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PRESIDENT SIGNS MEASURE REVIVING ELECTION AGENCY

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Commission Is Authorized to Free \$2 Million Backlog in Primary Subsidies

RELUCTANT FORD MOVE

'Serious Reservations' Are Cited—Levi Ordered to Test One Provision NYTimes

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WASHINGTON, May 11—

President Ford reluctantly approved today legislation reviving the major powers of the Federal Election Commission and freeing the agency to authorize the payment of a \$2 million backlog of subsidies to candidates in the Presidential primaries.

The bill also enables the commission to resume investigating complaints of violations of the campaign law and makes a number of important changes in election ground rules for political candidates and the committees that support them.

Mr. Ford said he was signing the bill despite "serious reservations" about some of its provisions, so serious that he directed Attorney General Edward H. Levi to challenge the constitutionality of one of them in court.

6 Members Nominated

The President said he was also sending to the Senate nominations of six commission members but did not announce the names. Presumably, he will rename five of the sitting commissioners plus a replacement for the chairman, Thomas B. Curtis, who asked not to be reappointed.

The new member was reliably reported to be a former Republican Senator, and one party source identified him as Marlow W. Cook, who represented Kentucky in the Senate from 1968 to 1974 and has since practiced law here.

If Congress moves swiftly to reconstitute the commission, confirming the six members named by the President without delay, the agency might be able to start the flow of matching funds to the Presidential campaign by the end of the week.

No Big Impact

Release of the primary subsidies, frozen for the last seven weeks, is not expected to have any material impact on the Presidential primary competition in either party. Three-quar-

ters of the money will go to the three men who are already the leading contenders.

Of the claims already audited by the commission staff, \$865,674 will go to the President Ford Committee. The Ford unit's most recent problem has not involved raising money but keeping within the \$13 million spending ceiling imposed on Presidential candidates for the pre-convention period.

Ronald Reagan, the President's Republican challenger, will get \$390,000 immediately, but he reportedly has more large claims ready for submission. Among the Democrats, Jimmy Carter, the leader, will

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get the most money, \$313,850, his chief active rival, Representative Morris K. Udall, has qualified for \$113,960.

A dozen Presidential candidates have submitted claims totaling almost \$3.7 million in subsidies, but the commission staff has audited and approved only \$2.1 million of this amount. Ordinarily, the commission routinely approves staff recommendations for matching fund payments.

President Ford said in a statement that he had concluded that approval was "in the best interest of the nation." Changes were made in the bill to meet his most serious objections, he observed, and the resulting measure has "widespread bipartisan support in both houses of Congress and by the chairpersons" of the two national political parties.

Veto Power Contested

The provision that the President ordered the Attorney General to challenge "at the earliest opportunity" permits either house of Congress to veto a regulation promulgated by the commission, in theory an independent executive agency.

The President's action brought to an end more than three months of uncertainty and confusion resulting from the Supreme Court's ruling of Jan. 31 that the election commission had been unconstitutionally constituted in the first place, in violation of the separation of powers doctrine.

To revive the agency, Congress had to make all its members appointive by the President instead of having four of the six named by Congressional leaders. In the process, the lawmakers made a number of other important changes in the campaign law.

Two successive stays held up the effectiveness of the court order until March 22. Since then, no subsidies have been authorized; candidates have submitted requests for \$3.7 million, of which \$2.1 million has been informally cleared.

Pressure for a Veto

The President had been under considerable pressure from business, industry and conservative groups to veto the campaign bill. They all contended it gave too much political power to labor and hobbled the election commission. Despite his financial interest, Mr. Rea-

gan also urged a veto.

In addition to reviving the commission's investigatory and subsidy authority the 30-page measure approved by the President does the following things:

¶ Prohibits the election commission from issuing advisory opinions or political guidelines that state general rules rather than dealing with a narrow specific problem, and makes all past opinions subject to Congressional review.

¶ Limits the power of corporate political action committees to solicit contributions from rank-and-file employees to two anonymous mailings a year but gives such groups free access to middle-management professional and supervisory workers.

¶ Reinstates limits on the amount of money wealthy candidates may invest in their own Presidential campaigns if they also accept Federal subsidies. The Supreme Court had struck down any unconditional ceiling on such spending.

¶ Requires for the first time public reporting of money spent by labor unions to communicate with their members in behalf of favored candidates.

¶ Fills in the details of the Supreme Court's requirement that independent political expenditures, which can be unlimited in size, must not be made in consultation or cooperation with any candidate and must be reported to the commission with a sworn statement to that effect.

¶ Cuts off any matching funds to a candidate 30 days after he receives less than 10 percent of the vote in a second consecutive primary in which he actively competed.

Requirements Simplified

The legislation also simplifies off-year reporting requirements for candidates; imposes new, generally lower limits on the amounts a contributor can give to political committees; increases the maximum cash campaign contribution to \$100 from \$50 and exempts legal and accounting expenditures from campaign spending ceilings.

President Ford signed the bill several hours after meeting with a dozen Republican Congressional leaders, virtually all of whom urged his approval. Several of them called for immediate action, to avoid criticism that Mr. Ford was stalling to deprive his political rivals of money.

Representative Guy Vander Jagt of Michigan, chairman of the House Republican Campaign Committee, said afterward, "The very appearance of personal private advantage ought to be avoided."

In the three months that Congress spent squabbling over the legislation, there were numerous accusations that Democrats favoring Senator Hubert H. Humphrey were deliberately delaying the bill to hold subsidy money away from the party's active primary candidates, but no hard evidence was ever forthcoming.

In April, Republican leaders successfully promoted a two-week lapse, in a Congressional recess, raising the question of whether the President was putting financial pressure on Mr.

Reagan by extending the subsidy freeze.

Actually, by Congressional standards, the legislation was drafted and approved in a relatively short time, considering its length, complexity and the fact that virtually all members regard themselves as experts on campaign law.

The single most sensitive subject in the new law involves political action committees, groups sponsored by either unions or corporations that solicit voluntary contributions and then distribute the resulting money among candidates favored by the sponsoring group.

The election commission ruled last year that corporate committees have the right to seek contributions from employees, a decision that enraged many Congressional Democrats. Today's bill reverses that decision, except for permitting two mailed solicitations that corporations can make of all their workers each year.

Union committees are given the same right to seek contributions from officers and stockholders of the corporation by mail. All such contributions are to be anonymous, to prevent reprisals against those who do not respond.

Republican Congressmen won approval of a provision extending the free solicitation privileges of corporate committees to salaried employees "who have policy-making, managerial, professional or supervisory responsibilities." No one really knows how large this group may be or how likely to contribute.

One key provision that has nothing to do with campaign law increases the amount that Federal officials may earn from speaking fees each year from \$15,000 to \$25,000 and the maximum fee per speech from \$1,000 to \$2,000. This change was strongly pressed by Senators, some of whom double their public salaries on the speaking tour.

House members forced Senate conferees to drop several significant provisions from the bill, including a proposed study of the Presidential nominating process, by threatening to withhold their support from the raise in honorariums.

Resumption of campaign subsidies will ultimately benefit a dozen Presidential candidates, but many of them have already dropped out of active competition. In addition to the funds due to the four leaders, pending payments are: