — permanently — by setting up a permanent plumbers unit of their own. The *New York Times* once called the establishment of the FEC "the most important development to come out of Watergate."

Founding Fathers

Overall, on the operational level, it was the old Franklin Roosevelt crew, the Americans for Democratic Action types, which gave America the FEC atrocity.

The story of the FEC actually begins in 1961, when advisors to President John F. Kennedy, anticipating strong congressional resistance to their counter-insurgency austerity policies, formed the President's Commission on Campaign Costs, to go after conservative political figures. The following year this commission called for the formation of a Federal Election Commission to scrutinize congressional campaign financing.

The members of the Kennedy Commission were to play critical roles in the later establishment of the FEC during the Nixon Administration. They were: Herbert

Alexander, Commission Executive Director and Director of the Princeton-based, Ford Foundation-funded Citizens Research Foundation; Neil O. Staebler, future vice-chairman of the Twentieth Century Fund 1970 campaign costs task force, a board member of National Training Laboratories, pioneers in small-group brainwashing techniques, and now an FEC Commissioner; and Paul Porter, founder of the Democratic Party's Arnold and Porter law firm, and a holder of many government posts under F.D.R., including the post of Deputy Director of the Office of Price Administration during World War II in which present FEC Commissioners Staebler and Thomas Harris were his underlings. The Kennedy Commission coordinated its investigations with Kennedy's Federal Communications Commission chairman Newton Minow, soon to be director of the Rand Corp. and subsequently chairman of the Twentieth Century Fund's 1968 campaign costs task force.

In 1968, the Justice Department under "ultra-liberal" Ramsey Clark, launched an investigation into corporate adherence to the 1925 Corrupt Practices Act, and the Twentieth Century Fund formed the first of two campaign costs task forces, chaired by Minow and including Ford Foundation trustee Alexander Heard. Meanwhile the *New York Times*, Herbert Alexander's Citizens Research Foundation and others loudly decried corporate funding of Nixon's 1968 Republican presidential campaign.

The monetarist agents were particularly concerned that labor-industry cooperation in defense of economic growth policies would interfere with their austerity drive. A Justice Department-instigated federal grand jury indicated officers of the St. Louis Pipefitters union for alleged illegal contributions under the 1925 Corrupt Practices Act. These indictments, clearly in violation of the Taft-Hartley Act's provisions for political committees, had only one purpose: keep the unions in line, keep them away from the conservatives.

The Republican Party responded to the campaign cost flap by charging that the Johnson Administration was forcing civil servants to contribute to Humphrey's presidential campaign. The Republicans foolishly backed a bill to set up an FEC, hoping it could be judoed against the Fabian Dems. The *New York Times* cheered, and after the Nixon victory, the Rockefeller-controlled Committee for Economic Development and the Fabian Center for the Study of Democratic Institutions both held planning conferences on how to use the campaign financing issue against the conservatives: their reports too