14 Charles Lane
New York, N.Y. 10014

July 22, 1974

TO NATIONAL COMMITTEE MEMBERS, ORGANIZERS, CAMPAIGN DIRECTORS AND TREASURERS

Dear Comrades,

Enclosed are copies of recent correspondence regarding the Socialist Workers 1974 campaign committees' non-disclosure of the identities of contributors on their June 10 reports and a request for a hearing on this matter.

Clerk Jennings, on behalf of the Senate and the office of the Comptroller General, as well as the House, denied the request for a hearing and urges full disclosure. He states that continued non-disclosure will necessitate his referring the matter to the Attorney General.

In their July 11 letter to Clerk Jennings, the ACLU attorneys have reiterated the hearing request and transmitted the Socialist Workers campaign committees' protest of this denial of a right to hearing as being "arbitrary and wrong." They also explain why the Socialist Workers campaign committees continue to feel that they are constitutionally exempted from having to disclose identities of contributors.

In the meantime the attorneys are preparing the complaint so that the court challenge to this law may be filed should the hearing request be finally denied.

Comradely,

Andrea Morell

Andrea Morell

copy copy copy copy

Office of the Clerk
U.S. House of Representatives
Washington, D.C. 20515

June 25, 1974

Ms. Nancy Cole, Treasurer
Socialist Workers Party 1974
National Campaign Committee
14 Charles Lane
New York, New York 10014
I.D. #036099

Dear Ms. Cole:

The Clerk of the U.S. House of Representatives, as a Supervisory Officer under the Federal Election Campaign Act of 1971 (P.L. 92-225), has conducted a routine audit of your June 10, 1974, Periodic Report of Receipts and Expenditures. This audit revealed that your Committee is not accounting for and making disclosure of all its election campaign funds as prescribed by Section 304 of the Act.

Section 304 prescribes the reporting and itemization of both receipts and expenditures. Further, Section 304 does not exempt any type or class of receipts or expenditures from its provisions. The revised 1974 Clerk's Manual of Regulations and Accounting Instructions amplifies Section 304 in the paragraph, on Page 3, entitled "Contents of Reports of Receipts and Expenditures" as follows: "All reports are required to be complete and must fully disclose and itemize all receipts and expenditures aggregating in excess of $100. Communications media expenditures and any transfers between candidates and committees shall be itemized regardless of the amount."

Specifically, the Act requires itemization of the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions within the calendar year in an aggregate amount or value in excess of $100 and of each person to whom expenditures have been made within the calendar year in an aggregate amount or value in excess of $100.

Section 308(a)(12) of the Act charges the Clerk of the House as a Supervisory Officer "to report apparent violations of law to the appropriate law enforcement authorities." As a Supervisory Officer, I hereby give you notice that this matter is under review.

I urge you to file promptly with the Clerk, not later than fourteen (14) days from the date of this registered letter, an amended June 10 Report fully complying with the

disclosure and itemization requirements of the Act, together with any statement of explanation concerning this matter you may wish to submit. Your response, or lack of response, will be made part of the official record.

For your convenience, I am enclosing an additional copy of the Act, the revised 1974 Clerk's Manual of Regulations and Accounting Instructions, and the necessary reporting forms.

Sincerely yours,

s/W. Pat Jennings, Clerk
U.S. House of Representatives

Enclosures

copy copy copy copy

Office of the Clerk
U.S. House of Representatives
Washington, D.C. 20515

June 29, 1974

Mr. Joel M. Gora, Staff Counsel
American Civil Liberties Union
22 East 40th Street
New York, New York 10016

Mr. Paul Chevigny, Staff Counsel
New York Civil Liberties Union
84 Fifth Ave., Suite 300
New York, New York 10011

Dear Sirs:

This refers to your letter of June 7, 1974, addressed to the three independent Supervisory Officers under the Federal Election Campaign Act of 1971, P.L. 92-225, advising that you are "counsel" for the twenty-five Socialist Workers campaign organizations listed therein. Further, you state that these organizations will continue to provide information describing the aggregate amounts of contributions and expenditures, but "they cannot continue to provide the identities of contributors or of individual recipients of expenditures...." In addition, you request a hearing pursuant to Section 308(d)(1) of the Act for the purpose of claiming "that the listed organizations are constitutionally exempt from compliance with the provisions of Sections 302 and 304 of the Act." Lastly, you claim "this question was raised...in letters dated March 22, 1974, setting forth the contention that the Socialist Workers 1974 National Campaign Committee should be exempt from filing s[ection] 304 reports because it would not expend more than $1000 per candidate it is supporting [and] no definitive response to the letter has been received."

The statutory recording and reporting provisions of the Act and the Clerk's Manual of Regulations and Accounting Instructions issued thereunder are applicable to all political committees regardless of political affiliation. No class or type of political committee that supports candidates for the U.S. House of Representatives is exempt from the terms of the Act and the Clerk's Regulations issued thereunder.

As Supervisory Officer I have no authority to exempt any person from any part of the Act and cannot waive any of the requirements of the Act unless specifically authorized by the statute. Relief from the reporting requirements of Section 304 of the Act is granted by me as a Supervisory Officer under the authority of Section 306(c) of the Act. The Clerk's

Regulations (page 4, "Waiver of Reporting Requirements") amplify this authority and state that "any political committee required to file reports with the Clerk may be relieved of the duty to comply with such requirements if all of the following conditions are satisfied: 1) the committee is a local, city or county committee and does not conduct its activities throughout the State or in any other States; and 2) the committee primarily supports persons seeking State or local office; and 3) the committee does not make contributions or expenditures in support of a candidate for election to the U.S. House of Representatives in an aggregate amount exceeding $1000 in a calendar year; and 4) the committee has filed a complete and fully executed Registration Form and Statement of Organization (H.R. Election Form 1)."

When the committee meets all of the above four requirements the Clerk grants a waiver and so advises the reporting committee. Upon receipt, all political committee registrations filed under Section 303 of the Act are automatically reviewed for entitlement to a waiver of the reporting requirements, and qualifying political committees receive their waivers on an equally automatic basis. Political committees that register and do not receive a waiver are required to submit reports as prescribed by Section 304 of the Act as amplified by the Clerk's Regulations. These Regulations (Page 3, "Contents of Reports of Receipts and Expenditures") provide: "All reports are required to be complete and must fully disclose and itemize all receipts and expenditures aggregating in excess of $100."

I hereby give formal notice to you, as counsel for the listed Socialist Workers campaign organizations, that when a political committee registers with the Clerk of the House, such political committee becomes obligated under the Act to file periodic and preelection reports with the Clerk of the House on the dates prescribed by the Act and the Clerk's Regulations issued thereunder. The obligation to file periodic and preelection reports continues for a political committee until it files its termination report or receives a waiver of the reporting requirements granted by the Clerk of the House.

With regard to your request for a hearing for the purpose of claiming an exemption from Sections 302 and 304 of the Act, you do not qualify under Section 308(d)(1) of the Act and your request is hereby denied. As I have previously stated, I have no authority to waive any provision of the Act unless specifically authorized therein. Nevertheless, if you choose to submit a separate document in a timely manner that sets forth your claim that the listed organizations are constitutionally exempt from compliance with Sections 302 and 304 of the Act, it will be accepted and made part of your official correspondence file. In the event the listed organizations persist in their position and do not comply with the terms of the Act, I will have no choice but to refer such non-compliance as an apparent violation to the Attorney General of the United States. Such separate document setting forth your claim would be transmitted as part

of the referral action to the Attorney General.

Our records reflect that on April 3, 1974, Ms. Ellen Roby of my staff telephoned Ms. Nancy Cole, Treasurer, Socialist Workers Party 1974 National Campaign Committee concerning the referenced March 22, 1974, letter of request for exemption from compliance with Sections 302 and 304 of the Act. Ms. Roby officially advised her as Treasurer that the requirements for a waiver were specifically spelled out in the Act and in the Clerk's Regulations and based on the information contained in the Committee's Registration Form, the Committee did not qualify and a waiver was not granted. In a subsequent telephone conversation between my General Counsel, Mr. Paul Wohl and Ms. Cole on June 28, 1974, Ms. Cole confirmed the April 3, 1974, telephone conversation between Ms. Roby and herself.

As you know, the Clerk of the House is Supervisory Officer over candidates for the House and political committees supporting their candidacy, and the foregoing comments are confined exclusively to my area of jurisdiction under the Act. Nevertheless, I have discussed this matter with representatives of the other Supervisory Officers and we are in general agreement on this matter.

For your reference, I am enclosing a copy of the Act, and of the Clerk's revised 1974 Manual of Regulations and Accounting Instructions. If our office can be of any assistance, please do not hesitate to contact us.

With kind regards, I am

Sincerely yours,

s/Pat Jennings, Clerk
U.S. House of Representatives

Enclosures

cc: Honorable Francis R. Valeo, Secretary of the Senate
Honorable Elmer B. Staats, United States Comptroller General

copy copy copy copy

American Civil Liberties Union
22 East 40th Street
New York, N.Y. 10016

July 11, 1974

Hon. W. Pat Jennings
Clerk
United States House of Representatives
Washington, D.C. 20515

Re: Socialist Workers' Campaign Committees

Dear Sir:

Thank you for your letter of June 29, in response to ours of June 7. Our understanding is that your letter reflected the position of the Secretary of the Senate and the Comptroller-General as well. Accordingly, we would ask your office, as well as theirs, to treat this letter as the "separate document" which your letter advised us to submit on behalf of the organizations listed in our June 7 letter.

It is the position of these Socialist Workers' campaign organizations that they are constitutionally exempt from compliance with the provisions of Sections 302 and 304 of the Act, to the extent that those sections require the reporting of information which will identify persons who are contributors to, supporters of or receive expenditures made by these various organizations. More particularly, these organizations claim that, by virtue of the history of official and unofficial harassment, reprisals, and deprivations suffered by persons who support or are associated with Socialist Workers Party activities, compelled disclosure of the identities of such persons violates constitutional right of associational privacy protected by the First and Fourth Amendments. These rights, of the organizations and their members and supporters, have been recognized in decisions such as United States v. Rumely, 345 U.S. 41 (1953); NAACP v. Alabama, 357 U.S. 449 (1958); Bates v. Little Rock, 361 U.S. 516 (1960); Talley v. California, 362 U.S. 60 (1960); United States Serviceman's Fund v. Eastland, 488 F.2d 1252 (D.C. Cir. 1973); and Pollard v. Roberts, 283 F.Supp. 248 (E.D. Ark. 1968), aff'd, per curiam 393 U.S. 14 (1968). Such disclosure will inhibit support for the lawful electoral activities of Socialist Workers Committees and candidates. The campaign organizations further claim that application of the Act's reporting and disclosure requirements to them does not advance compelling and overriding governmental interests sufficient to justify the infringement of such constitutional rights. Finally, making these committees comply with the Act's reporting and disclosure provisions, serves none of the anti-corruption purposes which the Act was intended to serve.

July 11/2

As indicated in our June 7 letter, the listed organizations contend that they are entitled to be afforded the hearing specified in Section 308(d)(1) of the Act and its implementing regulations, 11C.F.R. Sections 11.1 to 20.11, and that your denial of their right to a hearing is arbitrary and wrong. They request a hearing so that they may have the opportunity to detail the mixed questions of fact and law set forth above, and to detail and substantiate their claims that the reporting and disclosure requirements cannot and should not be imposed upon them.

We request that you promptly advise us of the action that you propose to take with regard to these claims.

Thank you for your consideration.

Sincerely yours,

s/Joel M. Gora
Staff Counsel
American Civil Liberties Union
22 East 40th Street
New York, New York 10016

s/Paul Chevigny
Staff Counsel
New York Civil Liberties Union
84 Fifth Avenue, Suite 300
New York, New York 10011

copy copy copy copy

Socialist Workers 1974
National Campaign Committee
P.O. Box 482
New York, N.Y. 10011

July 20, 1974

Office of the Clerk
U.S. House of Representatives
Washington, D.C. 20515

Attn: W. Pat Jennings

Dear Mr. Jennings,

This is in reference to your letter of June 25 in which you ask for our response regarding the omissions in our June 10 report of receipts and expenditures. The American Civil Liberties Union has forwarded to us your letter of June 29 and their response of July 11 outlining our position that we are constitutionally exempt from compliance with the provisions of Sections 302 and 304 of the Act. This is to inform you that we are considering our response, which will be facilitated by your response to the ACLU letter of July 11 on our behalf.

Sincerely,

s/Linda Jenness
Co-treasurer

s/Peter Camejo
Co-treasurer

From The Militant, April 5, 1974

Campaign 'reforms': trick to strengthen dominance of Democrats & Republicans

By LARRY SEIGLE

A grand fraud is being cooked up in Congress. The master chefs are the leaders of both capitalist parties, and they are advertising the recipe as "The Answer to Watergate."

The dish? Reform of campaign financing, including tougher reporting laws, new restrictions on raising and spending funds, and some form of public financing.

The promoters are ecstatic. "At a single stroke," promises Senator Edward Kennedy (D-Mass.), "we can drive the money lenders out of the temple of politics. We can end the corrosive and corrupting influence of private money in public life."

Unfortunately, there is no Truth-in-Packaging Law that applies to the fast-sell doubletalk of politicians promoting new legislation. If there were, the proposals being talked up so glibly by Kennedy and his colleagues would be required to bear a notice: "'Reform' value—nil. And watch out! This bill is hazardous to your political rights."

Bills under consideration

The campaign reform issue has been brewing a long time. Two federal laws have already been passed. The first, which took effect April 7, 1972, requires campaign committees to make full disclosures of all contributions over $100. In addition, expenditures must be itemized.

The second law, the income tax checkoff, will provide money to finance the presidential campaign in 1976.

Currently under debate in Congress are new proposals to enact maximum amounts that can be contributed, put overall limits on spending, and provide tax money for candidates for Congress as well as for president.

The measures vary in the degree to which they would modify the existing setup. Nixon, for example, proposes tightening up reporting provisions (to end "dirty tricks") but opposes government funding: "One thing we don't need is to add politicians to the federal dole," says Tricky Dick, who is familiar with the ins and outs of the problem.

But the reformers generally have bipartisan backing and are winning enthusiastic praise from newspaper columnists and editorial writers, who paint the reforms as the way to end corruption.

A close look at the proposals gives a different picture. The "good" they will produce is an illusion, and the dangers they contain are real.

Strengthening two-party monopoly

Let's start with the tax checkoff bill. This law gives money only to the Democrats and Republicans, excluding all smaller parties. This is done through the device of defining a "major" party as one that got at least 25 percent of the vote in the last election.

To be sure, there is a provision for "minor" parties to get money. All you have to do is get 5 percent of the vote (nearly four million votes based on 1972 returns). As the clever lawmakers well know, *this definition excludes all existing smaller parties.* (And if, in the future, a party running against the twin parties of capital should approach the 5 percent mark, the requirement can always be lifted to 10 percent, or higher.)

This law is a further step toward chartering the existing capitalist parties as the *only* legitimate parties. This "reform" will tighten the monopoly of the Democrats and Republicans in the electoral arena.

The discriminatory definitions in the bill will be used by state legislatures and the courts to justify laws keeping smaller parties off the ballot. And they will be used by the capitalist-owned media as further excuse to avoid providing coverage to the viewpoints of smaller parties.

Also, those who urge a break with the existing parties—for example, advocates of an independent Black party—will be met with the new argument: "Why should we leave the Democrats and strike out on our own? We'll never get 5 percent the first time out, and our opponents will get all that money."

These considerations are undoubtedly what prompted our reform-minded Senator Kennedy to reassure his cronies that "public financing is not a

nail in the coffin of the two-party system. . . . [It] will in fact be a useful counterbalance to the forces driving the party system apart and splintering modern politics."

Stiffer reporting requirements

One who still believes that the politicians are, under public pressure, trying to clean up politics might say at this point, "Okay, the public financing proposal is unfair. But surely some progress will come from forcing public disclosure of campaign contributions, won't it?"

No, it won't. Moreover, the disclosure provisions will hurt smaller parties even more than the unfair public financing.

Let's take one example. Under this law, the Socialist Workers Party has had to report to the government the name, address, and workplace of all contributors of more than $100 to SWP election campaigns. At the same time, the government claims that because the SWP is "subversive," anyone who is "affiliated" to the SWP is fair target for FBI surveillance and harassment. And "subversives" can be fired from government employment and many private companies with government contracts or their own version of the blacklist.

Thus, anyone who contributes has got to be ready to accept this harassment.

"But," our friend might argue, "the law applies equally to everyone." That's the catch. There is no "equality." Contributing to the Democrats and Republicans is not going to lose anyone a job, or get a file opened by any of the multitude of snooping agencies in Washington. But donating money to the SWP, or to the Communist Party, or the People's Party, or La Raza Unida Party may very well.

'Cleaning up politics'

And as for "cleaning up" politics through forcing disclosure, this is the biggest fraud of all. As experience has shown, the only result of tightening controls on campaign financing is to drive the corruption further underground, not to end it.

Illicit financial deals are diverted to more indirect routes. Money is "laundered" through Mexican banks or foreign subsidiaries of U. S. corporations. If limits are put on contributions, big donors simply break them down and have 10, 50, or 100 "friends" make the gifts.

Illegal? Of course. But equally uncontrollable. And after all, the administrators of the law are the very same politicians and parties who are supposedly being controlled.

More important, no amount of "campaign reform" is going to change the fact that the capitalist parties serve the interests of the capitalist class and do its bidding. The class loyalties of the Democratic and Republican politicians can't be "reformed."

An additional unfair burden falling on the smaller parties is the monumental job of bookkeeping and paperwork that compliance with the new law requires. This is no problem for the capitalist parties, who have teams of lawyers and accountants at their disposal. But complying with the law is a huge task for smaller parties.

However, all the existing inequities pale by comparison to what may happen in the future. The likelihood is that the Democrats and Republicans will soon be getting public financing, bringing an end to their private fund-raising. *This means that the reporting provisions may soon apply only to opponents of the two capitalist parties.*

Good intentions?

Are these considerations merely accidental side effects that the "reformers" in Congress didn't foresee? I don't think so. I think the capitalist parties have been taking advantage of the widespread revulsion at the corruption revealed by Watergate to sneak through some additional obstacles to independent political action.

While posing as crusading opponents of corruption to strengthen their public image, these shysters are reinforcing the most corrupt aspect of U. S. politics — the virtual stranglehold maintained by the two capitalist parties.

The fake reform bills now on the books, and the new ones likely to be passed, should be exposed and opposed by all those who believe in freedom of political expression and choice, and especially by those who support parties directly hurt by the new legislation.