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Election Agency Recommends Rules on Financing Campaigns

WASHINGTON, Aug. 3 (UPI)—The Federal Election Commission asked Congress today to approve a set of regulations governing all major areas of the Election Reform Act. The regulations will automatically take effect if Congress does not veto any of them within 30 legislative days.

They constitute a rewriting of rules implementing the election law after the Supreme Court action this year upholding public financing of Presidential elections but overturning other sections, including the make-up of the commission.

Some of the major provisions are the following:

¶An individual does not have to become a candidate if he takes polls and otherwise "tests the water" to see if he should run. But if the individual later declares his candidacy, such expenses must be disclosed and count toward his spending limit.

¶If a candidate pays his own "routine living expenses," such as food and lodging, it is not a campaign expense subject to spending limitations.

¶Only contributions in excess of \$100 must be itemized in campaign finance reports required by law. If smaller contributions are itemized, they must be in a separate list from the larger ones of \$100 to \$1,000.

¶Minor children may make political contributions, but it must be proved that they had independent control of the money and are not merely reflecting the wishes of their parents.

¶The unlimited amounts of personal funds a candidate can spend in his own campaign must be funds to which he has "legal and rightful title," including money from income, dividends, trusts, awards and prizes or personal gifts. The Supreme Court ruled that limits on use of personal funds are unconstitutional.

¶Anonymous contributions of more than \$50 cannot be used in Federal campaigns.

Also, a candidate's Federal matching funds can be cut off if he or she fails to report campaign receipts and expenditures as required by law.

WASHINGTON, Aug. 3 (AP)—The proposed regulations include a number of standards

to prevent abuses in the area of independent campaign expenditures.

Federal law limits an individual to a donation of \$1,000 per candidate per election and an overall limitation of \$25,000 in contributions to all candidates in any year.

The Supreme Court ruled in January, however, that it is unconstitutional to limit an individual's right to express his views about a candidate through expenditures that are independent of the candidate's campaign organization.

The commission proposed regulations saying that an expenditure is presumed not to be independent of a candidate's campaign when it is made "based on information about the candidate's plans, projects and needs" supplied by the campaign "with a view towards having an expenditure made" by the person receiving the material.

The regulations also would presume that an expenditure is not independent if it is made by a person who has previously been authorized to raise or spend money for the campaign or who has been a campaign officer or who has been paid or reimbursed by the campaign.

This would rule out as independent expenditures such promotions as the newspaper advertisements taken out in Wisconsin newspapers last spring in behalf of Ronald Reagan by his former Florida campaign manager.

The regulations would also bar any political party committee from making an independent expenditure in connection with the general election campaigns of candidates for the Presidency, House or Senate.