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1st Session }

SENATE

{REPORT  
{No. 573

# FEDERAL ELECTIONS ACT OF 1959

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## REPORT

OF THE

## COMMITTEE ON RULES AND ADMINISTRATION

TO ACCOMPANY

### S. 2436

A BILL TO REVISE THE FEDERAL ELECTION LAWS, TO  
PREVENT CORRUPT PRACTICES IN FEDERAL  
ELECTIONS, AND FOR OTHER PURPOSES

TOGETHER WITH INDIVIDUAL VIEWS



JULY 23, 1959.—Ordered to be printed

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# CONTENTS

	Page
1. Committee action.....	1
2. Constitutional foundations of the power of Congress to legislate in matters of elections:	
2.1. Sources.....	1
2.2. Interpretation.....	2
3. Historical outline of Federal election laws:	
3.1. Early legislation.....	2
3.2. Developments from 1907.....	3
4. The existing Federal law on the subject of campaign finances.....	3
5. Philosophy of the existing law.....	4
6. Philosophy of S. 2436.....	4
7. Shortcomings of the existing law.....	4
8. The structure and purpose of S. 2436.....	5
9. Topical digest of S. 2436:	
9.1. Definitions.....	5
9.1.1. Definitions left unchanged by S. 2436.....	6
9.1.2. Definitions changed by S. 2436.....	6
9.1.3. Definitions omitted by S. 2436.....	7
9.2. Organization of political committees and accounting.....	7
9.2.1. Election of officers and activity.....	7
9.2.2. Reporting of contributions to treasurer.....	7
9.2.3. Accounts and duties of the treasurer.....	7
9.2.4. Changes in the order of provisions.....	8
9.3. Reporting of campaign contributions and expenditures.....	8
9.3.1. Persons filing reports.....	8
9.3.2. Recipients of reports.	
9.3.2.1. The scheme of the existing law.....	8
9.3.2.2. The scheme of S. 2436.....	8
9.3.3. Number of reports and time of filing.....	9
9.3.3.1. Political committees.....	9
9.3.3.2. Congressional candidates.....	10
9.3.3.3. Additional election-year reports.....	10
9.3.4. Requirements relating to the content of reports.....	10
9.3.4.1. Reports by political committees.....	10
9.3.4.2. Reports by congressional candidates.....	11
9.3.5. Formal requirements on filing reports.....	11
9.4. Time of preservation of records.....	12
9.5. Duties of the Clerk of the House of Representatives and the Secretary of the Senate.....	12
9.6. Duties of clerks of the U.S. district courts.....	12
9.7. Limitations on expenditures by congressional candidates.....	12
9.8. General penalties for violations.....	13
9.9. Expenses of election contests.....	13
9.10. Effect on State laws.....	13
9.11. Limitation on financial aid to candidates or political committees.....	13
9.12. Purchases inuring to the benefit of candidates or political committees.....	13
9.13. Maximum contributions to and expenditures by interstate political committees.....	14
9.14. Partial invalidity.....	14
9.15. Repealing clause.....	14
9.16. Effective date.....	14

	Page
10. Proposed changes in existing law-----	14
10.1. Law repealed and substituted-----	14
10.1.1. Federal Corrupt Practices Act, 1925, as amended. Repealed by section 212 of S. 2436-----	14
10.1.2. Titles I and II of S. 2436-----	19
10.2. Title 18, United States Code. The amendments made by Title III of S. 2436-----	25
10.3. Effective date of proposed legislation. Title IV of S. 2436-----	27
Individual views of Mr. Hennings and Mr. Green-----	28
Individual views of Mr. Morton and Mr. Keating-----	30



## FEDERAL ELECTIONS ACT OF 1959

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JULY 23, 1959.—Ordered to be printed

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Mr. HENNINGS, from the Committee on Rules and Administration,  
submitted the following

## R E P O R T

[To accompany S. 2436]

together with

## INDIVIDUAL VIEWS

The Committee on Rules and Administration, having had under consideration the revision of the present provisions of law relating to Federal elections, reports favorably a committee bill (S. 2436) to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes, and recommends that the bill do pass.

**1. COMMITTEE ACTION.** The reported bill is the result of a comprehensive study made by the Committee on Rules and Administration in executive session. In the course of its deliberations, the committee considered the present state of the Federal election law and a series of legislative proposals. S. 2436 is reported by unanimous decision of the committee.

**2. CONSTITUTIONAL FOUNDATIONS OF THE POWER OF CONGRESS TO LEGISLATE IN MATTERS OF ELECTIONS.**

**2.1. Sources.** The following provisions of the Constitution determine and circumscribe the power of Congress to legislate on the subject of Federal elections:

*Article I, Section 2.*—The House of Representatives shall be composed of Members chosen every second year by the people of the several States, and the Electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State Legislature.

*Amendment XVII.*—The Senate of the United States shall be composed of two Senators from each State, elected by the people thereof, for six years; and each Senator shall have one vote. The electors in each State shall have the qualifica-

tions requisite for electors of the most numerous branch of the State Legislatures. \* \* \*

*Article II, Section 1, Clause 2.*—Each State shall appoint, in such manner as the Legislature thereof may direct, a number of electors, equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress: but no Senator or Representative, or person holding an office of trust or profit under the United States, shall be appointed an Elector.

*Article I, Section 4.*—The times, places and manner of holding elections for Senators and Representatives, shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

*Article I, Section 8, Clause 18.*—To make all laws which shall be necessary and proper for carrying into execution the foregoing Powers, and all other powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.

*Article I, Section 5.*—Each House shall be the Judge of the elections, returns, and qualifications of its own Members \* \* \*.

*Amendment I.*—Congress shall make no law \* \* \* abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances.

**2.2. Interpretation.** In the domain of elections, the Constitution explicitly introduces the principle of checks and balances and mutually restricts the Congress and the State legislatures.

It leaves it to the States to determine the qualifications of electors voting for congressional candidates and the manner of appointing presidential and vice-presidential electors. Furthermore, the Constitution makes the States primarily responsible for laws relating to the times, places, and manner of elections for Senators and Representatives.

On the other hand, Congress is given the power, at any time, to make or alter such laws. Only the change of places of choosing Senators is left outside of congressional jurisdiction. Moreover, Congress is given the exclusive power to judge the elections, returns, and qualifications of its Members. In addition, the "necessary and proper clause" places at the disposal of Congress the fullness of legislative means to make effective the grant of specific powers (*McCulloch v. Maryland*, 4 Wheat, 316).

In the net result, the analysis of relevant constitutional provisions shows that Congress possesses a wide range of authority to regulate Federal elections. Aside from the powers reserved in this field to the States, only the first amendment would prevent Congress from establishing regulations that would infringe on the right of free speech and assembly. It is the sense of the committee that the reported bill is fully within the legislative grant of the Constitution.

### 3. HISTORICAL OUTLINE OF FEDERAL ELECTION LAWS.

**3.1. Early legislation.** The first comprehensive Federal statute dealing with corruption in elections was adopted in 1870, when the Enforcement Act (16 Stat. 44) outlawed every type of fraudulent and

corrupt practice in connection with elections, specifically forbidding false registration, bribery, illegal voting, making false returns of votes cast, interference in any manner with officers of election, and the neglect by any such officer of any duty required of him by State or Federal law. These laws were held invalid, in part, as applied to municipal elections in *United States v. Reese* (92 U.S. 214 (1876)), but were otherwise found to be a constitutional exercise of the authority conferred by the Constitution with respect to the election of Members of Congress. *Ex Parte Siebold* (100 U.S. 371 (1880)). Despite these rulings of the Supreme Court, Congress in 1894 (28 Stat. 36) repealed almost all of the provisions of the Enforcement Act.

**3.2. Developments from 1907.** A new period in the history of Federal regulations of national elections began in 1907 when Congress passed the Tillman Act, prohibiting national banks and corporations from making contributions in connection with Federal elections (34 Stat. 814). From that time on, campaign finances stood in the forefront of Federal election legislation. In 1910 Congress enacted a comprehensive statute which required all interstate political committees to report campaign contributions and expenditures, identifying as to their source all contributions of \$100 or more and all expenditures of \$10 or more. All other persons making direct expenditures in an amount exceeding \$50 were also required to submit such statements. Substantial penalties were provided for the violation of the act.

In subsequent years, the statute of 1910 was amended, and in 1925 Congress passed the Corrupt Practices Act, which, with its amendments, constitutes the major part of the material of the existing Federal law dealing with campaign finances. The Tillman Act of 1907, in its original form, was included in the Corrupt Practices Act. But, in 1944, the War Labor Disputes Act extended the prohibition of 1907 to include certain financial activities by labor unions. This amendment was made permanent by the Labor Management Relations Act of 1947, and the prohibition was further extended to apply to campaign expenditures, primary elections, and political conventions or caucuses held to select candidates for elective Federal office.

In 1939, Congress enacted "An Act to prevent pernicious political activities," which was designed primarily to prohibit active participation in politics by Federal employees and the use of relief funds for political purposes (the Hatch Act). In 1940 certain provisions of that act were extended to include State and local employees paid in whole or in part from Federal funds. As passed, the later act included provisions limiting annual political contributions by individuals to \$5,000 to any one political committee or in behalf of any candidate or in connection with any campaign for Federal election, and limiting interstate political committees to a maximum of \$3 million in contributions or expenditures in any 1 year.

**4. THE EXISTING FEDERAL LAW ON THE SUBJECT OF CAMPAIGN FINANCES.** The Federal Corrupt Practices Act of 1925 was enacted as title III, sections 301-318, of "An Act reclassifying the salaries of postmaster and employees of the postal service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes." [See par. 10.1.1., note 1, below (p. 14).]

Subsequently, the Corrupt Practices Act was split into two parts. Sections 310-313 were repealed and enacted into positive law as sections 597, 599, and 610 of title 18, United States Code. The remaining sections of the Corrupt Practices Act appear as sections 241-248 and 252-255 of title 2, United States Code, which has not yet been enacted into positive law. Hereinafter these portions of the Corrupt Practices Act are cited by the original section numbers followed for the sake of convenience by a reference to title 2, United States Code.

The Hatch Political Activities Act of 1939—"An Act to prevent pernicious political activities"—was enacted August 2, 1939 (Public Law 252, 76th Cong.), and was subsequently amended several times. In the present state of the law, the original sections of the Hatch Act have become sections 594, 595, 598, 600, 601, 604, 605, 608, 609, and 611 of title 18, United States Code, and appear as sections 118i, 118k, 118k-1, 118k-2, 118k-3, 118l, 118m, and 118n of title 5, United States Code.

In addition, sections 591, 602, and 612 of title 18, United States Code, relate to regulation of elections.

**5. PHILOSOPHY OF THE EXISTING LAW.** The existing law rests on the theory that undisclosed and unregulated financing of political campaigns will lead to "the corrupt use of money to affect elections" (*Burroughs and Cannon v. United States*, 290 U.S. 548). Beginning with the Tillman Act of 1907, this idea has been the cornerstone of existing law.

Equally common to the entire body of Federal election law, past and present, is the thought that the prohibition of certain contributions, limitations on campaign contributions and expenditures, as well as public disclosure of the sources and the transfer of campaign funds, will prevent the improper use of money to influence election results.

**6. PHILOSOPHY OF S. 2436.** S. 2436 shares with the existing law its basic theories and its remedies. Still there is some difference in the emphasis on certain aspects of disclosure. While the existing law establishes the principle of public disclosure on the national level, S. 2436 lays special stress on the availability of information as to campaign financing not only on the national, but also on the local level. [See par. 9.3.2.2 below.]

**7. SHORTCOMINGS OF THE EXISTING LAW.** It is generally recognized that the existing law displays serious shortcomings. Some have developed with the passage of time and are due to changes in the cost of services and the rise of prices. Others, however, are inherent in its formulations.

(a) *Obsolete limitations on spending.*—Thus, the limitations on allowable campaign spending by candidates for congressional offices, as well as the limitations on contributions and expenditures of interstate political committees, were understandable in terms of price levels as they existed in 1925. If at the time there were honest differences of opinion as to the desirability of such limitations, there certainly was no dispute that the ceilings imposed stood in some reasonable relation to reality. Since then, however, the economic conditions of the country have changed to a degree that the limitations of the existing law can no longer be considered realistic.



(b) **Inadequacy of reporting requirements.**—The reporting requirements of the existing law are both too onerous and too lax. Four reports are required to be filed by political committees in nonelection years and six such reports (or more if there is also a special election) during election years (sec. 305(a)/2 U.S.C. 244(a)). [See par. 9.3.3 below.] Equally onerous is the requirement that receipts for contributions or expenditures in the amount of \$10 or more should be kept by the treasurer of a political committee (sec. 303(c)/2 U.S.C. 242(c)). This cutoff amount obviously belongs to a superseded epoch of the country's economy. It is on a par with the antiquated limitations on campaign contributions which have been mentioned under (a).

At the same time, the reporting requirements of the existing law are not sufficiently specific. [See par. 9.3.4.1 below.]

(c) **Inadequacy of publicity provisions.**—Existing law, despite its professed philosophy that corrupt election practices can be cured or prevented by full disclosure of campaign financing, fails to provide for a wide dissemination of reports dealing with campaign contributions and expenditures. According to present law these reports are to be filed with the Clerk of the House and by senatorial candidates also with the Secretary of the Senate. [See par. 9.3.2.1 below.] It is obvious that in these circumstances only through the media of the press can the public at large be sufficiently informed about the sources and the volume of campaign financing. At present, only the representatives of the press have easy access to campaign reports filed with the mentioned officers of the Congress. Even so, the existing law fails to require that these officers permit the copying of reports by modern mechanical means. At present, in fact, it happens that even committees of the Senate are not allowed, without special permission of the Speaker of the House, to have these reports photostated.

**8. THE STRUCTURE AND PURPOSE OF S. 2436.** The bill is designed to remedy the inadequacies of the existing law. This purpose would be accomplished by the following means:

(a) By repeal of the Corrupt Practices Act, 1925, as amended, and the substitution therefor of a new law (title I and title II of S. 2436); and

(b) by amending sections 591, 608, 609, and 612 of title 18, United States Code (title III, S. 2436).

## **9. TOPICAL DIGEST OF S. 2436.**

**9.1. Definitions.** The existing election law incorporates a set of definitions. They appear both in section 302 of the Corrupt Practices Act, 1925 (2 U.S.C. 241) and in title 18 of the United States Code (18 U.S.C. 591). In both cases the language of the definitions is identical, with one minor exception in the definition of the term "person." [See following subparagraph.] The terms defined are—

(1) Election; (2) candidate; (3) political committee; (4) contribution; (5) expenditure; (6) person; and (7) State.

Additionally, the Corrupt Practices Act defines "Clerk" and "Secretary" as meaning Clerk of the House of Representatives and Secretary of the Senate of the United States, respectively.

S. 2436 re-enacts the definition of the existing law, with only a few changes. Sections 102 and 301 of S. 2436 identically change the existing definitions.



**9.1.1. Definitions left unchanged by S. 2436.** The bill re-enacts without change the existing definitions of the terms: (1) "election," (2) "political committee," and (3) "person."

(1) *Election.* The term includes general and special elections, but excludes primaries and conventions of political parties.

(2) *Political committee.* The term includes committees accepting contributions or making expenditures in order to influence or to attempt to influence the election of congressional candidates or presidential or vice-presidential electors in two or more States. The term also includes committees operating in one State if they are branches or subsidiaries of a national committee, association, or organization. But duly organized State or local committees of political parties are not within the definition.

(3) *Person.* The term "person" includes individuals, but extends to any organization or group of persons. This definition is nearly identical with that contained in 1 U.S.C. 1. Like the latter, the definition in 18 U.S.C. 591 includes also the term "whoever."

**9.1.2. Definitions changed by S. 2436.** The bill changes the existing definitions of the terms: (1) "candidate," (2) "contributions and expenditures," and (3) "State."

(1) *Candidate.* The existing definition refers only to congressional candidates (Senator, Representative, Resident Commissioner). S. 2436 broadens the term by including presidential and vice presidential candidates. The significance of this change is limited to the extent that S. 2436 expressly exempts presidential and vice presidential candidates from the reporting provisions of the Act.

(2) *Contributions and expenditures.* The existing law actually does not define these terms. The statute simply enumerates a set of included activities and transactions. However, in the case of "contribution" the enumeration begins with the words "gift" and "subscription" while the enumeration under "expenditure" begins with "payment" and "distribution." The difference points to the dictionary definition of the two terms, otherwise the list of transactions is identical. S. 2436 adds to these lists: "transfer of funds between committees."

(3) *State.* The existing definition does not mention the District of Columbia but includes "territory and possession of the United States." The legal status of the District of Columbia presents difficult problems. It was decided in *Hepburn v. Ellzey* (2 Cr. 445 [1805]) that the District is not a State within the meaning of the diversity of citizenship clause of article III. On the other hand, the District has been held to be a "State" under a treaty regulating inheritance of property within the "States of the Union" (*DeGeofroy v. Riggs*, 133 U.S. 258 [1890]). In 1940 Congress overruled *Hepburn v. Ellzey* and the statute was upheld by a five-to-four decision (*National Mutual Insurance Co. v. Tidewater Transfer Co., Inc.*, 337 U.S. 582 [1949]). Three Justices held that the statute was within the legislative power of Congress under article I, section 8, clause 17 of the Constitution while two Justices held that *Hepburn v. Ellzey* was erroneously decided.

In view of these conflicting interpretations, it is doubtful whether the District of Columbia is within the Corrupt Practices Act, 1925. It is not helpful that election laws ought to be liberally construed. The doubt remains.

It is the sense of the committee that the inclusion of the District of Columbia in the definition of State would settle the question and make it clear that a committee operating in one of the States of the Union and in the District of Columbia is an interstate committee subject to the regulatory provisions of the Federal election law, especially to its reporting provisions.

With the admission of Alaska and Hawaii to statehood, incorporated Territories ceased to exist. There are, however, three unincorporated Territories: Puerto Rico, Guam, and the Virgin Islands. Only Puerto Rico has a Resident Commissioner in Congress. It is the sense of the committee that the definition of State ought to specify the Commonwealth of Puerto Rico by name.

**9.1.3. Definitions omitted by S. 2436.** The bill omits the definition of the terms "Clerk" and "Secretary" (sec. 302 (g) and (h)/2 U.S.C. 241). When mentioned in the bill, they are referred to as the Clerk of the House of Representatives and the Secretary of the Senate.

**9.2. Organization of political committees and accounting.** The bill re-enacts the existing law on that subject but provides for additional requirements and makes some change in the order of the provisions.

**9.2.1. Election of officers and activity.** The right of a political committee to begin its activity is dependent on the election of a chairman and treasurer (sec. 303(a)/2 U.S.C. 242(a); S. 2436: 201(a)).

S. 2436 adds the additional requirement that no expenditure shall be made without the authorization of the chairman or treasurer (sec. 201(a)).

**9.2.2. Reporting of contributions to treasurer.** Persons receiving contributions for a political committee shall render a detailed account (name and address of contributor and date of contribution) of such receipts to the treasurer at his demand or within 5 days of receipt (sec. 304/2 U.S.C. 243).

S. 2436 adds the requirement that committee funds be kept separate from any personal funds and be deposited in a special account (sec. 201(b)).

**9.2.3. Accounts and duties of the treasurer.** The treasurer shall—

(1) Demand reports from persons receiving contributions for the committee. [See preceding subparagraph of this report (9.2.2).]

(2) Keep a detailed account of—

(A) All contributions made to or for the committee, and

(B) All expenditures made by or for the committee.

Every entry shall include name and address of contributor [person to whom expenditure is made] and date of contribution [expenditure] (sec. 303(b)/2 U.S.C. 242(b); S. 2436: 201(c)).

(3) Obtain and keep receipted, itemized bills of every expenditure exceeding \$10 (sec. 303(c)/2 U.S.C. 242(c); S. 2436: 201(d)).

S. 2436 changes the cut-off amount from \$10 to \$100 (S. 2436: 201(d)).

(4) Preserve the financial records of the committee. (See par. 9.4. below.)

It is also the duty of the treasurer of a political committee to file the committee's reports. In this regard, S. 2436 reenacts the provisions of the existing law (sec. 308/2 U.S.C. 247 and sec. 202(a) of S. 2436).

**9.2.4. Changes in the order of provisions.** In the existing law the provisions dealing with the organization of political committees and accounting are stated in two sections (sec. 303/2 U.S.C. 242 and sec. 304/2 U.S.C. 243).

S. 2436 fuses the entire subject in section 201.

More than a formal rearrangement of material is involved. Section 302(c) of the existing law requires that the treasurer keep the records specified by subsections (b) and (c) (accounts and receipted bills) for a certain period of time. This seems to exclude accounts rendered by persons collecting contributions, which are regulated by section 304. By merging these provisions in one section, S. 2436 makes it clear that all records shall be preserved.

**9.3. Reporting of campaign contributions and expenditures.** As stated in paragraph 5 above, disclosure of campaign financing is one of the cornerstones of the existing law. Reporting is chosen as a means of insuring disclosure. In this S. 2436 follows the posture of the existing law but makes a sustained effort to make disclosure more complete.

**9.3.1. Persons filing reports.** Under the existing law, reports are to be filed by—

- (1) political committees (sec. 305/2 U.S.C. 244);
- (2) congressional candidates [Senators, Representatives, Resident Commissioners] (sec. 307/2 U.S.C. 246); and
- (3) persons not within the first category making direct expenditures (i.e., not by way of contributions to political committees) of \$50 or more within a calendar year to influence an election of congressional candidates in two or more States (sec. 306/2 U.S.C. 245). This category is not limited to individuals. See definition of "person" (sec. 302(f)/2 U.S.C. 241(f)).

S. 2436 retains reporting by political committees and congressional candidates, but omits category (3) (secs. 202 and 203). The elimination of category (3) is achieved by the repeal of the Corrupt Practices Act (sec. 213) and the lack of a corresponding provision in the bill.

Presidential and vice-presidential candidates are specifically exempt from reporting (sec. 203(a)).

**9.3.2. Recipients of reports.**

**9.3.2.1. The scheme of the existing law.** Under the existing law:

- (A) (1) political committees (sec. 305(a)/2 U.S.C. 244(a)), and
- (2) candidates for Representative and Resident Commissioner file their reports with the Clerk of the House of Representatives (sec. 305(a)/2 U.S.C. 244(a) and sec. 307(a)/2 U.S.C. 246(a)); and
- (B) candidates for Senator file their reports with the Secretary of the Senate (sec. 307(a)/2 U.S.C. 246(a)).

In other words, the Clerk of the House of Representatives receives reports from—

- (1) political committees, and
- (2) candidates for Representative and Resident Commissioner.

The Secretary of the Senate receives reports from candidates for Senator.

**9.3.2.2. The scheme of S. 2436.**

(a) **General.** S. 2436 deviates considerably from this scheme. In order to insure wider dissemination of information regarding money

involved in political campaigns, the bill provides for filing copies of reports with different officials.

In this connection it seems particularly important that such information should be readily available on the local level. Accordingly, the bill provides that copies of all reports be filed with clerks of U.S. district courts (sec. 202(a) and sec. 203(a)). However, in States where the secretary of state or other State official is authorized to perform the duties required of the clerk of the U.S. district court under the bill, such copy should be filed with State officials instead (sec. 207(b)). [See par. 9.6. below as to the duties of the court clerk.]

(b) **Detailed analysis.** Under S. 2436 the Clerk of the House of Representatives is the chief recipient of the reports. All originals go to him (sec. 202(a) and sec. 203(a)).

In short, all political committees and all congressional candidates file the originals of their reports with the Clerk of the House of Representatives.

In addition, all political committees and all candidates file copies of their reports with the clerk of the appropriate district court. In the case of candidates the appropriate court is that of the district of residence, in the case of political committees that of the district where the principal office of the committee is located (sec. 203(a) (p. 8, lines 14-15) and sec. 202(a) (p. 5, lines 20-22)).

Furthermore, political committees supporting candidates for President, Vice President, or Senator as well as candidates for Senator shall file a copy of their reports with the Secretary of the Senate (sec. 202(d) and sec. 203(a)).

Finally, the treasurer of a political committee shall transmit a copy of his report to each candidate on whose behalf the committee received contributions or made expenditures.

### **9.3.3. Number of reports and time of filing.**

**9.3.3.1. Political committees.** The existing law requires the filing of four reports each year. In election years additional reports are to be filed. The regular yearly reports are due—

(A) between the 1st and the 10th of—

- (1) March,
- (2) June, and
- (3) September, and

(B) on the 1st of January.

The election-year reports are due—

(1) between the 10th and 15th day next preceding an election, and

(2) on the fifth day next preceding such election. The reports are to be complete as of the day next preceding date of filing (sec. 305(a)/2 U.S.C. 244(a)).

For this rather complicated scheme the bill substitutes a much simpler one.

S. 2436 reduces the regular yearly reports from four to two. They are due semiannually complete as of—

- (1) June 30, and
- (2) December 31.

The election-year reports are due as of—

- (1) the 10th day next preceding the date of an election, and
- (2) as of the 30th day following an election (sec. 202(a) (p. 5, line 21, p. 6, line 2)).



In each instance there is a 3-day period of grace provided for filing (sec. 202(a) (p. 6, lines 2-4)).

**9.3.3.2. Congressional candidates.** Under the existing law and under the bill candidates file reports only during election years.

Under the existing law the reports are due—

(1) between the 15th and the 10th day before the date of election, and

(2) 30 days after such election.

The reports to be complete as of the day next preceding date of filing. (Sec. 307(a)/2 U.S.C. 246(a).)

Under the bill the reports shall be complete as of—

(1) the 10th day next preceding the date of election in which the filer is a candidate, and

(2) the 40th day following such election.

(Sec. 203(a) (p. 9, lines 5-8).)

In each instance there is a 3-day period of grace provided for filing (sec. 203(a) (p. 9, lines 9-10)).

**9.3.3.3. Additional election-year reports.** Two additional election reports would be required unless special elections were held. In this, S. 2436 is in accord with existing law.

**9.3.4. Requirements relating to the content of reports.**

**9.3.4.1. Reports by political committees.** S. 2436 places special emphasis on the establishment of a detailed system of reporting. Thus, the reports of political committees must contain—

(1) The amount of cash at beginning of reporting period;

(2) Name and address of each contributor to or for such committee in the aggregate amount or value, within the calendar year, of \$100 or more, except transfers of funds to or from political committees or candidates;

(3) Total sum of individual contributions made to or for such committee during the calendar year and not stated under paragraph (2).

(4) Name and address of each political committee or candidate from which the committee received any transfer of funds;

(5) Total sum of all contributions made to or for such committee during the calendar year;

(6) Name and address of each person to whom an expenditure has been made by such committee of the aggregate amount or value, within the calendar year, of \$100 or more, and the purpose of each expenditure;

(7) Total sum of all expenditures made by such committee during the calendar year and not stated under paragraph (6);

(8) Name and address of each political committee or candidate to which the committee made any transfer of funds; and

(9) Total sum of expenditures made by such committee during the calendar year (sec. 202(a)).

By comparison, the respective requirements of the existing law—section 305(a)/2 U.S.C. 244(a)—are much less specific and comprehensive. Thus, the existing law contains no provisions which correspond to requirements (1), (4), and (8). Experience has shown that the failure to require the listing of transfers of funds between committees as separate items—(4) and (8) above—tends to make reports unintelligible and to obscure the entire picture of campaign financing.



In the provision corresponding to (6), the existing law has \$10. The bill changes the amount to \$100 to bring it in accord with the prevailing level of costs and prices.

The reports of political committees shall be cumulative during the calendar year of reporting and the report as of December 31 shall cover the entire calendar year. In this, S. 2436 re-enacts existing law (sec. 202 (b) and (c). Cf. sec. 305 (b) and (c)/2 U.S.C. 244 (b) and (c)).

**9.3.4.2. Reports by congressional candidates.** The existing law requires that the reports of congressional candidates shall contain—

- (1) an itemized account of contributions received personally or by others with the candidate's consent;
- (2) similarly, an itemized account of expenditures, except that only a total sum of assessment levied by State law and specified personal expenses shall be stated;
- (3) promises or pledges of appointments, etc., to public or private position.

(Sec. 307 (a)/2 U.S.C. 246(a).)

On the other hand, S. 2436 requires instead that the candidate's report contain the same information as prescribed for reports of political committees, including amounts expended from his own funds (sec. 203(a) (p. 8, line 20, p. 9, line 2)).

The existing law provides that the candidate's reports be cumulative and that the first report contain a statement based on the record of the proper State official "stating the total number of votes cast for all candidates for the office the candidate seeks, at the general election next preceding the election at which he is a candidate." This latter information controls the amount a candidate is permitted to spend [see par. 9.7 below] (sec. 307(b) and (c)/2 U.S.C. 246 (b) and (c).

S. 2436 re-enacts these provisions (sec. 203 (b) and (c).)

In addition, S. 2436 makes it the duty of every congressional candidate "to make every reasonable effort to ascertain what political committees" and other organizations support his candidacy by means of—

- "(1) publication of advertisements in newspapers or other periodicals,
- "(2) publication of pamphlets or circulars,
- "(3) providing printed material,
- "(4) radio or television broadcasting, or
- "(5) providing billboards or posters."

The candidate shall file with his reports a list of such committees and organizations, the list to be cumulative (sec. 203(d)(2)). The listing of supporting organizations shall not be construed as a ratification on the part of the candidate, and at his option he may repudiate any such organization (sec. 203(d)(3)).

**9.3.5. Formal requirements on filing reports.** The existing law requires that all reports be verified by oath or affirmation by the filer (the treasurer of a political committee or the candidate) (sec. 308(a)/2 U.S.C. 247(a)). S. 2436 re-enacts this provision (sec. 204(1)).

Under the terms of the existing law a report is properly filed when deposited in an established post office within the prescribed time, stamped, registered, and addressed to the prescribed recipient. In case of nonreceipt a duplicate shall be filed on notice by addressee

(sec. 308(b)/2 U.S.C. 247). S. 2436 re-enacts these provisions, adding delivery to recipient as proper filing (sec. 204(2)).

**9.4. Time of preservation of records.** Under the existing law—

(1) the treasurer of a political committee shall preserve all receipted bills and accounts for at least 2 years (sec. 303(c)/2 U.S.C. 242(c)).

(2) the recipient of reports shall preserve such reports for a period of 2 years from the date of filing (sec. 308(c)/2 U.S.C. 247(c)).

Under the provisions of S. 2436—

(1) the treasurer of a political committee shall preserve all receipted bills and accounts for a period of 2 years (sec. 201(d)).

(2) the recipient of reports shall preserve such reports for a period of 6 years from the date of receipt (sec. 205(1) [Clerk of the House of Representatives and Secretary of the Senate] and sec. 206(2) [clerk of a U.S. district court]), and

(3) the filer of a report shall keep a copy of such report for a period of 1 year (sec. 204(3)).

**9.5. Duties of the Clerk of the House of Representatives and the Secretary of the Senate.** The existing law provides that these officials keep reports filed with them as a part of the public records of their office for a period of 2 years (sec. 308(c)/2 U.S.C. 247).

S. 2436 enumerates their duties with greater precision. They shall—

(1) preserve reports filed with them for a period of 6 years,

(2) make such reports available to public inspection,

(3) make such reports available within 24 hours of receipt, and

(4) permit the copying of reports by manual and mechanical means at the request of any person at his expense (sec. 205).

**9.6. Duties of clerks of the U.S. district courts.** The existing law makes no reference to these officers. Under the provisions of S. 2436, their duties are the same as those of the Clerk of the House of Representatives and the Secretary of the Senate (see preceding subparagraph) (sec. 206).

**9.7. Limitations on expenditures by congressional candidates.** S. 2436 raises the limitations on campaign expenditures by congressional candidates to realistic levels. Alternative ceilings are provided in the following manner: A candidate for Senator or Representative at large may spend the amount of \$50,000 and a candidate for Representative or Resident Commissioner the amount of \$12,500, or in a general or special election "an amount equal to the higher of the following:

"(A)(i) the amount obtained by multiplying 20 cents by the total number, not in excess of 1 million, of votes cast in the last general election for all candidates for the office which the candidate seeks, plus (ii) the amount obtained by multiplying 10 cents by the total number of such votes in excess of 1 million; or

"(B)(i) the amount obtained by multiplying 20 cents by the total number, not in excess of 1 million, of persons registered to vote in the general election for the office which the candidate seeks, plus (ii) the amount obtained by multiplying 10 cents by the total number of such persons in excess of 1 million" (sec. 207 (a) and (b)).

By comparison, the existing law allows \$10,000 for a candidate for a Senator and \$2,500 for a candidate for a Representative and Resident Commissioner; and, alternatively, an amount obtained by multiplying 3 cents by the total number of votes cast at the last general election for all candidates for the office which the candidate seeks, but not to exceed \$25,000 in the case of candidates for the Senate and \$5,000 for Representative or Resident Commissioner (2 U.S.C. 248 (a), (b)).

The existing law excludes from these limitations assessments levied by the State and specified personal expenses (sec. 309/2 U.S.C. 248(c)). S. 2436 re-enacts this exemption (sec. 207(c)).

**9.8. General penalties for violations.** Violations of the Corrupt Practices Act (see par. 10.1, note 1) and of the functionally identical provisions of S. 2436 (title II) are punishable by fine up to \$1,000 or imprisonment up to a period of 1 year, or both. Willful violations are punishable by fine up to \$10,000 or imprisonment up to 2 years, or both (sec. 314/2 U.S.C. 252 and S. 2436: sec. 208).

**9.9. Expenses of election contests.** Contributions or expenditures for proper legal expenses in contesting an election are neither within the existing law nor within S. 2436 (sec. 315/2 U.S.C. 253 and S. 2436: sec. 209).

**9.10. Effect on State laws.** The existing law does not annul, and does not exempt any candidate from complying with, State laws relating to the nomination or election of candidates unless directly inconsistent with the Federal statute (sec. 316/2 U.S.C. 254). At the same time, the existing law provides that if the limitations on campaign spending by congressional candidates are lower under State law than under the Federal statute, the State law controls, and exceeding of State limitations is made a Federal offense (sec. 309(b)/2 U.S.C. 248(b)).

S. 2436 re-enacts the general principle of the existing law. But, in order to avoid uncertainty and to make explicitly clear the change in legislative policy, the bill adds the proviso that the Federal ceilings on campaign spending by congressional candidates shall fully supersede any such limitations of the State law.

**9.11. Limitation on financial aid to candidates or political committees.** The existing law sets no overall limitation on the number of contributions to candidates and political committees within 1 calendar year or in connection with any campaign for nomination or election, but limits each such contribution to a maximum of \$5,000. This limitation does not apply to contributions made to or by a State or local committee or other State or local organization or to similar committees or organizations in the District of Columbia or in any Territory or possession of the United States (18 U.S.C. 608(a)). S. 2436 amends this subsection only insofar as it replaces the phrase "any territory" by "the Commonwealth of Puerto Rico" (sec. 302 (p. 17, line 23)).

**9.12. Purchases inuring to the benefit of candidates or political committees.** The existing law prohibits the purchase of any goods, the proceeds of which would inure to the benefit of the candidate or political committee. This prohibition, however, does not apply to purchases and sales transacted by a candidate in the course of his usual and known business, trade, or profession (18 U.S.C. 608(b)).

S. 2436 re-enacts the provisions of the existing law, but adds the proviso that the prohibition shall not apply to purchases and sales

by candidates and committees of campaign pins, buttons, and similar materials where the price of each article does not exceed \$5, and that it does not apply to purchases from political committees of any goods, advertising, or articles sold by such committees on a nonprofit basis (sec. 302, amending 18 U.S.C. 608(b)).

**9.13. Maximum contributions to and expenditures by interstate political committees.** Under the existing law, no *political committee* is permitted to receive contributions or to make expenditures in an amount exceeding \$3 million in any calendar year (18 U.S.C. 609). The inadequacies of the ceilings established by the existing law are stated in the beginning of paragraph 7 of this report. The \$3 million limitation has proven as unrealistic as the others.

S. 2436 repeals the \$3 million ceiling and establishes for *political committees operating in two or more States* a ceiling limited by "the amount obtained by multiplying 20 cents by the highest number of voters casting votes for all candidates for the office of Presidential elector in any one of the last three elections for that office" (sec. 303, amending 18 U.S.C. 609).

Like the ceiling of the existing law, the formula of contributions and expenditures adopted by S. 2436 is not an overall limitation. In either case, the law would not preclude the organization of new committees if existing committees had reached the permissible limits.

In the light of the existing definition of the term "political committee" (18 U.S.C. 591) the reference to "political committee" in 18 U.S.C. 609 of the existing law includes intrastate committees which are branches or subsidiaries of a national organization. By contrast, the language of section 609 proposed by S. 2436 in referring to "political committee operating in two or more States" would exclude such intrastate committees.

**9.14. Partial invalidity.** S. 2436 contains the usual severability clause in section 211.

**9.15. Repealing clause.** S. 2436 repeals the Corrupt Practices Act, 1925, and all other inconsistent enactments (sec. 212). For the scope of the Corrupt Practices Act, 1925, see paragraphs 4 and 10.1, note 1 of this report.

**9.16. Effective date.** The provisions of S. 2436 come into force on January 1, 1960.

**10. PROPOSED CHANGES IN EXISTING LAW.** In compliance with clause 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (matter proposed to be retained is printed in roman, matter proposed to be repealed is enclosed in black brackets, and new language proposed to be inserted is printed in *italic*).

**10.1. Law repealed and substituted.**

**10.1.1. Federal Corrupt Practices Act, 1925, as amended.** Repealed by section 212 of S. 2436.

*Note 1.—The Federal Corrupt Practices Act was enacted as title III, sections 301–318, of "An Act reclassifying the salaries of postmaster and employees of the postal service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes", approved February 28, 1925 (Public Law 506, 65th Cong.). Title III was amended June 25, 1943 (Public Law 79, 78th Cong.), June*



20, 1947 (Public Law 101, 80th Cong.), June 25, 1948 (Public Law 772, 80th Cong.), and October 31, 1951 (Public Law 248, 82d Cong.).

*Note 2.—Sections 310–313 have been repealed and enacted into positive law as part of title 18, United States Code. They are not shown among those sections of the Corrupt Practices Act which would be repealed by S. 2436 as reported.*

### 【TITLE III.—FEDERAL CORRUPT PRACTICES ACT, 1925

【SEC. 301. CITATION. (43 Stat. 1070; 2 U.S.C., sec. 256.)

【SEC. 301. This title may be cited as the “Federal Corrupt Practices Act, 1925.”

【SEC. 302. DEFINITIONS. (43 Stat. 1070; 2 U.S.C., sec. 241.)

【SEC. 302. When used in this title—

【(a) The term “election” includes a general or special election, but does not include a primary election or convention of a political party;

【(b) The term “candidate” means an individual whose name is presented at an election for election as Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, whether or not such individual is elected;

【(c) The term “political committee” includes any committee, association, or organization which accepts contributions or makes expenditures for the purpose of influencing or attempting to influence the election of candidates or presidential and vice presidential electors (1) in two or more States, or (2) whether or not in more than one State if such committee, association, or organization (other than a duly organized State or local committee of a political party) is a branch or subsidiary of a national committee, association, or organization;

【(d) The term “contribution” includes a gift, subscription, loan, advance, or deposit, of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution;

【(e) The term “expenditure” includes a payment, distribution, loan, advance, deposit, or gift, of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure;

【(f) The term “person” includes an individual, partnership, committee, association, corporation, and any other organization or group of persons;

【(g) The term “Clerk” means the Clerk of the House of Representatives of the United States;

【(h) The term “Secretary” means the Secretary of the Senate of the United States;

【(i) The term “State” includes Territory and possession of the United States.

【SEC. 303. CHAIRMAN AND TREASURER OF POLITICAL COMMITTEE: DUTIES AS TO CONTRIBUTIONS: ACCOUNTS AND RECEIPTS. (43 Stat. 1071; 2 U.S.C., sec. 242.)

【SEC. 303. (a) Every political committee shall have a chairman and a treasurer. No contribution shall be accepted, and no expenditure made, by or on behalf of a political committee for the purpose of influencing an election until such chairman and treasurer have been chosen.



[(b) It shall be the duty of the treasurer of a political committee to keep a detailed and exact account of—

[(1) All contributions made to or for such committee;

[(2) The name and address of every person making any such contribution, and the date thereof;

[(3) All expenditures made by or on behalf of such committee; and

[(4) The name and address of every person to whom any such expenditure is made, and the date thereof.

[(c) It shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure by or on behalf of a political committee exceeding \$10 in amount. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for a period of at least two years from the date of the filing of the statement containing such items.

[SEC. 304. ACCOUNTS OF CONTRIBUTIONS RECEIVED. (43 Stat. 1071; 2 U.S.C., sec. 243.)

[SEC. 304. Every person who receives a contribution for a political committee shall, on demand of the treasurer, and in any event within five days after the receipt of such contribution, render to the treasurer a detailed account thereof, including the name and address of the person making such contribution, and the date on which received.

[SEC. 305. STATEMENTS BY TREASURER FILED WITH CLERK OF HOUSE OF REPRESENTATIVES. (43 Stat. 1071; 2 U.S.C., sec. 244.)

[SEC. 305. (a) The treasurer of a political committee shall file with the Clerk between the 1st and 10th days of March, June, and September, in each year, and also between the 10th and 15th days, and on the 5th day, next preceding the date on which a general election is to be held, at which candidates are to be elected in two or more States, and also on the 1st day of January, a statement containing, complete as of the day next preceding the date of filing—

[(1) The name and address of each person who has made a contribution to or for such committee in one or more items of the aggregate amount or value, within the calendar year, of \$100 or more, together with the amount and date of such contribution;

[(2) The total sum of the contributions made to or for such committee during the calendar year and not stated under paragraph (1);

[(3) The total sum of all contributions made to or for such committee during the calendar year;

[(4) The name and address of each person to whom an expenditure in one or more items of the aggregate amount or value within the calendar year of \$10 or more has been made by or on behalf of such committee, and the amount, date, and purpose of such expenditure;

[(5) The total sum of all expenditures made by or on behalf of such committee during the calendar year and not stated under paragraph (4);

[(6) The total sum of expenditures made by or on behalf of such committee during the calendar year.

[(b) The statements required to be filed by subdivision (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous statement only the amount need be carried forward.

[(c) The statement filed on the 1st day of January shall cover the preceding calendar year.

[SEC. 306. STATEMENTS BY OTHERS THAN POLITICAL COMMITTEE FILED WITH CLERK OF HOUSE OF REPRESENTATIVES. (43 Stat. 1072; 2 U.S.C., sec. 245.)

[SEC. 306. Every person (other than a political committee) who makes an expenditure in one or more items, other than by contribution to a political committee, aggregating \$50 or more within a calendar year for the purpose of influencing in two or more States the election of candidates, shall file with the Clerk an itemized detailed statement of such expenditure in the same manner as required of the treasurer of a political committee by section 305.

[SEC. 307. STATEMENTS BY CANDIDATES FOR SENATOR, REPRESENTATIVE, DELEGATE, OR RESIDENT COMMISSIONER FILED WITH SECRETARY OF SENATE AND CLERK OF HOUSE OF REPRESENTATIVES. (43 Stat. 1072; 2 U.S.C., sec. 246.)

[SEC. 307. (a) Every candidate for Senator shall file with the Secretary and every candidate for Representative, Delegate, or Resident Commissioner shall file with the Clerk not less than ten nor more than fifteen days before, and also within thirty days after, the date on which an election is to be held, a statement containing, complete as of the day next preceding the date of filing—

[(1) A correct and itemized account of each contribution received by him or by any person for him with his knowledge or consent, from any source, in aid or support of his candidacy for election, or for the purpose of influencing the result of the election together with the name of the person who has made such contribution;

[(2) A correct and itemized account of each expenditure made by him or by any person for him with his knowledge or consent in aid or support of his candidacy for election, or for the purpose of influencing the result of the election, together with the name of the person to whom such expenditure was made; except that only the total sum of expenditures for items specified in subdivision (c) of section 309 need be stated;

[(3) A statement of every promise or pledge made by him or by any person for him with his consent, prior to the closing of the polls on the day of the election, relative to the appointment or recommendation for appointment of any person to any public or private position or employment for the purpose of procuring support in his candidacy, and the name, address, and occupation of every person to whom any such promise or pledge has been made together with the description of any such position. If no such promise or pledge has been made, that fact shall be specifically stated.

[(b) The statements required to be filed by subdivision (a) shall be cumulative, but where there has been no change in an item reported in a previous statement only the amount need be carried forward.

[(c) Every candidate shall inclose with his first statement a report, based upon the records of the proper State official stating the total number of votes cast for all candidates for the office which the candidate seeks, at the general election next preceding the election at which he is a candidate.

[SEC. 308. STATEMENTS; VERIFICATION; FILING; PRESERVATION; INSPECTION. (43 Stat. 1072; 2 U.S.C., sec. 247.)

[SEC. 308. A statement required by this title to be filed by a candidate or treasurer of a political committee or other person with the Clerk or Secretary, as the case may be—

[(a) Shall be verified by the oath or affirmation of the person filing such statement taken before any officer authorized to administer oaths;

[(b) Shall be deemed properly filed when deposited in an established post office within the prescribed time, duly stamped, registered, and directed to the Clerk or Secretary at Washington, District of Columbia, but in the event it is not received, a duplicate of such statement shall be promptly filed upon notice by the Clerk or Secretary of its nonreceipt;

[(c) Shall be preserved by the Clerk or Secretary for a period of two years from the date of filing, shall constitute a part of the public records of his office, and shall be open to public inspection.

[SEC. 309. LIMITATION UPON AMOUNT OF EXPENDITURES BY CANDIDATE. (43 Stat. 1073; 2 U.S.C., sec. 248.)

[SEC. 309. (a) A candidate, in his campaign for election, shall not make expenditures in excess of the amount which he may lawfully make under the laws of the State in which he is a candidate, nor in excess of the amount which he may lawfully make under the provisions of this title.

[(b) Unless the laws of his State prescribe a less amount as the maximum limit of campaign expenditures, a candidate may make expenditures up to—

[(1) The sum of \$10,000 if a candidate for Senator, or the sum of \$2,500 if a candidate for Representative, Delegate, or Resident Commissioner; or

[(2) An amount equal to the amount obtained by multiplying three cents by the total number of votes cast at the last general election for all candidates for the office which the candidate seeks, but in no event exceeding \$25,000 if a candidate for Senator or \$5,000 if a candidate for Representative, Delegate, or Resident Commissioner.

[(c) Money expended by a candidate to meet and discharge any assessment, fee, or charge made or levied upon candidates by the laws of the State in which he resides, or expended for his necessary personal, traveling, or subsistence expenses, or for stationery, postage, writing, or printing (other than for use on bill boards or in newspapers) for distributing letters, circulars, or posters, or for telegraph or telephone service, shall not be included in determining whether his expenditures have exceeded the sum fixed by paragraph (1) or (2) of subdivision (b) as the limit of campaign expenses of a candidate.

\* \* \* \* \*

[SEC. 314. GENERAL PENALTIES FOR VIOLATIONS. (43 Stat. 1074; 2 U.S.C., sec. 252.)

[SEC. 314. (a) Any person who violates any of the foregoing provisions of this title, except those for which a specific penalty is imposed by sections 312 and 313, shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

[(b) Any person who willfully violates any of the foregoing provisions of this title, except those for which a specific penalty is imposed

by sections 312 and 313, shall be fined not more than \$10,000 and imprisoned not more than two years.

[SEC. 315. EXPENSES OF ELECTION CONTESTS. (43 Stat. 1074; 2 U.S.C., sec. 253.)

[SEC. 315. This title shall not limit or affect the right of any person to make expenditures for proper legal expenses in contesting the results of an election.

[SEC. 316. STATE LAWS NOT AFFECTED. (43 Stat. 1074; 2 U.S.C., sec. 254.)

[SEC. 316. This title shall not be construed to annul the laws of any State relating to the nomination or election of candidates, unless directly inconsistent with the provisions of this title, or to exempt any candidate from complying with such State laws.

[SEC. 317. PARTIAL INVALIDITY. (43 Stat. 1074; 2 U.S.C., sec. 255.)

[SEC. 317. If any provision of this title or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the Act and of the application of such provisions to other persons and circumstances shall not be affected thereby.

[SEC. 318. REPEALING CLAUSES. (43 Stat. 1074.)

[SEC. 318. The following Acts and parts of Acts are hereby repealed: The Act entitled "An Act providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected," approved June 25, 1910 (chapter 392, Thirty-sixth Statutes, page 822), and the Acts amendatory thereof, approved August 19, 1911 (chapter 33, Thirty-seventh Statutes, page 25), and August 23, 1912 (chapter 349, Thirty-seventh Statutes, page 360); the Act entitled "An Act to prevent corrupt practices in the election of Senators, Representatives, or Delegates in Congress," approved October 16, 1918 (chapter 187, Fortieth Statutes, page 1013); and section 83 of the Criminal Code of the United States, approved March 4, 1909 (chapter 321, Thirty-fifth Statutes, page 1088).

[SEC. 319. EFFECTIVE DATE. (43 Stat. 1074.)

[SEC. 319. This title shall take effect thirty days after its enactment.

[Approved, February 28, 1925.]

10.1.2. Titles I and II of S. 2436.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Elections Act of 1959".*

## TITLE I—TABLE OF CONTENTS AND DEFINITIONS

### TABLE OF CONTENTS

*Sec. 101. This Act is divided into titles and sections according to the following table of contents:*

### TABLE OF CONTENTS

#### TITLE I—TABLE OF CONTENTS AND DEFINITIONS

*Sec. 101. Table of contents.*

*Sec. 102. Definitions.*



## TITLE II—CAMPAIGN PRACTICES

- Sec. 201. Organization of political committees.*  
*Sec. 202. Reports by political committees.*  
*Sec. 203. Reports by candidates.*  
*Sec. 204. Formal requirements on filing reports and statements.*  
*Sec. 205. Duties of the Clerk of the House of Representatives and the Secretary of the Senate.*  
*Sec. 206. Duties of clerks of United States district courts.*  
*Sec. 207. Limitations upon amount of expenditures.*  
*Sec. 208. General penalties for violations.*  
*Sec. 209. Expenses of election contests.*  
*Sec. 210. Effect on State laws.*  
*Sec. 211. Partial invalidity.*  
*Sec. 212. Repealing clause.*

## TITLE III—AMENDMENTS TO CRIMINAL CODE

- Sec. 301. Definitions.*  
*Sec. 302. Financial aid to candidates or political committees and prohibition of certain purchases.*  
*Sec. 303. Maximum contributions to and expenditures by interstate political committees.*  
*Sec. 304. Publication or distribution of election materials.*

## TITLE IV—EFFECTIVE DATE

- Sec. 401. Effective date.*

## DEFINITIONS

*SEC. 102. As used in this title and title II, unless the context clearly indicates otherwise—*

(1) The term "election" includes a general or special election, but does not include a primary election or convention of a political party;

(2) The term "candidate" means an individual whose name is presented at an election for election as President or Vice President, or Senator or Representative in, or Resident Commissioner to, the Congress of the United States, whether or not such individual is elected;

(3) The term "political committee" includes any committee, association, or organization which accepts contributions or makes expenditures for the purpose of influencing or attempting to influence the election of candidates or presidential and vice presidential electors (1) in two or more States, or (2) whether or not in more than one State if such committee, association, or organization (other than a duly organized State or local committee of a political party) is a branch or subsidiary of a national committee, association, or organization;

(4) The term "contribution" includes a gift, subscription, loan, advance, or deposit, of money, or anything of value, or transfer of funds between committees, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution;

(5) The term "expenditure" includes a payment, distribution, loan, advance, deposit, or gift, of money, or anything of value, or transfer of funds between committees, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure;

(6) The term "person" includes an individual, partnership, committee, association, corporation, and any other organization or group of persons; and

(7) The term "State" includes the Commonwealth of Puerto Rico, any possession of the United States, and the District of Columbia.



## TITLE II—CAMPAIGN PRACTICES

## ORGANIZATION OF POLITICAL COMMITTEES

SEC. 201. (a) Every political committee shall have a chairman and a treasurer. No contribution shall be accepted, and no expenditure made, by or on behalf of a political committee for the purpose of influencing an election until such chairman and treasurer have been chosen. No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer.

(b) Every person who receives a contribution for a political committee shall, on demand of the treasurer, and in any event within five days after the receipt of such contribution, render to the treasurer a detailed account thereof, including the name and address of the person making such contribution, and the date on which received. It shall be the duty of the treasurer to see to it that all contributions received by or for a committee shall be kept separate from any personal funds and deposited in a special account.

(c) It shall be the duty of the treasurer of a political committee to keep a detailed and exact account of—

- (1) all contributions made to or for such committee;
- (2) the name and address of every person making any such contribution, and the date thereof;
- (3) all expenditures made by or on behalf of such committee; and
- (4) the name and address of every person to whom any such expenditure is made, and the date thereof.

(d) It shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure by or on behalf of a political committee exceeding \$100 in amount. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for a period of two years from the date of the filing of the statement containing such items.

## REPORTS BY POLITICAL COMMITTEES

SEC. 202. (a) The treasurer of a political committee shall file reports of receipts and expenditures with the Clerk of the House of Representatives, on forms to be prescribed by him, and shall transmit a copy of such reports (except as provided in section 206(b)) to the clerk of the United States district court for the district in which the principal office of the committee is located. Such reports shall be filed, complete as of June 30 and December 31 of each year, and as of the tenth day next preceding the date on which an election is to be held, and as of the thirtieth day following an election, with respect to which contributions were received or expenditures made by such committee. In each instance reports shall be filed not later than the third day following the reporting date as above provided. Each report shall contain—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the name and address of each person who has made a contribution to or for such committee in one or more items of the aggregate amount or value, within the calendar year, of \$100 or more, together with the amount and date of such contribution; and for the purposes of this paragraph the term "contribution", as used herein,

shall not include transfers of funds to or from political committees or candidates;

(3) the total sum of individual contributions made to or for such committee during the calendar year and not stated under paragraph (2);

(4) the name and address of each political committee or candidate from which the committee received any transfer of funds, together with the amounts and dates of all such transfers;

(5) the total sum of all contributions made to or for such committee during the calendar year;

(6) the name and address of each person to whom an expenditure has been made by such committee in one or more items of the aggregate amount or value, within the calendar year, of \$100 or more, and the amount, date, and purpose of such expenditure;

(7) the total sum of all expenditures made by such committee, during the calendar year and not stated under paragraph (6);

(8) the name and address of each political committee or candidate to which the committee made any transfer of funds, together with the amounts and dates of all such transfers; and

(9) the total sum of expenditures made by such committee during the calendar year.

(b) The reports required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report only the amount need be carried forward.

(c) The report required to be filed as of December 31 shall cover the entire calendar year.

(d) In the case of political committees supporting candidates for President, Vice President, or Senator, a copy of the report filed with the Clerk of the House of Representatives under subsection (a) shall be filed with the Secretary of the Senate.

(e) Whenever any report is filed by the treasurer of any political committee pursuant to subsection (a), such treasurer at the same time shall transmit a true and correct copy of such report to each candidate on whose behalf such report reflects any contribution received, or any expenditure made, by such political committee.

#### REPORTS BY CANDIDATES

SEC. 203. (a) Every candidate, except a candidate for President or Vice President, shall file with the Clerk of the House of Representatives, on a form to be prescribed by him, reports of receipts and expenditures and shall transmit a copy thereof to the Secretary of the Senate if a candidate for Senator, and (except as provided in section 206(b)) to the clerk of the United States district court for the district in which the candidate resides. Such reports shall be complete as of the tenth day next preceding the date on which an election for the office for which he is a candidate is to be held, and as of the fortieth day following such election, and in each instance shall be filed not later than the third day following the reporting date. Such reports shall contain a correct and itemized detailed report of contributions received and expenditures made by him in aid or support of his candidacy for election, or for the purpose of influencing the result of the election, in the same manner as required of the treasurer of a political committee by section 202, including amounts expended from his own funds.

(b) *The reports required to be filed by subsection (a) shall be cumulative, but where there has been no change in an item reported in a previous report, only the amount need be carried forward.*

(c) *Every candidate shall enclose with his first report a statement, based upon the records of the proper State official, giving the total number of votes cast for all candidates for the office which the candidate seeks (or the number of persons registered to vote), in the election required to be used as a basis for the computation under section 207(b)(2).*

(d)(1) *It shall be the duty of every candidate to make every reasonable effort to ascertain what political committees or other committees, associations, or organizations in his State or district are supporting his candidacy by means of (1) publication of advertisements in newspapers or other periodicals, (2) publication of pamphlets or circulars, (3) providing printed material, (4) radio or television broadcasting, or (5) providing billboards or posters.*

(2) *The candidate shall enclose with the reports required to be filed by subsection (a) a list of the names of all such committees, associations, or organizations, together with the names and addresses of their chairmen and treasurers. Such lists shall be cumulative.*

(3) *The listing of committees, associations, and other organizations and their officers provided for in paragraph (2) shall not be construed as a ratification by the candidate of any action by them and the candidate may at his option note in any such report a repudiation of the support of any such committee, association, or other organization.*

#### FORMAL REQUIREMENTS ON FILING REPORTS AND STATEMENTS

*SEC. 204. The reports and statements required by this title to be filed by a candidate or by a treasurer of a political committee with the Clerk of the House of Representatives and the copies thereof required to be filed with the Secretary of the Senate, and (subject to the provisions of section 206(b)) with the clerk of the United States district court—*

*(1) shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths;*

*(2) shall be deemed properly filed when delivered to the specified recipient, or when deposited in an established post office within the prescribed time, duly stamped, registered, and properly addressed, but in the event it is not received, a duplicate of such report or statement shall be promptly filed upon notice of its nonreceipt by the officer with whom it is required to be filed; and*

*(3) a copy shall be preserved by the person filing it for a period of one year from the date of filing.*

#### DUTIES OF THE CLERK OF THE HOUSE OF REPRESENTATIVES AND THE SECRETARY OF THE SENATE

*SEC. 205. It shall be the duty of the Clerk of the House of Representatives and of the Secretary of the Senate—*

*(1) to preserve the reports and statements filed under this title for a period of six years from the date of receipt;*

*(2) to make such reports and statements available for public inspection during regular office hours;*

(3) to make such reports and statements available for such inspection within twenty-four hours of their receipt by them; and

(4) to permit copying of any such report or statement by hand or by duplicating machine, as requested by any person, at the expense of such person.

#### DUTIES OF CLERKS OF UNITED STATES DISTRICT COURTS

*Sec. 206. (a) It shall be the duty of the clerks of United States district courts—*

(1) to receive and maintain in an orderly manner all reports and statements required by this Act to be filed with such clerks;

(2) to maintain such reports and statements for public inspection for a period of six years from the date of receipt;

(3) to make such reports and statements available for public inspection during regular office hours;

(4) to make available for public inspection each report and statement within twenty-four hours of its receipt; and

(5) to permit copying of any such report or statement by hand or by duplicating machine, as requested by any person, at the expense of such person.

(b) In States where the secretary of state or other State official is authorized to perform the duties specified in this section, the filing of reports and statements under this title shall be with such State official in lieu of the filing with the clerk of the United States district court.

#### LIMITATIONS UPON AMOUNT OF EXPENDITURES

*Sec. 207. (a) A candidate for Senator or Representative in, or Resident Commissioner to, the Congress of the United States, in his campaign for election, shall not make expenditures in excess of the amount which he may lawfully make under the provisions of this title.*

(b) A candidate, in his campaign for election (treating special and general elections as separate for the purposes of this limitation), may make expenditures up to—

(1) the sum of \$50,000 if a candidate for Senator or Representative at Large, or the sum of \$12,500 if a candidate for Representative or Resident Commissioner; or

(2) an amount equal to the higher of the following:

(A)(i) the amount obtained by multiplying 20 cents by the total number, not in excess of one million, of votes cast in the last general election for all candidates for the office which the candidate seeks, plus (ii) the amount obtained by multiplying 10 cents by the total number of such votes in excess of one million; or

(B)(i) the amount obtained by multiplying 20 cents by the total number, not in excess of one million, of persons registered to vote in the general election for the office which the candidate seeks, plus (ii) the amount obtained by multiplying 10 cents by the total number of such persons in excess of one million.

(c) Money expended by a candidate to meet and discharge any assessment, fee, or charge made or levied upon candidates by the laws of the State in which he resides, or expended for his necessary personal, traveling, or subsistence expenses, or for stationery, postage, writing, or print-



ing (other than for use on billboards or in newspapers), for distributing letters, circulars, or posters, or for telegraph or telephone service, shall not be included in determining whether his expenditures have exceeded the sum fixed by paragraph (1) or (2) of subdivision (b) as the limit of campaign expenses of a candidate.

#### GENERAL PENALTIES FOR VIOLATIONS

SEC. 208. (a) Any person who violates any of the provisions of this title shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

(b) Any person who willfully violates any provision of this title shall be fined not more than \$10,000 and imprisoned not more than two years.

#### EXPENSES OF ELECTION CONTESTS

SEC. 209. This Act shall not limit or affect the right of any person to make contributions or expenditures for proper legal expenses in contesting the results of an election.

#### EFFECT ON STATE LAWS

SEC. 210. This Act shall not be construed to annul, or to exempt any candidate from complying with, the laws of any State relating to the nomination or election of candidates, unless such laws are directly inconsistent with the provisions of this Act: Provided, That the limitations on expenditures prescribed in section 207 shall supersede any such limitations prescribed in State laws which differ therefrom.

#### PARTIAL INVALIDITY

SEC. 211. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the Act and of the application of such provision to other persons and circumstances shall not be affected thereby.

#### REPEALING CLAUSE

SEC. 212. The Federal Corrupt Practices Act, 1925, and all other Acts or parts of Acts inconsistent herewith are repealed.

10.2 Title 18, United States Code. [See note 2, p. 15.] The amendments made by title III of S. 2436.

#### § 591. Definitions.

When used in sections 597, 599, 602, 608, 609, [and] 610[.] and 612 of this title—

(1) The term "election" includes a general or special election, but does not include a primary election or convention of a political party;

(2) The term "candidate" means an individual whose name is presented at an election for election as President or Vice President or Senator or Representative in, [or Delegate] or Resident Commissioner to, the Congress of the United States, whether or not such individual is elected;

(3) The term "political committee" includes any committee, association, or organization which accepts contributions or makes expendi-

tures for the purpose of influencing or attempting to influence the election of candidates or presidential and vice presidential electors (1) in two or more States, or (2) whether or not in more than one State if such committee, association, or organization (other than a duly organized State or local committee of a political party) is a branch or subsidiary of a national committee, association, or organization;

(4) The term "contribution" includes a gift, subscription, loan, advance, deposit, of money, or anything of value, *or transfer of funds between committees*, and includes a contract, promise, or agreement to make a contribution, whether or not legally enforceable;

(5) The term "expenditure" includes a payment, distribution, loan, advance, deposit, or gift, of money, or anything of value, *or transfer of funds between committees*, and includes a contract, promise, or agreement to make an expenditure, whether or not legally enforceable;

(6) The term "person" or the term "whoever" includes an individual, partnership, committee, association, corporation, and any other organization or group of persons;

(7) The term "State" includes [Territory and] *the Commonwealth of Puerto Rico* any possession of the United States[.], *and the District of Columbia*.

#### § 608. Limitations on political contributions and purchases.

(a) Whoever, directly or indirectly, makes contributions in an aggregate amount in excess of \$5,000 during any calendar year, or in connection with any campaign for nomination or election, to or on behalf of any candidate for an elective Federal office, including the offices of President of the United States and Presidential and Vice Presidential electors, or to or on behalf of any committee or other organization engaged in furthering, advancing, or advocating the nomination or election of any candidate for any such office or the success of any national political party, shall be fined not more than \$5,000 or imprisoned not more than five years, or both.

This subsection shall not apply to contributions made to or by a State or local committee or other State or local organization or to similar committees or organizations in the District of Columbia or [any Territory] *in the Commonwealth of Puerto Rico* or in any possession of the United States.

(b) Whoever purchases [or buys] any goods, commodities, advertising, or articles of any kind or description, the proceeds of which, or any portion thereof, directly or indirectly inures to the benefit of or for any candidate [for an elective Federal office including the offices of President of the United States, and Presidential and Vice Presidential electors] or any political committee [or other political organization engaged in furthering, advancing, or advocating the nomination or election of any candidate for any such office or the success of any national political party] shall be fined not more than \$5,000 or imprisoned not more than five years, or both: *Provided, however, That this subsection shall not apply to the purchase and sale by candidates and committees of campaign pins, buttons, and similar materials for prices not exceeding \$5 per article: And provided further, That nothing in this subsection shall be construed to prohibit the purchase from any political committee of any goods, commodities, advertising, or articles sold by such political committees on a nonprofit basis, nor [This subsection] shall [not] it interfere with the usual and known business, trade, or profession of any candidate.*

(c) In all cases of violations of this section by [a partnership, committee, association, corporation, or other organization or group of persons] *any person other than an individual, any [the] officer[s], director[s], or managing head[s] thereof who [knowingly and willfully participate in] consents to such violation, shall be punished as herein provided.*

[(d) The term "contribution," as used in this section, shall have the same meaning prescribed by section 591 of this title.]

#### § 609. Maximum contributions and expenditures.

No political committee *operating in two or more States shall receive contributions [aggregating more than \$3,000,000] or make expenditures [aggregating more than \$3,000,000 during] in any calendar year [.] in amounts greater than the amount obtained by multiplying 20 cents by the highest number of voters casting votes for all candidates for the office of Presidential elector in any one of the last three elections for that office.*

For the purposes of this section, any contributions received and any expenditures made on behalf of any political committee with the knowledge and consent of the chairman or treasurer of such committee shall be deemed to be received or made by such committee.

Any violation of this section by any political committee shall be deemed also to be a violation by the chairman and the treasurer of such committee and by any other person responsible for such violation and shall be punishable by a fine of not more than \$1,000 or imprisonment of not more than one year, or both; and, if the violation was willful, by a fine of not more than \$10,000 or imprisonment of not more than two years, or both.

#### § 612. Publication or distribution of political statements.

Whoever willfully publishes or distributes or causes to be published or distributed, or for the purpose of publishing or distributing the same, knowingly deposits for mailing or delivery or causes to be deposited for mailing or delivery, or, except in cases of employees of the Post Office Department in the official discharge of their duties, knowingly transports or causes to be transported in interstate commerce any card, pamphlet, circular, poster, dodger, advertisement, writing, or other statement relating to or concerning any person who has publicly declared his intention to seek the office of President, or Vice President of the United States, or Senator or Representative in, or Delegate or Resident Commissioner to Congress, in a primary, general, or special election, or convention of a political party, or has caused or permitted his intention to do so to be publicly declared, which does not contain the names *and addresses* of the persons, associations, committees, or corporations responsible for the publication or distribution of the same, and the names *and addresses* of the officers of each such association, committee, or corporation, shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

#### 10.3 Effective Date of Proposed Legislation. Title IV of S. 2436.

*SEC. 401. Titles I and II and the amendments made by title III shall take effect on January 1, 1960, but only with respect to contributions and expenditures made on and after such date; but nothing in this Act shall relieve any person from filing any statements or reports required under the law in force prior to the date of enactment of this Act.*

## INDIVIDUAL VIEWS OF MR. HENNINGS AND MR. GREEN

We are gratified that the Committee on Rules and Administration has reported out a clean elections bill and has authorized its introduction in the Senate. Twice before the Rules Committee acted on election legislation in the course of the last 4 years. The first time was in 1955 when the committee reported our first clean elections bill, and then again in 1957 when our second bill was reported. In those instances, however, the action of the committee was not unanimous, and in each case the decision to report was taken against a resolute minority vote. This time the committee was able to agree on a number of basic principles and the decision of the committee has been unanimous.

Thus, the labors of the past studies and efforts have not been lost. In the arduous process of long, legislative debate, the committee finally succeeded in formulating a number of constructive proposals which, if they become law, will considerably improve our election practices.

The reported bill goes a long way toward eliminating many of the malpractices which have arisen under the hopelessly outdated Corrupt Practices Act of 1925. The committee broadened the scope of reporting required of candidates and political committees; widened the dissemination of information on campaign spending by requiring copies of reports to be filed on the local level; and raised the ceiling on permissible expenditures so that at last campaign issues could be adequately presented to the electorate.

In spite of a sense of achievement that we feel in connection with the bill, there are three issues which we would have handled differently.

In addition to its other shortcomings, the existing election law is too narrow in its scope. It deals only with general or special elections and does not include primaries and conventions of political parties. To our minds this omission cuts off information about an important phase of the national election process.

Choosing candidates is equally as important as electing them. The fact that an election is the final stage in the formation of representative government gives it the appearance of greater significance. In reality, however, there obviously can be no democratic election without democratic nomination. The people are entitled to be fully informed about the conduct of both. So is Congress and so is the entire Nation.

The position we take implies no imputation of any irregularities whatsoever. We simply wish to emphasize the philosophy of our law which is based on disclosure in matters affecting the Nation and on perpetual vigilance and supervision on the part of the people. Our political tradition insists that where there is lack of information there is ground for uneasiness which tends to weaken democratic society.

We may add that, after the decision of the Supreme Court of the United States in *United States v. Classic* (313 U.S. 299 (1941)), the



inclusion of primaries within the purview of the statute does not raise constitutional questions. We deal, therefore, with legislative policy rather than with constitutional considerations.

In advocating the inclusion of primaries, we do not suggest any interference of Congress with the local process of nomination. We simply say that the financial data connected with primaries should be made as readily available to the entire country as are facts connected with elections.

We see the problem of intrastate committees in the same light. The experience of recent elections has shown how large intrastate committees can be and how much money they can spend in influencing public opinion. And yet the facts of the contributions they receive and the expenditures they make are not available to the country as a whole under the existing election law. Under the definition of "political committee" the Corrupt Practices Act includes intrastate committees only if they are subsidiaries or branches of a national organization. Even so, the existing definition excludes committees of national parties operating on a State or local level.

We strongly feel that the new election law would be much strengthened if the definition of "political committee" included all committees receiving contributions and making expenditures of a certain minimum amount of money.

Finally, it is our opinion that the bill should include an overall limitation on individual campaign contributions. We believe that in a democracy such as ours no person should be permitted to influence an election by limitless campaign gifts.

Yet, as it now stands, the bill follows the existing law which contains no such limitations. Section 308(a) of title 18 of the United States Code restricts contributions only with respect to any one candidate and any one political committee, but sets no limit on the number of such beneficiaries. To our thinking, an annual overall limitation of \$10,000 for any single contributor would be both salutary and flexible enough to be practical.

THOMAS C. HENNINGS, Jr.  
THEODORE FRANCIS GREEN.

## INDIVIDUAL VIEWS OF MR. MORTON AND MR. KEATING

We are not satisfied with this bill because it excludes primary elections from any Federal regulation. It is a well-known fact that in approximately one-third of the States, success in the primary election is tantamount to success in the final election. Thus, the bill as reported out of committee deals with only a part of the problem, and falls far short of the purpose for which it was originally intended.

Constitutionally the road is clear. The Supreme Court pointed the way for Federal regulation of primaries in 1941 in the case of *United States v. Classic* (313 U.S. 299). The Court held that primary elections were not within the exclusive jurisdiction of the several States, and that Congress had the authority to regulate primary elections to nominate candidates for election to Congress. The way was again cleared in 1947 when language was inserted in the Taft-Hartley Act prohibiting a labor union, corporation, or national bank from making any expenditure "in connection with any primary election or political convention or caucus."

The exemption from Federal law of primaries, conventions, and caucuses results in an inaccurate and distorted accounting of campaign practices. The whole story is never known. It places an unfair burden on those candidates who do encounter major opposition in the final election. Money spent corruptly or dishonestly in a primary could very well alter the result of the final election. This would defeat the very purpose of the bill.

We do, however, recognize the tremendous difficulty in bringing out any legislation on this very controversial subject. History shows that the very nature of the subject tends to resist any change in the law. With the single exception of certain very limited laws applying in a single field (the political provisions of the Taft-Hartley Act of 1947) there has been no change in the Federal election laws since 1925. Revision and modernization is very much in order.

THRUSTON B. MORTON.  
KENNETH B. KEATING.