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ACTION:

Remarks by Senator Prouty

CAMPAIGN REFORM

Mr. PROITTY. Mr. President, several days ago, the distinguished Republican leader (Mr. Scorr) placed in the Record an itemized account of all outstanding debts and negotiated settlements associated with the last few election campaigns. This list set out in detail "who owes how much to whom and for how long."

If campaign reform is to mean anything at all, it certainly should mean that no candidate is entitled to a special advantage over his opponent. As the ranking Republican member of the Committee on Rules and Administration, I supported Senator Scorr's amendment prohibiting the extension of unsecured credit to candidates by certain businesses because I felt that the amendment put everyone on notice that no one is entitled to a free ride.

Mr. President, I ask unanimous consent to have printed in the Record several news accounts pertaining to Senator Scorr's investigation and his amendment.

There being no objection, the items

was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, July 24, 1971]
WHEN THE CANDIDATES FLY NOW, NOBODY BOTHERS TO PAY LATER

WASHINGTON — Airlines are struck with over \$21 million in unpaid debts run up by political candidates and their campaign organizations. Telephone companies have nearly \$400,000 in similar unpaid bills.

In addition to the Democratic and Republican National Committees, debtors listed include President Nixon, the late Robert F. Kennedy, Senator Hubert H. Humphrey (D., Minn.) and former Senator Eugene J. McCarthy (D., Minn.).

The Senate GOP leader, Hugh Scott, put the figures in the *Congressional Record* yesterday in urging adoption of an election-reform bill amendment to curb political debtors.

This business of trying to run political campaigns on the cuff is distinctly unfair and places a burden which not only should not be on the companies but is actually forcing them into making involuntary and illegal contributions, the Pennsylvanian told the Senate.

In talking with newsmen he cited Mr. McCarthy, who he said apparently is going to run for President again, as one who doesn't run a shirt-sleeve campaign but one on the cuff.

Examination of the documents Mr. Scott put on record showed that American Airlines alone reported that as of last April 30 it had outstanding debts of \$1,337,834 incurred by candidates or federal office from 1962 on.

LISTING OF DEBTS

Here is the list: It gave of candidates or political organizations and the amount owed by each:

Republican National Finance Committee, \$151,871; Richard M. Nixon, \$69,376; National Democratic Committee, \$26,833; Robert F. Kennedy, \$415,120; Hubert H. Humphrey, \$178,762; and McCarthy for President, \$135,872.

R. M. Bressler, vice president and treasurer of the airline, said in a letter to the Civil Aeronautics Board that because of "the substandard credit relations" it has experienced with candidates, it now is asking for personal guarantees in all cases.

WRITE-OFFS, SETTLEMENTS

Trans World Airlines, in a June 2 report to the Civil Aeronautics Board, said its outstanding accounts showed \$221,519 owed by United Democrats for Humphrey, \$25,091 for a Humphrey charter, and \$13,196 by the GOP National Committee.

Trans World also reported that on February 24, 1969, it had written off \$6,887 by McCarthy for President, and on November 14, 1968, had settled for \$9,485 a debt of \$16,352 owed by McCarthy for President.

Other airlines also reported unpaid campaign debts, as did AT&T, Western Union and General Telephone and Electronics. An itemization of unpaid telephone bills covered page after page.

An unpaid Kennedy for President account totaling \$1,000 was reported as settled in July 1969 for \$15,395.

"LARGE DEBTS . . . NO MONEY"

Nation Flying Service, Inc., of Missoula, Mont., reported that still unpaid is a \$2,610 bill incurred on September 20, 1968, by Mr. Humphrey and charged to the Democratic National Committee.

The company said it had tried to collect but they state that they cannot pay as they have a large quantity of debts and no money.

Mr. Scott's amendment to the election reform bill would prohibit extension of unsecured credit to candidates for federal office by airlines, telephone companies and other industries regulated by the government.

He previously had requested the General Accounting Office to compile a report on all outstanding debts of candidates to such companies, along with any negotiated settlements.

NEARLY COMPLETE

Mr. Scott said the report is nearly complete and reveals "totally unacceptable campaign practices by both political parties not to mention the federal common carriers themselves."

Corporate contributions to political campaigns are forbidden by law, but Mr. Scott said that if a candidate fails to pay his bills, he has in effect received an involuntary contribution.

[From the Washington Post, July 24, 1971]

SCOTT ASKS CAMPAIGN CREDIT BAN

Senate Republican Leader Hugh Scott yesterday proposed forbidding political candidates to put telephone, telegram, travel and similar campaign expenses on the cuff.

Scott introduced his move, proposed as an amendment to a pending bill to limit campaign advertising expenses, was aimed at Democratic presidential contenders.

"Isn't that the name of the game?" he asked newsmen with a grin.

Scott's amendment would bar certain federally regulated industries such as airlines, telephone companies and the like, from extending "unsecured credit" to political candidates—in other words, no unlimited charge accounts.

He said both parties and their candidates still have enormous bills outstanding from previous campaigns, such as \$268,000 owed by the Democrats and \$112,000 by the Republicans to Eastern Airlines alone.

Scott said the worst offender is former Sen. Eugene J. McCarthy (D-Minn.), an unsuccessful contender for the 1968 Democratic presidential nomination who it is said will enter next year's primaries in another bid for the White House.

Scott said McCarthy still owes \$475,000 to just one telephone company from his 1968 effort.

"He favors everything except paying his bills," Scott said. "McCarthy doesn't run a shirt-sleeve campaign, everything is on the cuff."

He said there are also thousands of dollars in bills still unpaid from the 1968 campaign of the late Sen. Robert F. Kennedy (D-N.Y.) for the presidential nomination, including one of \$44,000 to American Airlines.

Scott put a lengthy list into the Congressional Record of what he said were documented unpaid campaign debts for both parties and their candidates.

The documents, in the form of replies from officials of affected companies to requests of the Civil Aeronautics Board and the Federal Communications Commission, showed that even President Nixon had whopping unpaid bills from his 1968 campaign.

American Airlines reported its balance due from Richard M. Nixon as of April 30 this year of \$69,376—\$2,656 left over from the election year and \$66,710 incurred in 1969. United Airlines reported the Nixon-Agnew campaign still owe them \$75,189.

American also listed an unpaid balance for Sen. Hubert H. Humphrey (D-Minn.), Nixon's 1968 opponent, of \$138,762. United said the Humphrey-Muskie ticket is indebted to them for \$72,763.

Several officials said they have written off some of the campaign debts as uncollectable. R. M. Bressler, vice president and treasurer of American, said "We now ask for personal guarantees in all cases involving individual candidates and can report we have declined the applications of at least two well-known candidates in the last year where guarantees have not been forthcoming."

[From the Washington Star, July 23, 1971]
SCOTT HITS 1968 AIR TRAVEL, PHONE DEBTS.
(By James D. Gle)

Senate Minority Leader Hugh Scott, R-Pa., disclosed today that inquiries to government regulatory commissions had revealed that Democratic and Republican political candidates owe more than \$2.1 million in outstanding airline bills and nearly \$499,000 in outstanding telephone bills.

Scott submitted an amendment to the proposed Federal Elections Campaign Act of 1971 to forbid the granting of unsecured credit by the transportation and communications industries.

Scott said his amendment would permit the candidates to use credit cards, as they do now, but would prohibit the companies from issuing cards if the candidates' ability to pay was dubious.

Scott introduced information from a number of companies indicating that they are unable to require huge deposits from candidates because they could not pinpoint the volume of business the candidate would generate and were prohibited by non-discriminatory clauses in federal regulations from setting a high deposit figure.

Scott said that most of the outstanding debts belong to Democratic candidates and the Democratic National Committee.

His figures showed that as of April 30, 1971, the Democratic National Committee had an outstanding debt with American Airlines of \$426,833, most of it left over from the 1968 campaign.

The Robert F. Kennedy political organization owed American Airlines \$415,120; the Hubert Humphrey campaign owed \$138,762, and the Eugene McCarthy campaign owed \$135,872.

The Richard M. Nixon campaign owed American Airlines \$69,376, and the Republican National Finance Committee owed American \$151,871.

Almost all of these debts dated back to the 1968 presidential campaign.

Trans-World Airlines listed debts of \$246,000 for the Humphrey campaign and \$13,000 for the Republican National Committee.

A debt of \$16,352.36, incurred by the McCarthy campaign in 1968 was settled for a payment of \$9,485. TWA reported, and another McCarthy debt of \$6,887.36, incurred in 1968, was written off Feb. 24, 1969.

TWA said political debts "are handled in the same manner as any other account" but did not explain the criteria for negotiating a less payment or completely writing off a debt.

United Air Lines listed an outstanding debt of \$79,000 for the Humphrey-Muskie campaign and \$75,000 for the Nixon-Agnew campaign. The Nixon campaign used United charters throughout 1968 and 1970.

An outstanding debt of \$12,000 was listed by United for the Democratic National Committee with the notation "incurred by R. F. Kennedy."

Eastern Airlines listed a Humphrey-Muskie debt of \$203,000 and a Republican National Committee debt of \$112,000.

Western Airlines said it had no outstanding campaign debts, but had written off a "ticket by mail" invoice for \$376.00 incurred in May, 1968, by "Senator Ted Kennedy and a Mr. Burke," and written off in September 1969.

The American Telephone & Telegraph Co. submitted a breakdown for its various regional companies, and said it wrote off some debts "after a significant collection effort has been made" without success.

The breakdown did not segregate Democratic and Republican candidates but it showed written-off debts of \$2,200 in Pennsylvania, \$6,000 for Pacific Bell Telephone, \$7,700 for New England Telephone Co., \$1,200 for Michigan Bell and \$48,000 for Indiana, all of it from the McCarthy for President campaign.

The McCarthy campaign had another \$5,000 debt written off by Northwestern Bell.

The General Telephone Companies submitted similar figures showing a total indebtedness from political campaigns of \$22,221.74.

Scott said the total outstanding debt to AT&T was about \$75,000 for the Democrats.