

The Federal Election Commission: a weapon against constituency politics

by Frieda Greenberg

In mid-May, President Reagan called a White House meeting and gave the go-ahead to a Senate drive to abolish the Federal Elections Commission (FEC). The meeting was reported in the *Washington Star* May 15 by columnists Germond and Witcover. Reagan is said to have responded to a suggestion by Sen. Howard Baker, telling Baker, Sen. Paul Laxalt, and White House Chief of Staff James Baker that if they got bipartisan support for the idea, he would support it.

Since the publication of the Germond and Witcover column, some Senate Republicans have discussed limiting the FEC's authorization, but no bipartisan anti-FEC drive has materialized. If a strategy to obtain bipartisan support to abolish the FEC was planned, the Germond and Witcover leak seems to have dampened the effort.

This is not to say there is no controversy surrounding the commission. The FEC's powers include severe restrictions on electoral campaign contributions by individuals and organizations, full disclosure of all contributors, and severe restrictions on campaign spending by candidates. Twenty years ago, the FEC would have been considered a travesty of the U.S. Constitution and the system of republican government embodied in it. Today, the FEC is an accepted, though perhaps grudgingly, fact of life. This is the case despite numerous documented cases of harassment by the commission; despite lengthy and abusive audits and "fishing expeditions"; despite complaints of selective enforcement and unauthorized dispensing of confidential information to the press; and above all, despite the fact that the commission makes illegal the very political process that, as many Americans should still remember, "worked."

Since the commission opened its doors for the 1976 presidential election, individuals from such seemingly diverse groups as the American Civil Liberties Union, the John Birch Society, and conservative Republicans have challenged the FEC for its infringement of First Amendment rights.

Conservative campaigns have frequently scored the commission for harping on harassing detail. In April of this year, counsels for the 1980 presidential campaigns of Ronald Reagan, Jimmy Carter, John Connally, Howard Baker, and a counsel to the Republican National Com-

mittee sent a letter to commission chairman John McGarry expressing their concern "that vague laws and regulations . . . ex post facto interpretation of regulations, the lack of standardized accounting procedures and the extraordinary, almost arbitrary authority given your auditors combine to threaten the campaign process . . . the hyper-technicalities bear little relationship to the basic purposes and policies of the election laws."

A transition report to the Reagan administration prepared by the Heritage Foundation recommended the commission be dissolved. Alternative recommendations from conservatives include eliminating contribution limits and transferring audit procedures to the Government Accounting Office (GAO).

From a different angle, individuals in the Democratic National Committee have attacked the commission for not doing enough to scrutinize campaigns. Russ Hemenway of the National Committee for an Effective Congress (NCEC), who was central in founding the FEC and who remains one of its leading defenders, calls the FEC regrettably "toothless." Other supporters of the FEC have responded to accusations of "nitpicking" with the defense that the FEC pursues petty issues because it lacks the political clout to go after more serious irregularities.

Dissatisfied Democrats tend to blame the GOP for the FEC's impotence, while GOP opponents of the commission blame the Democrats for the FEC's bias and harassment. To date, indications from the congressional oversight committees are that the Federal Election Campaign Act (FECA) will stand unaltered except perhaps for restrictions on political action committees emanating from Sen. Charles Mathias at the Senate Rules Committee.

The real problem with the FEC

If the "controversy" synopsis above is confusing at best, that is only because it represents a false trail left by the real architects of the FEC. Contrary to the accepted history, the founding fathers of the FEC were not the liberal reformers of the NCEC, the Kennedyites, or the Socialist International elements of the AFL-CIO and Democratic Party. These individuals are merely deployables of a highly integrated political intelligence

network featuring the Aspen Institute for Humanistic Studies; it includes such sister bodies as the London International Institute for Strategic Studies (IISS), the Twentieth-Century Fund, and the Club of Rome. This network has been responsible for a social-engineering project designed to destroy constituency politics in the United States as part of a broader strategy to eliminate sovereign nation-states in favor of a "postindustrial" world federalist society.

The Aspen crowd and its associates have pursued three interconnected tracks: first, programs to take control of the American press; second, the deployment of the Twentieth-Century Fund to lead the election reform movement of the late 1960s and early 1970s that culminated in the FEC; and last, the establishment of an ongoing "governance" project to redefine "constituency politics" in the United States.

The assault on constituency politics involves the destruction of the political institutions that represent the population. The argument is that political institutions like trade unions, and business and farm organizations are elitist "interest groups," and that a true democracy is a "participatory democracy" where an unmediated population participates directly in the political process. In reality, this formula removes the ability of the population to effectively assert their interest, while leaving them prey to the manipulations of the mass media, controlled by an oligarchy.

In a March 1980 interview, Douglas Cater, the head of the Aspen "governance" project, described the Aspen policy: "We have given too much power to the average citizen. . . . These little people will destroy us. They force politicians to play for an audience, to please constituencies, uneducated, stupid constituencies, who know nothing about the way the real world works. . . . I propose that we create a new federalism, a new internationalism based not on these poor stupid uninformed people, but on an elite, an elite that imposes reality. That says what is real. I think that the idea is to act like Walter Lippmann . . . to create a new brain trust for the 1980s and have it change the way we run this country. We must end mass democracy." Cater said of the President: "Reagan thinks in the other direction. The candidate of the little man, exactly the wrong way to go."

Cater's "elite" means oligarchy; it should not be confused with the notion of a republican elite like that which founded the nation. While Cater et al. cite Alexander Hamilton to back up their oligarchical ravings, Hamilton was, contrary to Cater, part of a republican elite committed to an educated, informed citizenry.

Constituency politics made illegal

The Federal Election Campaign Act was designed to force a shift in the composition of the major parties. In this sense it was the culmination of a *systematic*

campaign beginning in the 1950's to make constituency politics illegal.

The operation required the complicity of individuals in federal and local government, the press, and the legal profession. Today this network exists through elements of the FBI, the Public Integrity Section of the Justice Department, the Justice Department's Organized Crime Strike Forces, and U.S. attorneys, the press, the General Accounting Office, and among staff members of congressional committees including the Senate Labor Committee, the Senate Permanent Investigations Subcommittee, and the Senate Ethics Committee.

The campaign to make constituency politics illegal

The grey eminence of the FEC apparatus

Since its inception the FEC has been comprised of a combination of former GAO accountants in the auditing staff, and liberal Democrats primarily associated with Ted Kennedy in the general counsel's office.

The FEC's most prominent commissioner is Thomas E. Harris, whose personal career has intersected the wartime and postwar efforts that led to the Aspen project, as well as the Kennedy Justice apparatus that was central to the investigations of organized labor during the 1960s.

Harris's career, which began at the Washington law firm of Covington & Burling, has included:

- 1943: Board of Economic Warfare working in close association with Nelson Rockefeller, who headed the Office of Inter-American Affairs.
- 1945-46: U.S. Military Government in Germany during the psychological warfare operations there.
- 1947-48: Department of Justice, Special Assistant to the Assistant Attorney General for Alien Property Division.
- 1948-55: Assistant General Counsel to the Congress of Industrial Organizations under Arthur Goldberg. Harris was associated with the newly formed Americans for Democratic Action, Hubert Humphrey, and union-buster Joseph Rauh.
- 1955-60s: Associate General Counsel, AFL-CIO.
- 1960s: Worked closely with the Kennedy Justice Department on several projects.
- 1971- : Involved in the election reform movement; helped draft the FECA of 1974; appointed to the FEC in 1975.

took off with the New York Waterfront Commission investigations and the Justice Department's "Get Hoffa Squad" in the 1950s. The charge in the courts and the press was that organized labor, i.e., the longshoremen, and the Teamsters, was organized crime.

This assault on two of the most powerful constituency organizations in the country was expanded when, in 1968, under Attorney General Ramsey Clark, a decision was made to enforce the Federal Corrupt Practices Act (FCPA) of 1925 for the first time in more than 15 years. The act barred corporations and labor unions from making direct contributions to federal candidates. Its enforcement scandalized the relationship between certain industries and unions and certain public officials. What followed were probes and indictments of officers of the Seafarers International Union (SIU) and the United Mineworkers (UMW). Targeted as well were the shipping, dairy, commercial banking, and aerospace industries. The Nixon administration, with its significant labor and industry base, was under intense pressure from within the administration and the Congress to continue the probes. U.S. attorneys and the federal

grand juries were already in motion.

Public officials were selectively held responsible for *the receipt of contributions!* In 1970, Representatives Garmatz, Boggs, Rivers, and Senator Magnuson were among 15 congressmen implicated in the receipt of contributions from the shipping industry and the SIU. When UMW President Tony Boyle and other union officials were indicted by a federal grand jury for contributions to Hubert Humphrey, the Justice Department determined that Humphrey was not complicit.

As the probes continued, the U.S. attorneys and the press moved increasingly toward President Nixon, indicated by the indictment in October 1970 of SIU president Hall just as Nixon signed a bill to help the merchant marine industry. The *New York Times* editorialized that the contributions from the SIU to Nixon "paid off."

From this point through Watergate and Nixon's resignation, the "election reform" drive was led by a task force of the Twentieth-Century Fund that included the National Committee for an Effective Congress, Common Cause, and congressional liberals including

Campaign groups cite FEC violations

In 1976, the FEC filed a civil complaint against the Central Long Island Tax Reform Immediately Committee (Clitrim) charging it with failure to report as a political action committee. Clitrim had published and distributed a pamphlet costing approximately \$100 that called for lower taxes and less government. In a February 1980 decision handed down by the U.S. Court of Appeals in the Second Circuit, the court found in favor of Clitrim, holding that the FEC had, in fact, overstepped its authority.

The FEC has not desisted since this decision. In April 1981, representatives of the 1980 presidential campaign committees of Ronald Reagan, Jimmy Carter, John Connally, Howard Baker, and a representative for the Republican National Committee jointly submitted a letter of protest to FEC chairman John McGarry, charging:

- **Retroactive application of legal principles.** "If the Commission wishes to adopt one particular notion of 'reasonable' behavior, it should do so prospectively by way of new regulations—not substitute its judgment for that of committees which have acted in good faith." The letter pointed out the multitude of challenges made by the FEC over allocations of phone,

travel, and other campaign expenses.

- **Lack of access to information.** "At critical stages during the audit process committees are denied access to information that bears directly on issues of interest to them . . . although committees receive a copy of the preliminary audit report, the General Counsel's comments on that report are not available."

- **Lack of a hearing.** "Committee officials have no opportunity to present their case orally to the members of the FEC at any point during the audit process."

- **Length of audit process.** Committees must stay in operation long after the close of the campaign solely to interact with the FEC during their frequently long audits, incurring large staff and office costs.

In the overall environment created by the already noted FEC policies, a wide-ranging variety of harassment has been reported by campaign committees. To date, the FEC has subpoenaed 32 contributors to the Citizens for LaRouche Democratic presidential campaign concerning contributions well below the contribution limit. Yet the FEC has indicated no probable cause for its probes. The LaRouche campaign committee has even been questioned regarding expenditures for Mr. and Mrs. LaRouche's dog and cat. Last year, the commission also challenged the cost of having a masseur in the Bush campaign entourage for about two weeks when the candidate was working 14-hour days.

former Rep. John Anderson and his top aide, David Stockman. *David Stockman, the "opponent of government regulation," is credited with writing the 1971 Federal Election Campaign Act.* While George McGovern and Joseph Califano pushed for the elimination of federal campaign contributions replaced by 100 percent financing through the U.S. Treasury (for "established" campaigns), they settled for the FECA of 1974. This was enacted several days after Nixon's 1974 resignation. The linkage had been clearly made: Nixon's ties to certain constituencies were a crime.

At this point a transformation was well under way to alter the composition of the political parties. The limitations on contributions and the fear of overt labor/business/public-official relations helped the demise of traditional party politics.

Democratic Party officials admit that the GOP has beat them in mastering the election reform laws. These officials have initiated major fundraising programs to better compete with the Republicans, while Socialist International elements among Democrats are promoting fragmentation into several ideologically based parties. GOP officials have expressed self-satisfaction with the Reagan victory, crediting direct-mail schemes for the fact that the victory was the most significant "constituency" mobilization for a candidate in more than a decade.

Abolish the FEC

For President Reagan, the question of the FEC is critical. The proposals he has received to abolish the FEC, i.e., raise or remove contribution limits, and turn over auditing and enforcement to existing agencies like the GAO and the Department of Justice, could worsen and, at best, certainly not repair the damage done to American politics. Properly executed, the abolition of the FEC means cleaning out the networks within the Justice Department, the Congress, and the administration itself that have been and continue to be part of the Aspen project. For example, OMB head David Stockman was, in his previous life, a founding father of the FEC. Stockman remains on record in agreement with all key aspects of the Aspen Institute program.

These networks have most recently carried out the Abscam-Brilab-Pendorf entrapments. These are also the networks who are trying to bring down Mr. Reagan through desperate efforts to involve his constituents—the Teamsters, his congressional base, and his personal associates—in a new "Watergate."

The Congress must seriously reflect on the last twenty years. Recognizing the history of the subversion of American constituency politics, Congress should repeal the FECA of 1974, and reaffirm the political process specified in the U.S. Constitution that is the very foundation of the Republic.

Anti-Volcker moves shake up Washington

President Reagan's economic recovery program is doomed unless interest rates are brought down, according to spokesmen of the National Coalition to Reduce Interest Rates who told a large Washington press corps turnout June 22 that the nation needs: 1) an immediate lowering of interest rates; 2) the removal of Paul Volcker as chairman of the Federal Reserve; 3) emergency lower-interest credit for productive industry; 4) increased congressional oversight of the Fed; and 5) amendment of the Federal Reserve Act to ensure "that in the future, there will always be long-term, low-interest credit accessible to productive industry," in the words of coalition chairman Stan Hoynitski.

Hoynitski heads the Pennsylvania car-retailers association. Also on the steering committee are Lloyd McBride, United Steelworkers (USWA) president; John McCarrel, UAW local 544 (Pittsburgh) president; and Mike Bonn, USWA local 2227 (Pittsburgh) president.

Hoynitski stressed that continued high interest rates threaten the economies, and therefore the national security, of every nation in the Western alliance, then pointed to statements by Japanese and European leaders indicating that they will make this a number-one priority for discussion at the Ottawa heads of state summit in July.

Jim Smith, who spoke for USWA head Lloyd McBride, stated: "The experiment that Volcker is trying is not a new experiment, nor is it one where we don't already know the results. . . . The results of the Thatcher program [in Britain] have been that inflation is higher and the number of people at work is lower." Wouldn't lowering interest rates cause more inflation? asked a *Money* magazine reporter. "No," said Smith. "High interest rates cause inflation." "After 18 months of Volcker's program," added Hoynitski, "inflation should be down nearly 6 percent—and it isn't." Further, Hoynitski explained, the Volcker measures cause "Eurodollars to pour into this country" to take advantage of high rates, aggravating inflation.

Mike Bonn of the Steelworkers reported: "The steel industry is stagnant, it's old and has to be rebuilt—or we fight our next war with rubber bullets, not steel."

UPI, Reuters, Public Affairs Broadcasting, the Field News Service and others questioned the spokesmen for nearly an hour with Hoynitski reporting on morning meetings with Democratic Senators Boren, Melcher, Pryor, Sasser, and Zorinsky.