

November 30, 1979

Charles Koch
P.O. Box 2256
Wichita, KS 67206

Dear Charles:

This is an update on the progress of the lawsuit against aspects of the FECA, being handled by the Washington Legal Foundation.

As a matter of strategy, the attorneys have chosen to file a series of suits, instead of one omnibus suit. The first will be a challenge to the portion of the Act which affects independent spending. As you know, there are no limits on an individual's direct independent expenditure, but there is a \$1,000 limit on what you could give to a group that is making an independent expenditure on behalf of a candidate. The thrust of the suit is that this limits the freedom of association.

This particular issue isn't of immediate importance to us, but it's a good first step in the context of the whole effort. In addition, Stewart Mott, who has pledged \$25,000 toward the suits, is particularly interested in this issue, since he wants to make independent expenditures.

The second suit involves the postal subsidy of political parties. In 1978, Congress allowed all parties to mail at non-profit rates. Recently, a bill was passed limiting this rate to the two major parties. This will be challenged on equal protection grounds, asking that the rates apply to all or none.

The third suit involves ~~everyone~~, as it applies to us. It will challenge the \$1,000 limitation on contributions to new and minor party candidates, and the attorneys are inclined toward having us as the sole plaintiffs. This will involve a great deal of discovery: finding injured parties,, showing relationships between money and votes, etc., and it's expected to be quite costly.

The parties to the suits include us, Mott, several conservative PAC's, two or three liberal PAC's, McCarthy, the draft William Simon Committee, and possibly a few other minor parties. We are filing the first suit on December 14, with a major press conference scheduled the day before.

So far, so good. Everyone seems to hate the Act and the FEC, and the attorneys love us, since the Libertarians appear to them to be the only "real" minor party. The ACLU is involved in the suit, working with the Washington Legal Foundation, and the ACLU attorney is going out of his way to offer help to us, not only in these suits, but also on ballot access questions in various states.

The problem, as you can imagine, is finances. Right now, we have \$25,000 from Mott, \$10,000 from you, \$5,000 each from two conservative groups, \$5,000 pledged from a liberal group, and a few thousand miscellaneous raised by the McCarthy people and me. According to lawyers, this will get us through the first two suits from start to finish, but they expect that another \$50,000 would be needed for the minor party contribution limit suit. Most of the other plaintiffs aren't exactly tearing down the walls in their eagerness to contribute, because I think they're hoping that Mott and possibly you will contribute more. (Your name is now indiscriminately bandied about in these meetings, but everyone is aware that I raised \$10,000 from "my source" and I've gotten a few hungry looks.)

I feel very strongly that these suits are important and worthwhile, and I'm quite impressed with the lawyers who are involved. I think our credibility and standing among the parties in this effort has increased tremendously.

I should make it clear that I'm not asking for or hinting at another contribution from you, since I think that Libertarians have done more than "our share" at this point, and only Mott and the McCarthy people have done as much. But I would like to know the extent of your interest in these actions; whether or not you would like to be kept informed on a regular basis, and to what extent you would like to pursue the matter.

Please let me know your thoughts on this.

Cordially,

Chris Hooker
National Director

GH/gj