

FEDERAL ELECTION COMMISSION
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WALLACE ROYALTY PAYMENTS
PERMITTED BY FEC

Washington - September 18 - George Wallace may legally receive royalty payments from the Wallace Campaign Committee for use of his photograph on campaign materials sold by the committee to the public, the Federal Election Commission ruled today.

In issuing AO 1975-15, in response to a request by the Wallace Committee to rule on a Wallace royalty contract, the Commission said, however, "The Commission would be less than frank if it failed to note its disapproval in principle of any practice whereby a candidate personally profits from campaign contributions."

The Commission noted that a 1971 election act provision repealed the provision that would likely have precluded such a royalty payment.

The Commission stated further that "since both the royalty payment and the cost of procuring the items from the suppliers are necessary expenses incurred to provide an inducement for the making of a contribution, they will be regarded as expenditures...and chargeable against the candidate's expenditure limitation (in the law.)"

The Commission ruled that the total amount received from the sale of Wallace campaign materials will be considered a contribution from the purchaser.

The Commission said, "The items offered by the Campaigns are an inducement to the contributor to give money the same as a dinner or other social event held for the purpose of fundraising."

However, funds received from the sale of Wallace Committee campaign materials will not be considered a contribution for the purpose of obtaining matching funds. The Commission noted that the section of the law governing eligibility for matching funds strictly limits the definition of contribution to "a gift of money." "It is the Commission's view that the purchase price for an item with significant intrinsic and enduring value is not a contribution within this definition