

*Home Builders (National Assn of Homebuilders)  
Washington Hilton  
Wash. D.C.  
Sunday,  
May 23,  
1976*

*Reaping Return  
from last election  
Lambert on  
cutful losses -  
(Lynch)*

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I HAVE BEEN ASKED TO COMMENT BRIEFLY ON POLITICAL ACTION AND THE IMPORTANCE OF BECOMING INVOLVED IN THE POLITICAL PROCESS. THE BEST REASON I KNOW IS THAT IT IS IN YOUR BEST INTEREST, BECAUSE ONLY THROUGH YOUR INPUT WILL YOUR INDUSTRY AND THOSE YOU SERVE BE APPROPRIATELY REPRESENTED.

*W. J. ...  
...*

ON A LARGER SCALE, YOUR INVOLVEMENT AND THE INVOLVEMENT OF THOSE WHO SHARE YOUR PHILOSOPHY IS ESSENTIAL IF WE ARE TO PRESERVE THE FREE ENTERPRISE SYSTEM. CONGRESSIONAL LIBERALS WITH THE SUPPORT OF THE LABOR BOSSES HAVE BEEN EXPANDING FEDERAL REGULATIONS, INCREASING FEDERAL DEFICITS, AND PUNISHING FREE ENTERPRISE TO THE POINT THAT ITS CONTINUED EXISTENCE IS IN QUESTION. IT IS TIME FOR THOSE WHO BELIEVE IN THE FREE ENTERPRISE SYSTEM TO STAND UP AND BE COUNTED.

I WOULD LIKE TO DISCUSS TWO SEPARATE BILL -- THE COMMON SITU PICKETING BILL AS AN EXAMPLE OF AN EFFECTIVE LOBBYING EFFORT, AND THE FEDERAL ELECTION COMMISSION BILL, ON WHICH YOUR POSITION WAS NOT AS STRONGLY REPRESENTED. THE FEC BILL IS ALSO INSTRUCTIVE IN TERMS OF WHAT AVENUES OF POLITICAL INPUT WILL BE AVAILABLE TO YOU IN THE FUTURE.

COMMON SITUS PICKETING

LET'S START WITH THE COMMON SITUS PICKETING BILL. ORGANIZED LABOR HAD A POSITION ON THE BILL THAT WAS NEVER IN DOUBT. IT PASSED THE SENATE BY A VOTE OF 52 TO 45.

AND THE 52 SENATORS WHO VOTED FOR IT RECEIVED FROM ORGANIZED LABOR IN THEIR LAST ELECTION CAMPAIGNS, AN AGGREGATE OF \$3,222,155. THAT IS A STAGGERING FIGURE, ESPECIALLY WHEN YOU CONSIDER THAT THESE CONTRIBUTIONS ARE ONLY A PART -- AND BY SOME ESTIMATES, ONLY THE SMALLER PART -- OF LABORS' TOTAL CONTRIBUTIONS OF MONEY, PLUS "IN-KIND" CONTRIBUTIONS SUCH AS MAILINGS, PHONE BANKS, AND "VOLUNTEER" SERVICES. IT IS EVEN MORE STARTLING WHEN YOU CONSIDER THAT ON THE MOST SIGNIFICANT MOTION TO END DEBATE AND BRING THE BILL TO A VOTE, LABOR WAS ABLE TO GAIN THE SUPPORT OF AN ADDITIONAL 16 SENATORS WHOSE CONTRIBUTIONS ARE NOT INCLUDED IN THESE FIGURES. THE 229 MEMBERS OF THE HOUSE OF REPRESENTATIVES WHO VOTED FOR THE BILL RECEIVED CONTRIBUTIONS FROM ORGANIZED LABOR TOTALLING \$2,449,170.

IN-KIND ASSISTANCE

BUT FINANCIAL ASSISTANCE ISN'T NECESSARILY LABOR'S POLITICAL ACTION FORTE. IN 1971, CONGRESS APPROVED A RELATIVELY OBSCURE AMENDMENT TO THE CAMPAIGN LAW THAT EXPANDED RADICALLY THE POLITICAL POTENTIAL OF UNIONS. IT PERMITTED THEM TO SPEND ANY AMOUNT OF THEIR RESOURCES TO COMMUNICATE WITH THE MEMBERS ON POLITICAL SUBJECTS. EXPENDITURES FOR THE INTERNAL COMMUNICATIONS DO NOT HAVE TO BE REPORTED, NOR DO THEY COUNT AGAINST CANDIDATE-SPENDING CEILINGS.

UNDER THIS PROVISION LABOR BOSSES LAST SEPTEMBER SPENT THOUSANDS OF DOLLARS ON MASS MAILINGS, DOOR-TO-DOOR CANVASSES, AND PHONE BANKS IN THE STATE OF NEW HAMPSHIRE SPECIAL SENATE ELECTION. IN A MORE RECENT NEW YORK HOUSE ELECTION, UNIONS BOASTED THAT THEY SPENT \$20,000, MADE 60,000 PHONE CALLS, AND DISTRIBUTED 50,000 PIECES OF LITERATURE TO THEIR MEMBERS. ALL ACTIVITIES WERE TOTALLY PARTISAN, BUT NONE WERE REPORTED NOR ACCOUNTABLE AGAINST CAMPAIGN CEILINGS. THE IMPORTANCE OF THIS ELECTION LAW LOOP-HOLE WAS ILLUSTRATED RECENTLY WHEN ATTEMPTS IN THE SENATE TO REQUIRE ONLY A REPORTING OF THESE POLITICAL INTERNAL COMMUNICATIONS BY BOTH UNIONS AND CORPORATIONS BROUGHT OUT THE LABOR VOTE AND TIED UP THE SENATE FOR TWO DAYS.

I MENTION THESE FACTS TO ILLUSTRATE THAT THE "OTHER SIDE" IS DOING ITS JOB. YOU SUCCESSFULLY BLUNTED THE THRUST OF THEIR EFFORT ON THAT LEGISLATION BUT THAT IS ONLY ONE OF MANY ISSUES ON WHICH YOU AND BUSINESS INTERESTS ACROSS THE NATION SHOULD HAVE INPUT.

A PIECE OF LEGISLATION WHICH NEEDED MORE INPUT FROM THE BUSINESS COMMUNITY WAS S.3065, THE FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS. THIS BILL IS IMPORTANT TO YOU NOT ONLY BECAUSE IT AFFECTS THE MANNER IN WHICH YOU CAN HAVE INPUT INTO THE POLITICAL PROCESS, BUT ALSO BECAUSE IT WILL HAVE AN IMPACT ON WHO YOU HAVE IN CONGRESS VOTING ON MATTERS OF IMPORTANCE TO YOU. PROVISIONS OF THIS BILL WHICH HELPED UNION BOSSES WHILE LIMITING POLITICAL ACTIVITY IN THE BUSINESS SECTOR INCLUDE THE FOLLOWING:

- 1) A PROVISION WHICH GIVES A LABOR-DOMINATED CONGRESS THE RIGHT TO VETO IN WHOLE OR IN PART WHATEVER THE FEDERAL ELECTION COMMISSION DECIDES.
- 2) A PROVISION WHICH ENCOURAGES SECRET, ANONYMOUS GIVING IN CASH UP TO \$50 AT A TIME WITH NO PRACTICAL RESTRICTIONS ON HOW OFTEN, OR WITH WHOSE MONEY, A PERSON COULD MAKE SUCH ANONYMOUS CASH GIFTS.
- 3) A PROVISION WHICH CONTINUED A LABOR UNION PRESENT LICENSE TO SPEND UNLIMITED FUNDS CONTACTING UNION MEMBERS FOR PARTISAN PURPOSES.

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- 4) SEVERE RESTRICTIONS ON CORPORATE NON-PARTISAN COMMUNICATIONS SUCH AS VOTER REGISTRATION AND GET OUT THE VOTE CAMPAIGNS.
- 5) LIMITATIONS OF CORPORATE SOLICITATION OF RANK AND FILE EMPLOYEES.

AND THE LIST GOES ON.

THIS IS THE LEGISLATION WHICH PASSED WITH THE ENDORSEMENT OF COMMON CAUSE AND OTHER SO-CALLED "ELECTION REFORM" GROUPS. I HAVE NO OBJECTION TO THE INDUCEMENT FOR LABOR INVOLVEMENT WHICH WAS INCLUDED IN THE BILL, BUT IT DOES SEEM THAT THE SAME PROVISIONS SHOULD APPLY TO BUSINESS.

#### THE VALEO DECISION AND INDEPENDENT INVOLVEMENT

ANOTHER IMPORTANT POLITICAL ACTION OPPORTUNITY FOR BUSINESS WAS CREATED BY THE RECENT SUPREME COURT VALEO DECISION. IN THAT DECISION, THE COURT MADE A VERY IMPORTANT DISTINCTION. THAT IS ITS DISTINCTION BETWEEN POLITICAL EXPENDITURES MADE IN BEHALF OF A CANDIDATE AND "CONTROLLED BY OR COORDINATED WITH" HIS CAMPAIGN, AND THOSE POLITICAL EXPENDITURES MADE IN BEHALF OF A CANDIDATE BUT MADE INDEPENDENTLY FROM THE CANDIDATE AND HIS CAMPAIGN.

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IN THE FIRST INSTANCE, SUCH EXPENDITURES ARE EFFECTIVELY LIMITED BECAUSE THE AMOUNTS OF CONTRIBUTIONS TO PAY FOR THEM ARE SUBJECT TO LIMITATION UNDER THE LAW.

BUT THE SECOND CATEGORY OF EXPENDITURES ARE THOSE WHICH AN INDIVIDUAL OR AN ORGANIZATION -- SAY A POLITICAL ACTION COMMITTEE -- MIGHT MAKE IN SUPPORT OF A CANDIDATE BUT WITHOUT THE CANDIDATE'S KNOWLEDGE, PERHAPS, AND CERTAINLY WITHOUT HIS CONTROL.

THOSE EXPENDITURES, UNDER THE COURT'S RULING, ARE EFFECTIVELY UNLIMITED.

AND YOU CAN BET THAT GEORGE MEANY AND HIS NUMEROUS MINIONS WILL EXPLOIT THOSE PROVISIONS OF THE LAW TO THE MAXIMUM TO FURTHER THEIR POLITICAL GOALS.

IF BUSINESS DOESN'T DO THE SAME, IT WILL BE YOUR FAULT AND OURS. FOR THE FLEXIBILITY IN THE LAW PERMITS YOU TO MAKE IMPACT -- INDEPENDENTLY -- ON THE SHAPE OF THE 95TH CONGRESS, AS WELL AS THE WHITE HOUSE.

MY POINT IS THAT THERE ARE NOW AVENUES FOR INVOLVEMENT, AND I URGE YOU TO TAKE ADVANTAGE OF THEM.