

# FEDERAL ELECTION COMMISSION

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## FEC TESTIFIES ON STATUS OF PRESIDENTIAL ELECTION FUND -Primary Candidates Could Be Shortchanged -

WASHINGTON -- An projected lack of public funds could shortchange qualified 1992 presidential candidates during the height of the primary season, according to Federal Election Commission testimony today before a House Subcommittee on Elections.

FEC Chairman John Warren McGarry testified that a proposal under consideration at the Treasury Department would deplete public funds needed for primary campaigns by prepaying the costs of the general election and the national party conventions.

"The Treasury Department's proposal magnifies a \$3 million shortfall into a \$12 million cash flow crisis at the most critical time of early primaries," said McGarry. "The FEC proposal would smooth out the projected shortfall over the entire primary season."

McGarry said the current solvency of the Presidential Election Campaign Fund is based on two major causes: a declining participation by taxpayers who voluntarily designate one dollar to the fund on their income tax returns, and a structural imbalance that increases the Fund's spending each election while holding receipts for each "check off" to one dollar.

McGarry reported that a modest public education program, which included television and radio public service announcements and the creation of a new brochure, was initiated by the FEC earlier this year. The Commission also issued a report based on a series of focus group studies designed to help determine public opinion and understanding of the program.

Without a legislative cure, Commission projections for the 1996 Presidential election foresee the collapse of the primary matching fund program and a severe cut in the general election grants, said McGarry.

The FEC, in its annual legislative recommendations to Congress, suggested a number of possible statutory changes to eliminate the Fund's current and long term woes.

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