agency in whose program such child participates an amount equal to the sums received by such State agency under this section which are attributable to such child, to be used for the purposes set forth in subsection (c).

SEC. 2. The Clerk of the House of Representatives in the enrollment of such bill is further authorized and directed to make the correction described in the following sentence. In section 252 of the bill, strike "Title IV" and insert in lieu thereof "Title V".

SEC. 3. The Clerk of the House of Representatives in the enrollment of such bill is further authorized and directed to make the correction described in the following sentence. In the title of section 612 of the bill, strike out "Office" and insert in lieu thereof "Bureau".

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the concurrent resolution (H. Con. Res. 583) was considered and agreed to.

LEGISLATIVE PROGRAM

Mr. TOWER. I take this opportunity to ask the majority leader as to what else is contemplated for this evening, and what the business will be for tomorrow and for the remainder of the week, to the extent that he is able to tell now.

Mr. MANSFIELD. Mr. President, there will be no further business this evening, but the first order of business tomorrow will be the bill on atomic energy. I think the big difficulty will be over the Price-Anderson provisions.

Following that, it is anticipated that we will take up Calendar Order No. 1024, H.R. 15581, the District of Columbia appropriation bill, and following that, Calendar No. 975, S. 3569, the so-called Amtrak bill.

If we finish with those three bills tomorrow, we will not meet on Friday. But if we do not finish, we will come in Friday to complete the work which will be begun tomorrow.

Mr. TOWER. I thank the distinguished majority leader.

Mr. MANSFIELD. On Monday, may I say to the distinguished acting Republican leader, the Senate will proceed to the consideration of the unfinished business, which is the Consumer Protection Agency measure, but I believe we will spend some time on Monday on the Housing conference report, which I believe is ready and which the Senator from Alabama (Mr. SPARKMAN) has indicated he will be prepared to take up.

Mr. TOWER. May I ask the majority leader whether it is anticipated that a cloture motion will be filed on Monday on S. 707?

Mr. MANSFIELD. No, I do not think so. Some attention has been given to a previous commitment, and one may be filed, but we are anxious to determine what will happen in that area as soon as possible.

ADJOURNMENT UNTIL 10 A.M.

Mr. MANSFIELD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 o'clock tomorrow morning.

The motion was agreed to; and, at 5:26 p.m., the Senate adjourned until tomorrow, Thursday, August 8, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate August 7, 1974:

CORPORATION FOR PUBLIC BROADCASTING

The following-named persons to be members of the Board of Directors of the Corporation for Public Broadcasting for the terms indicated:

For the remainder of the term expiring March 26, 1978:

Amos B. Hostetter, Jr., of Massachusetts, vice Theodore W. Braum, resigned.

For a term expiring March 26, 1980:

Joseph Coors, of Colorado, vice Albert L. Cole, term expired.

Lucius Perry Gregg, Jr., of Illinois, vice James R. Killian, Jr., term expired.

Lillie E. Herndon, of South Carolina, vice Frank Pace, Jr., term expired.

John Whitney Pettit, of Maryland, vice Robert S. Benjamin, term expired.

IN THE ARMY

Col. Frederick Adair Smith, Jr., xxx-xx-[redacted], U.S. Military Academy, for appointment as Dean of the Academic Board of the U.S. Military Academy under the provisions of title 10, United States Code, sections 4333 and 4335.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 7, 1974:

DEPARTMENT OF STATE

Richard W. Murphy, of Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Syrian Arab Republic.

ENVIRONMENTAL PROTECTION AGENCY

Roger Strelow, of Maryland, to be an Assistant Administrator of the Environmental Protection Agency.

James L. Agee, of Washington, to be an Assistant Administrator of the Environmental Protection Agency.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Wednesday, August 7, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The fruit of the Spirit is in all goodness and righteousness and truth.—Ephesians 5: 9.

Almighty God, who hast gathered our people into a great nation and art calling them to live together with justice and good will, renew our spirits in Thee and restore to us a good relationship with those with whom we live and work.

Look with Thy favor upon those who serve our country here on Capitol Hill. Grant unto them wisdom of mind, strength of character, goodness of heart, and so direct them in their decisions that peace and justice may prevail for the benefit of all our people.

We pray especially for our President, our Speaker, and every Member of Congress. Make them equal to their high tasks, just in the exercise of power, generous in judgment, and always loyal to the royal within themselves.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On July 30, 1974:

H.R. 7207. An act for the relief of Emmett A. and Agnes J. Rathbun;

H.R. 9440. An act to provide for access to all duly licensed clinical psychologists and optometrists without prior referral in the Federal employee health benefits program;

H.R. 11295. An act to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to to carry out such act, and for other purposes; and

H.R. 15461. An act to secure to the Congress additional time in which to consider the proposed amendments to the Federal Rules of Criminal Procedure which the Chief Justice of the U.S. Supreme Court transmitted to the Congress on April 22, 1974;

H.R. 377. An act to authorize the Secretary of the Interior to sell certain rights in the State of Florida; and

H.R. 3544. An act for the relief of Robert J. Beas.

On August 5, 1974:

H.R. 14592. An act to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 566. Concurrent resolution to provide additional copies of hearings and the final report of the Judiciary Committee on the impeachment inquiry.

The message also announced that the Senate had passed with amendments in

which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12281. An act to continue until the close of June 30, 1975, the suspension of duties on certain forms of copper.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11537) entitled "An act to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations, and to authorize the implementation of such programs on certain public lands," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. HART, Mr. Moss, Mr. STEVENS, and Mr. COOK to be the conferees on the part of the Senate.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 15155, PUBLIC WORKS APPROPRIATIONS, 1975

Mr. EVINS of Tennessee. Mr. Speaker, I ask unanimous consent that the managers have until midnight tonight to file a conference report on the bill (H.R. 15155) making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related agencies and commissions for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

PERSONAL STATEMENT

(Mr. HANLEY asked and was given permission to address the House for 1 minute.)

Mr. HANLEY. Mr. Speaker, I rise today to announce that my vote in favor of the Giaimo amendments to reduce funding for the Safeguard ABM system was incorrectly recorded.

I have consistently supported funding for the Safeguard system and I have every intention of continuing to do so.

I believe that continuation of this program is essential to our Nation's efforts to develop a more advanced system such as site defense. The practical experience we would gain in the operation of Safeguard would prove invaluable in the development of site defense.

To support the emasculation of Safeguard now, after nearly 20 years of ABM research and $4.9 billion expended would seem to me to be the height of fiscal folly.

CONGRESSMEN'S STATEMENTS ON WATERGATE INAPPROPRIATE

(Mr. RUTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUTH. Mr. Speaker, there has been some interest in my response to the many questions we have all received concerning the impeachment inquiry. For the record I insert my response at this point.

STATEMENT OF EARL B. RUTH—AUGUST 6, 1974

During the entire Watergate investigation, my feeling has been that statements by Congressmen were not appropriate. Primarily, I have felt that as one sitting on the impeachment jury an open mind is a prerequisite for fairness.

Those who have made premature statements have convinced me that my position is correct. Many of their statements have been influenced by either what they hoped to be true or what they suspected to be fact.

As evidence unfolds, I feel that if and when a Representative is called upon to cast a vote the issue will be more clear-cut, which in reality is the purpose of the investigation.

I realize that the current flurry of comment is due to the President's latest statement and it is very tempting to try interpreting these recent developments. However, with things happening so fast, just as yesterday's statement can have no relevance to events of today, so can today's statement be outmoded tomorrow.

FOURTH ANNUAL REPORT ON GOVERNMENT SERVICES TO RURAL AMERICA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-330)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Agriculture and ordered to be printed:

To the Congress of the United States:

I am transmitting herewith the fourth annual report on Government Services to rural America, as required by the Agricultural Act of 1970.

RICHARD NIXON.

THE WHITE HOUSE, *August 7, 1974.*

PROVIDING FOR CONSIDERATION OF H.R. 16090, FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1292 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1292

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16090) to impose overall limitations on campaign expenditures and political contributions; to provide that each candidate for Federal office shall designate a principal campaign committee; to provide for a single reporting responsibility with respect to receipts and expenditures by certain political committees; to change the times for the filing of reports regarding campaign expenditures and political contributions; to provide for public financing of Presidential nominating conventions and Presidential primary elections; and for other purposes, and all points of order against title IV of said bill for failure to comply with the provisions of clause 4, rule XXI, are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the bill shall be considered as having been read for amendment. No amendment, including any amendment in the nature of a substitute for the bill, shall be in order to the bill except the following: In title I, (1) germane amendments to subsection 101(a) proposing solely to change the money amounts contained in said subsection, providing that said amendments have been printed in the Congressional Record at least one calendar day before being offered; and (2) the text of the amendment to be offered on page 13, following line 4, inserted in the Congressional Record of August 5, 1974, by Mr. Butler. In title II, (1) germane amendments to the provisions contained on page 33, line 17 through page 35, line 11, providing they have been printed in the Congressional Record at least one calendar day before being offered; and (2) the amendment printed on page 26620 of the Congressional Record of August 2, 1974. In title IV, (1) germane amendments which have been printed in the Congressional Record at least one calendar day before they are offered, except that sections 401, 402, 407, 409, and 410 shall not be subject to amendment; and (2) the text of the amendment printed in the Congressional Record of August 2, 1974, at page 26520 which amendment shall be in order, any rule of the House to the contrary notwithstanding: *Provided, however*, That not withstanding the foregoing provisions of this resolution, amendments to any portion of the bill shall be in order, any rule of the House to the contrary notwithstanding, if offered by the direction of the Committee on House Administration, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 456]

Biaggi	Gude	Powell, Ohio
Blatnik	Hansen, Idaho	Randall
Brasco	Hansen, Wash.	Rarick
Burke, Calif.	Harrington	Reid
Chisholm	Harsha	Riegle
Clark	Holifield	Rooney, N.Y.
Clay	Ichord	Roybal
Conyers	McKinney	Ruppe
Coughlin	McSpadden	Scherle
Davis, Ga.	Macdonald	Smith, N.Y.
Diggs	Mollohan	Stark
Downing	Murphy, N.Y.	Stokes
Edwards, Ala.	Nedzi	Sullivan
Esch	Owens	Ullman
Giaimo	Patman	Wiggins
Gray	Podell	Wylie

The SPEAKER. On this rollcall 386 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further pro-

ceedings under the call were dispensed with.

PERMISSION TO FILE CONFERENCE REPORT ON S. 2510, CREATING FEDERAL OFFICE OF PROCUREMENT POLICY

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the Senate bill S. 2510.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 93-1268)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2510) to create an Office of Federal Procurement Policy within the Executive Office of the President, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the House to the text of the bill, insert the following:

That this Act may be cited as the "Office of Federal Procurement Policy Act".

DECLARATION OF POLICY

SEC. 2. It is declared to be the policy of Congress to promote economy, efficiency, and effectiveness in the procurement of property and services by and for the executive branch of the Federal Government by

(1) establishing policies, procedures, and practices which will require the Government to acquire property and services of the requisite quality and within the time needed at the lowest reasonable cost, utilizing competitive procurement methods to the maximum extent practicable;

(2) improving the quality, efficiency, economy, and performance of Government procurement organizations and personnel;

(3) avoiding or eliminating unnecessary overlapping or duplication of procurement and related activities;

(4) avoiding or eliminating unnecessary or redundant requirements placed on contractor and Federal procurement officials;

(5) identifying gaps, omissions, or inconsistencies in procurement laws, regulations, and directives and in other laws, regulations, and directives, relating to or affecting procurement;

(6) achieving greater uniformity and simplicity, whenever appropriate, in procurement procedures;

(7) coordinating procurement policies and programs of the several departments and agencies;

(8) minimizing possible disruptive effects of Government procurement on particular industries, areas, or oocupations;

(9) improving understanding of Government procurement laws and policies within the Government and by organizations and individuals doing business with the Government;

(10) promoting fair dealing and equitable relationships among the parties in Government contracting; and

(11) otherwise promoting economy, efficiency, and effectiveness in Government procurement organizations and operations.

FINDINGS AND PURPOSE

SEC. 3. (a) The Congress finds that economy, efficiency, and effectiveness in the procurement of property and services by the executive agencies will be improved by establishing an office to exercise responsibility for procurement policies, regulations, procedures, and forms.

(b) The purpose of this Act is to establish an Office of Federal Procurement Policy in the Office of Management and Budget to provide overall direction of procurement policies, regulations, procedures, and forms for executive agencies in accordance with applicable laws.

DEFINITION

SEC. 4. As used in this Act, the term "executive agency" means an executive department, a military department, and an independent establishment within the meaning of sections 101, 102, and 104(1), respectively, of title 5, United States Code, and also a wholly owned Government corporation within the meaning of section 101 of the Government Corporation Control Act (31 U.S.C. 846).

OFFICE OF FEDERAL PROCUREMENT POLICY

SEC. 5. (a) There is established in the Office of Management and Budget an office to be known as the Office of Federal Procurement Policy (hereinafter referred to as the "Office").

(b) There shall be at the head of the Office an Administrator for Federal Procurement Policy (hereinafter referred to as the "Administrator"), who shall be appointed by the President, by and with the advice and consent of the Senate.

AUTHORITY AND FUNCTIONS

SEC. 6. (a) The Administrator shall provide overall direction of procurement policy. To the extent he considers appropriate and with due regard to the program activities of the executive agencies, he shall prescribe policies, regulations, procedures, and forms, which shall be in accordance with applicable laws and shall be followed by executive agencies (1) in the procurement of—

(A) property other than real property in being;

(B) services, including research and development; and

(C) construction, alteration, repair, or maintenance of real property;

and (2) in providing for procurement by recipients of Federal grants or assistance of items specified in clauses (A), (B), and (C) of this subsection, to the extent required for performance of Federal grant or assistance programs.

(b) Nothing in subsection (a)(2) shall be construed—

(1) to permit the Administrator to authorize procurement or supply support, either directly or indirectly, to recipients of Federal grants or assistance; or

(2) to authorize any action by recipients contrary to State and local laws, in the case of programs to provide Federal grants or assistance to States and political subdivisions.

(c) The authority of the Administrator under this Act shall apply only to procurement payable from appropriated funds: *Provided*, That the Administrator undertake a study of procurement payable from nonappropriated funds. The results of the study, together with recommendations for administrative or statutory changes, shall be reported to the President of the Senate and the Speaker of the House of Representatives at the earliest practicable date, but in no event later than two years after the date of enactment of this Act.

(d) The functions of the Administrator shall include—

(1) establishing a system of coordinated and to the extent feasible, uniform procurement regulations for the executive agencies;

(2) establishing criteria and procedures for an effective and timely method of soliciting the viewpoints of interested parties in the development of procurement policies, regulations, procedures, and forms;

(3) monitoring and revising policies, regulations, procedures, and forms relating to reliance by the Federal Government on the private sector to provide needed property and services;

(4) promoting and conducting research in procurement policies, regulations, procedures, and forms;

(5) establishing a system for collecting, developing, and disseminating procurement data which takes into account the needs of the Congress, the executive branch, and the private sector;

(6) recommending and promoting programs of the Civil Service Commission and executive agencies for recruitments, training, career development, and performance evaluation of procurement personnel.

(e) In the development of policies, regulations, procedures, and forms to be authorized or prescribed by him, the Administrator shall consult with the executive agencies affected, including the Small Business Administration and other executive agencies promulgating policies, regulations, procedures, and forms affecting procurement. To the extent feasible, the Administrator may designate an executive agency or agencies, establish interagency committees, or otherwise use agency representatives or personnel, to solicit the views and the agreement, so far as possible, of executive agencies affected on significant changes in policies, regulations, procedures, and forms.

(f) The authority of the Administrator under this Act shall not be construed to—

(1) impair or interfere with the determination by executive agencies of their need for or their use of, specific property, services, or construction, including particular specifications therefor; or

(2) interfere with the determination by executive agencies of specific actions in the award or administration of procurement contracts.

(g) Except as otherwise provided by law, no duties, functions, or responsibilities, other than those expressly assigned by this Act, shall be assigned, delegated, or transferred to the Administrator.

ADMINISTRATIVE POWERS

SEC. 7. Upon the request of the Administrator, each executive agency is directed to—

(1) make its services, personnel, and facilities available to the Office to the greatest practicable extent for the performance of functions under this Act; and

(2) except when prohibited by law, furnish to the Administrator and give him access to all information and records in its possession which the Administrator may determine to be necessary for the performance of the functions of the Office.

RESPONSIVENESS TO CONGRESS

SEC. 8. (a) The Administrator shall keep the Congress and its duly authorized committees fully and currently informed of the major activities of the Office of Federal Procurement Policy, and shall submit a report thereon to the President of the Senate and the Speaker of the House of Representatives annually and at such other times as may be necessary for this purpose, together with appropriate legislative recommendations.

(b) At least 30 days prior to the effective date of any major policy or regulation prescribed under section 6(a), the Administrator shall transmit to the Committees on Government Operations of the House of Representatives and of the Senate a detailed report on the proposed policy or regulation. Such report shall include—

(1) a full description of the policy or regulation;

(2) a summary of the reasons for the issuance of such policy or regulation; and

(3) the names and positions of employees of the Office who will be made available, prior to such effective date, for full consultation with such Committees regarding such policy or regulation.

(c) In the case of an emergency, the President may waive the notice requirement of subsection (b) by submitting in writing to the Congress his reasons therefor at the earliest practicable date on or before the effective date of any major policy or regulation.

EFFECT ON EXISTING LAWS

SEC. 9. The authority of an executive agency under any other law to prescribe policies, regulations, procedures, and forms for procurement is subject to the authority conferred in section 6 of this Act.

EFFECT ON EXISTING REGULATIONS

SEC. 10. Procurement policies, regulations, procedures, or forms in effect as of the date of enactment of this Act shall continue in effect, as modified from time to time, until repealed, amended, or superseded by policies, regulations, procedures, or forms promulgated by the Administrator.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There are authorized to be appropriated to carry out the provisions of this Act, and for no other purpose—

(1) not to exceed $2,000,000 for the fiscal year ending June 30, 1975, of which not to exceed $150,000 shall be available for the purpose of research in accordance with section 6(d)(4); and

(2) such sums as may be necessary for each of the four fiscal years thereafter.

Any subsequent legislation to authorize appropriations to carry out the purposes of this Act shall be referred in the Senate to the Committee on Government Operations.

DELEGATION

SEC. 12. (a) The Administrator may delegate, and authorize successive redelegations of, any authority, function, or power under this Act, other than his basic authority to provide overall direction of Federal procurement policy and to prescribe policies and regulations to carry out that policy, to any other executive agency with the consent of such agency or at the direction of the President.

(b) The Administrator may make and authorize such delegations within the Office as he determines to be necessary to carry out the provisions of this Act.

ANNUAL PAY

SEC. 13. Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(100) Administrator for Federal Procurement Policy.".

ACCESS TO INFORMATION

SEC. 14. (a) The Administrator and personnel in his Office shall furnish such information as the Comptroller General may require for the discharge of his responsibilities. For this purpose, the Comptroller General or his representatives shall have access to all books, documents, papers, and records of the Office.

(b) The Administrator shall, by regulation, require that formal meetings of the Office, as designated by him, for the purpose of establishing procurement policies and regulations shall be open to the public, and that public notice of each such meeting shall be given not less than ten days prior thereto.

REPEALS AND AMENDMENTS

SEC. 15. The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) is amended as follows:

(1) Section 201(a)(1) of such Act (40 U.S.C. 481(a)(1)) is amended by inserting "subject to regulations prescribed by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act," immediately after "(1)".

(2) Section 201(c) of such Act (40 U.S.C. 481(c)) is amended by inserting "subject to regulations prescribed by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act," immediately after "Administrator,".

(3) Section 206(a)(4) of such Act (40 U.S.C. 487(a)(4)) is amended to read as follows: "(4) subject to regulations promulgated by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act, to prescribe standardized forms and procedures, except such as the Comptroller General is authorized by law to prescribe, and standard purchase specifications.".

(4) Section 602(c) of such Act (40 U.S.C. 474) is amended in the first sentence thereof by inserting "except as provided by the Office of Federal Procurement Policy Act, and" immediately after "herewith,".

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the Senate bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the House to the title of the Senate bill, insert the following: "An Act to establish an Office of Federal Procurement Policy within the Office of Management and Budget, and for other purposes."

And the House agree to the same.

CHET HOLIFIELD,
FERNAND J. ST GERMAIN,
DON FUQUA,
FRANK HORTON,
JOHN N. ERLENBORN,
Managers on the Part of the House.

LAWTON M. CHILES,
SAM NUNN,
WALTER D. HUDDLESTON,
WILLIAM V. ROTH,
WILLIAM BROCK,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the Senate and the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2510) to create an Office of Federal Procurement Policy, submit the following joint statement to the Senate and the House in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

Except for certain clerical, conforming, and other clarifying and technical changes, the changes made to deal with the differences between the Senate bill and the House amendments are noted below:

TITLE

The conference substitute changes the title of the act to conform with changes in the text. The title, as modified, is to establish an Office of Federal Procurement Policy (OFPP) within the Office of Management and Budget (OMB), and for other purposes.

SECTION 1—SHORT TITLE

The conference substitute provides for citing the act as the "Office of Federal Procurement Policy Act".

SECTION 2—DECLARATION OF POLICY

The conference substitute incorporates section 2 of the Senate bill declaring it to be congressional policy to promote economy, efficiency, and effectiveness in procurement, but eliminates one of the 12 original specifications for accomplishing this policy, to wit: "conforming procurement policies and programs, whenever appropriate, to other established Government policies and programs". The conferees agreed that the appropriate priorities and other relationships between procurement and other government programs should be governed by other specific legislation.

SECTION 3—FINDINGS AND PURPOSE

The conference substitute here and throughout the bill incorporates the language of the House amendment (subsection 2(a)) giving the OFPP responsibility for procurement "policies, regulations, procedures, and forms." The Senate bill treated procedures and forms as a means of implementing policies and regulations. The conferees recognize that these are closeknit responsibilities which are difficult to differentiate. The conferees agree that the OFPP generally should focus on matters of broad policy and regulatory scope and leave to the agencies details of implementing procedures and forms to the extent consistent with achievement of OFPP policy objectives.

The conference substitute adopts the statement of purpose in the House amendment (subsection 2(b)), but with changes to include the full name of the Office of Federal Procurement Policy and to spell out that procurement policies, regulations, procedures, and forms are to be "in accordance with applicable laws." The use of this language here and elsewhere in the conference substitute (subsection 6(a)) makes clear that OFPP policies must be subject to and consistent with congressional enactments. The conference substitute is substantially the same as the Senate bill except for omission of the phrase "through a small, highly qualified and competent staff." the conferees concur in this view but think it more appropriate to reflect it by report language and allow it to be effected by controlling appropriations for the OFPP.

SECTION 4—DEFINITION

The conference substitute incorporates the language of the House amendment (section 3) defining the term "executive agency." There is no change in substance from the Senate bill (subsection 4(a)(1)) except that the District of Columbia is excluded completely. Under the Senate bill the District of Columbia was included but was authorized to exempt itself under the provisions of the District of Columbia Self-Government and Governmental Reorganization Act. Exclusion of the District of Columbia will still leave the District of Columbia free to conform to OFPP policies and regulations as it deems appropriate.

The conference substitute in conformity with the House amendment does not include the definitions in the Senate bill of the terms "Office," "Administrator," and "Federal assistance," References elsewhere in the conference substitute take the place of the definitions of "Office" and "Administrator."

No definition is included for the term "Federal assistance" or the House counterpart, "Federal grants or assistance," particularly since this is the subject of separate legislation (H.R. 9060; S. 3514). The term is intended to include transactions for payment of money or transfer of property in lieu of money, generally referred to as program or project grants, grants-in-aid, and grants in lieu of research and development contracts as authorized by the 1958 Federal grants statute (42 U.S.C. 1891 et seq.). However, for the purposes of this act, the conferences do not intend that the OFPP responsibility with regard to "Federal assistance" should extend to programs for the furnishing of assistance through technical, specialized, and informational services; or assistance in the form of general revenue sharing, loans, loan guarantees, insurance, and similar "no strings attached" aids to State and local governments.

SECTION 5—OFFICE OF FEDERAL PROCUREMENT POLICY

Subsection 5(a)

The Senate bill placed the OFPP in the Executive Office of the President and made it subject to Presidential direction. The Senate felt a strong need for a high degree of independence for the OFPP. The House amendment placed the OFPP within the OMB, which is a component of the Executive Office.

The conference substitute follows the language of the House amendment in locating the OFPP within the OMB. This accords

with a preference expressed by the Commission on Government Procurement in recommending the creation, by statute, of the OFPP. The reference to Presidential direction is omitted as being unnecessary, since the OMB and its components are necessarily subject to Presidential direction.

The conferees agree that placement of the OFPP in the OMB will give the new Office prestige and leverage in dealing with the executive agencies and thereby will enhance its ability to discharge the important responsibilities conferred by the act.

Although, as a component of OMB, the OFPP will be subject to supervision and direction by the OMB Director, and through him by the President, the conferees wish to emphasize that the Administrator of the OFPP is charged with the duties and responsibilities set forth in this act and will be held accountable by the Congress for their effective performance. Other provisions in this act are consistent with the concern for independence. These include:

(1) A requirement for Senate confirmation of the Administrator, the only OMB official other than the Director and Deputy Director whose appointment is made subject to such confirmation.

(2) Vesting the functions of the OFPP in the Administrator rather than in the OMB Director, this being the only instance in which an OMB official other than the Director has a statutory charter.

(3) Authorization of separate appropriations for the OFPP.

(4) A provision that the appropriations may be expended only for the purposes of the act.

(5) A requirement that the Administrator, rather than the Director of OMB, keep the Congress fully and currently informed of his activities, including his recommendations.

(6) A requirement that the Administrator give the Congress 30 days, advance notice before the effective date of any major policy or regulation.

(7) A provision that the Administrator is not to be assigned any functions other than those provided in the act.

Subsection 5(b)

The conference substitute incorporates the provision in the Senate bill (subsection 5 (b)) designating the head of the OFPP as Administrator for Federal Procurement Policy. This is in lieu of the designation of the head of the OFPP in the House bill (subsection 4(b)) as an Associate Director for Federal Procurement Policy of the Office of Management and Budget. The OFPP head is to be appointed by the President, with the advice and consent of the Senate.

The conferees agree that the title of "Administrator" will give greater emphasis to the distinct role the OFPP is expected to play in the area of procurement policy.

In view of the conferees' agreement to locate the OFPP in the OMB the Senate bill provision requiring Presidential appointment and Senate confirmation of a Deputy Administrator (subsection 5(c)) was no longer considered appropriate. It is expected that the Deputy Administrator and other OFPP personnel will be appointed pursuant to regular Civil Service procedures.

In the light of their responsibilities and the status of the executive agency officers with whom they will be dealing, the conferees agree that the Deputy Administrator should be a GS–18 and that an adequate complement of other supergrade positions should be allocated to the OFPP by the U.S. Civil Service Commission. The conferees regard this as essential to attract outstanding talent and provide the high level of leadership in procurement policy coordination contemplated by the act and the Commission on Government Procurement.

SECTION 6—AUTHORITY AND FUNCTIONS

Subsection 6(a)

The conference substitute incorporates, with minor change, the provisions of the Senate bill (subsection 6(a)) stating the responsibility of the OFPP for prescribing policies, regulations, procedures, and forms for procurement, which shall be followed by all executive agencies and Federal grantees. This is substantially the same as the House amendment provisions (subsection 5(a)).

Subsection 6(b)

The conference substitute incorporates, with clarifying changes, the language of subsection 6(b) of the Senate bill directed against the OFPP authorizing procurement actions by State and local government grantees contrary to State or local law, or authorizing Federal procurement or supply support to grantees. This takes the place of substantially similar provisions found in subsections 5(a) and 5(d) of the House amendment.

Subsection 6(c)

This subsection of the conference substitute incorporates provisions found in the House amendment (subsection 5(a)) excluding nonappropriated fund activities from the scope of the act. This takes the place of a similar provision in the Senate bill (subsection 6(d)(4)) which was limited to *military* nonappropriated fund activities. The conference substitute also incorporates a provision in the Senate bill, but not in the House amendment, for the Administrator to conduct a study of procurement by nonappropriated fund activities and report to the Congress within two years.

Subsections 6 (d), (e)

The conference substitute adopts a combination of language in the Senate bill (subsection 6(c)) and the House amendment (subsection 5(b)) enumerating six specific functions of the OFPP. There are a number of clarifying changes, including one to make clear that the OFPP will recommend and promote rather than oversee Civil Service Commission and other agency procurement personnel programs. The conference substitute also drops one enumerated function in the Senate bill (subsection 6(c)(2)) as redundant to another enumerated function (subsection 6(d)(3) of the conference substitute).

Subsection 6(e) of the conference substitute incorporates provisions in the Senate bill (subsection 6(c)(8)) and in the House amendment (subsection 5(c)) for the OFPP to consult with executive agencies in the development of policies, regulations, procedures, and forms. The conference substitute adopts the Senate language authorizing designation of other agencies to coordinate agency views.

Subsection 6(f)

The conference substitute incorporates with minor changes the provisions found in the House amendment (subsections 5(d) (1) and (2)) to rule out any authority of the OFPP to interfere with executive agency procurement actions or determinations of procurement needs. Counterpart provisions were included in the Senate bill (subsections 6(d) (1) and (2)).

A provision in the Senate bill (subsection 6(d)(3)) defining the authority of the OFPP to deal with procurement procedures and forms was deleted as redundant to other provisions in the conference substitute (subsection 6(a)) giving the OFPP general authority over policies, regulations, procedures, and forms.

Subsection 6(g)

To assure that the OFPP will not have its procurement reform role diluted, the conference substitute includes specific language that, except as otherwise provided by law, the Administrator will have only those functions expressly assigned by the act. The conferees do not wish the Administrator to be burdened with extraneous responsibilities or to have any of his functions transferred elsewhere.

SECTION 7—ADMINISTRATIVE POWERS

The conference substitute incorporates substantially identical provisions found in the Senate bill (subsection 7(b)) and the House amendment (section 6) providing for executive agencies to furnish the OFPP with services, personnel, facilities, and access to records. The conference substitute omits other administrative provisions found in subsections 7(a) and 7(c) of the Senate bill as no longer necessary or appropriate in view of placement of the OFPP in the OMB.

SECTION 8—RESPONSIVENESS TO CONGRESS

Subsection 8(a)

The conference substitute incorporates modified language of the Senate bill (subsection 8(a)) for the Administrator to keep the Congress and its committees fully and currently informed and to submit annual and other reports on the major activities of the Office. The conferees agree that this wording is to be given a reasonable interpretation permitting submission of information on a summary basis at intervals consistent with the intent of this subsection. The conference substitute omits a provision in the Senate bill (subsection 8(b)) requiring the Administrator and OFPP personnel to testify before Congress. The conferees agree that it would be anomalous to spell out this requirement for the OFPP without a similar requirement for all executive officials. Nevertheless, the conferees expect that OFPP personnel will be available for information and testimony before congressional committees, and there is no intent to imply that the OFPP, or any other office, is beyond the reach of congressional committees.

Subsections 8 (b), (c)

The conference substitute incorporates a provision for the Administrator to give 30 days' advance notice of any proposed major policy change to the Committees on Government Operations of the Senate and the House of Representatives, with a description thereof, a summary of reasons, and the names of OFPP representatives designated for consultation with the committees. This reporting requirement is intended also to extend to policies implementing executive orders. This is a modified version of a provision found in the Senate bill (subsection 8(c)) but not in the House amendment. The conference substitute adds a provision for waiver by the President in emergency cases, but omits a provision for the proposed policy to be rendered ineffective by resolution of either House within 60 days.

SECTION 9—EFFECT ON EXISTING LAWS

The conference substitute follows the language of the House amendment (section 8) making any authority of executive agencies to prescribe policies, regulations, procedures, and forms subject to the authority of the OFPP. The Senate bill included a substantially similar provision (section 9).

SECTION 10—EFFECT ON EXISTING REGULATIONS

The conference substitute adopts a Senate bill provision (section 10) continuing existing procurement policies, regulations, procedures, and forms in effect until repealed, amended, or superseded by OFPP action. A substantially similar provision was contained in the House amendment (section 9).

SECTION 11—AUTHORIZATION OF APPROPRIATIONS

The conference substitute incorporates, with changes, the provisions in the Senate bill (section 11) authorizing appropriations. As changed, this provision authorizes appropriations not to exceed $2 million for the fiscal year ending June 30, 1975, of which not more than $150,000 is to be available for research, and authorizes appropriations as

may be necessary for each of the four fiscal years thereafter. It also provides that subsequent legislation to authorize appropriations is to be referred in the Senate to the Committee on Government Operations. The authorization of $2 million for the first fiscal year is in lieu of the $4 million authorized in the Senate bill, and in lieu of the $1 million estimated by the report on H.R. 15233 of the Committee on Government Operations (H. Rept. No. 93-1176, pp. 6-7).

The conference substitute is in lieu of a provision in the House amendment (section 10) which indefinitely authorized such unspecified sums as may be necessary to carry out the act. However, the conference substitute does include language, reflecting the House amendment, that appropriations shall be available "for no other purpose." This is intended to assure that such appropriations will be used only for activities of the OFPP and will not be mingled with appropriations for other OMB activities.

SECTION 12—DELEGATION

The conference substitute incorporates a Senate provision (section 12) authorizing delegation to OFPP personnel, and also to other agencies of any OFPP authority except the basic authority of OFPP to direct procurement policy and prescribe policies and regulations. The wording is changed specifically to authorize redelegation as provided in a counterpart provision of the House amendment (section 11). The House amendment did not include the restriction as to delegating the basic authority of the OFPP.

SECTION 13—ANNUAL PAY

The conference substitute adopts the provision of the House amendment (section 12) for compensating the Administrator at Executive Level IV ($38,000) rather than Executive Level III as provided in the Senate bill (section 13).

SECTION 14—ACCESS TO INFORMATION

Subsection 14(a)

The conference substitute incorporates identical provisions found in the Senate bill (subsection 14(a)) and the House amendment (section 13) giving the Comptroller General access to records of the OFPP.

Subsection 14(b)

The House conferees receded from their objection to subsection 14(b) of the Senate bill and accepted a modified version thereof in the conference substitute. There was no similar provision in the House amendment. This subsection of the conference substitute requires the Administrator to open to the public certain formal, scheduled meetings of the OFPP concerning the establishment of procurement policies and regulations and specifies that a ten-day notice will be given of such meetings. The Administrator is to designate the meetings subject to this subsection and prescribe, by regulation, the procedures to be followed in the conduct of such meetings. Although the Administrator is given authority to determine the need for and conduct of the public meetings, in general, it is intended that the formal meetings of the Office will be conducted so as to give substantial visibility to its rulemaking determinations. This subsection complements the provisions of subsection 6(d)(2) calling for the timely, effective solicitation of the viewpoints of interested parties, and is in line with the policy declaration in subsection 2(9) on improving the understanding of procurement policies.

SECTION 15—REPEALS AND AMENDMENTS

The conference substitute adopts with technical changes provisions in the House amendment amending four sections of the Federal Property and Administrative Services Act to make the authority of the Administrator of General Services to issue regulations and forms subordinate to the authority conferred on the OFPP Administrator to prescribe procurement policies, regulations, procedures, and forms under this act. The Senate bill covered two similar amendments to the Federal Property and Administrative Services Act. The technical changes in the conference substitute make clear that no authority is given to the OFPP Administrator apart from that specifically conferred by other provisions of this act.

CHET HOLIFIELD,
FERNAND J. ST GERMAIN,
DON FUQUA,
FRANK HORTON,
JOHN N. ERLENBORN,
Managers on the Part of the House.

LAWTON M. CHILES,
SAM NUNN,
WALTER D. HUDDLESTON,
WILLIAM V. ROTH,
WILLIAM BROCK,
Managers on the Part of the Senate.

PROVIDING FOR CONSIDERATION OF H.R. 16090, FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The SPEAKER. The gentleman from Texas (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Nebraska (Mr. MARTIN), for the purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1292 provides for a modified open rule with 2 hours of general debate on H.R. 16090, the Federal Election Campaign Act Amendments of 1974.

House Resolution 1292 provides that all points of order against title IV of the bill for failure to comply with the provisions of clause 4, rule XXI—prohibiting appropriations in a legislative measure—are waived.

House Resolution 1292 also provides no amendment, including any amendment in the nature of a substitute for the bill, shall be in order except the following: in title I: First, germane amendments to subsection 101(a) proposing to change the money amounts regarding contribution and expenditure limits contained in that subsection, providing that the amendments have been printed in the CONGRESSIONAL RECORD at least 1 calendar day prior to being offered; and second, the text of the amendment to be offered on page 13, following line 4, inserted in the CONGRESSIONAL RECORD by Mr. Butler on August 5, 1974, pertaining to the consideration of bank loan endorses to be counted as contributors.

In title II: First, germane amendments relating to the composition of the Board of Supervisory Officers provisions contained on page 33, line 17 through page 35, line 11, providing they have been printed in the CONGRESSIONAL RECORD at least 1 calendar day before consideration; and second, the amendment printed on page E5246 of the CONGRESSIONAL RECORD of August 2, 1974, relating to a change in the composition of the Board of Supervisory Officers and also deleting the authority of congressional committees to review campaign regulations. In title IV: First, germane amendments which have been printed in the CONGRESSIONAL RECORD at least 1 calendar day before they are offered, except that sections 401, 402, 407, 409, and 410—pertaining to public financing for Presidential campaigns—shall not be subject to amendment; and second, the text of the amendment printed in the CONGRESSIONAL RECORD of August 2, 1974, relating to matching public financing for congressional elections, which shall be in order, any rule of the House to the contrary notwithstanding.

House Resolution 1292 also provides that amendments to any portion of the bill shall be in order, any rule of the House to the contrary notwithstanding, if offered by the direction of the Committee on House Administration, but such amendments shall not be subject to amendment.

H.R. 16090 places limitations on campaign contributions and expenditures, it facilitates the reporting and disclosure of the sources and disposition of campaign funds by centralizing campaign expenditure and contribution reporting. The bill also establishes a Board of Supervisory Officers to oversee enforcement of and compliance with Federal campaign laws and strengthens the law for public financing of Presidential general elections and authorizes the use of the dollar checkoff fund for financing Presidential nominating conventions and campaigns for nomination to the office of President.

Mr. Speaker, I urge the adoption of House Resolution 1292 in order that we may discuss, debate, and pass H.R. 16090.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, House Resolution 1292, as the gentleman from Texas (Mr. YOUNG) has explained, provides for 2 hours of debate on this very important piece of legislation.

Unfortunately, however, this resolution provides practically for a closed rule on the bill that will be debated by this body this afternoon. The Members can carefully go through the rule and the bill itself and they will find that really only three amendments are in order:

First, in regard to the amount of money which a candidate may expend or the amount of money which may be contributed to a candidate's campaign;

Second, an amendment may be offered in regard to changing the composition of the Board of Supervisory Officers, which amendment will be offered by the gentleman from Minnesota (Mr. FRENZEL);

And then the third amendment will be in order in regard to endorsers of loans from banks to political campaigns. This is another loophole in this present bill.

Those in essence are the only 2 amendments to be allowed to the bill itself.

Mr. Speaker, without going into all of the details of the bill, I would like to point out some of the loopholes that we are confronted with in this piece of legislation. The American people are demanding, Mr. Speaker, that the Congress enact tough legislation to tighten the laws in regard to campaign receipts and campaign expenditures in the conduct of campaigns. This bill does not meet the criteria that the American people are demanding today.

Let me point out further some of the loopholes in this legislation. First, we have the so-called slatecard expenditures. This provides that a committee or an organization may expend any amount that it wishes in regard to candidates in a situation where there are three or more candidates included in the advertising without being reported nor counted in the total expenditures of that candidate from his receipts.

This is restricted somewhat, but newspaper ads can be taken out by labor unions, the American Association of Manufacturers, the chamber of commerce, or other groups if three or more candidates are advertised through this means. This is a wide loophole which disregards the total expenditures as set forth in this legislation.

Mass mailings may be made by these organizations. Sample ballots may be distributed and, as I said, newspaper ads may be covered.

Then we have another loophole in this bill which allows a $500 limit of personal property, so-called. This would allow fat cats or friendly people to stage receptions, cocktail parties, and dinners in their homes for the purpose of promoting the candidacy of a particular Member running for Federal office. This also is not included in the total expenditures reported.

Rides on private jets or airplanes or donated travel, such as hauling a candidate around his district in an automobile, and so forth, is not reported. This is another loophole.

A fourth loophole concerns vendors, in regard to the sale of food or beverages at reduced prices for receptions or dinners by people friendly to a particular candidate.

The SPEAKER. The time of the gentleman has expired.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, there are exemptions also for organizations in communications to their members where these organizations are not organized primarily for the purpose of influencing political elections.

Mr. Speaker, again I point out there are far too many loopholes in this legislation, and there is no chance, and I repeat, no chance at all, to offer amendments to change these provisions. Therefore, Mr. Speaker, we propose, on our side of the aisle, to make an attempt—and I hope it will be successful—to vote down the previous question, and I urge the Members to vote "no" on the previous question. I intend then to offer a resolution which provides for an open rule, not requiring that the amendments to be offered be published in the CONGRESSIONAL RECORD 1 calendar day previously. Also: that the bill shall be read by title rather than by section. I urge the Members to vote "no" on the previous question.

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Ohio (Mr. HAYS).

Mr. HAYS. Mr. Speaker, I was a little surprised to see the gentleman from Nebraska riding in here on a white horse, because the gentleman has never been noted in my time here of being such a champion in carrying out election reforms.

Just let me take a minute or two to clear the air a little bit about the loopholes the gentleman talks about. We do provide in the bill—and I think it is a sensible provision—that if some woman gives a coffee party in her own house, and invites 30 or 40 of her neighbors in, that she does not have to report to the Federal Elections Commission, which is set up in this bill, that she made a contribution to a candidate, and the candidate, who may not know about it and failed to report it, could be subject to legal sanctions if he did not report it.

If that is a great big loophole, then I will argue this with you all afternoon. There is a limit on it.

We have a couple of committee amendments that were adopted in the committee this morning, and which will be offered to further tighten it up. The gentleman from Minnesota (Mr. FRENZEL) was concerned about them, and the gentleman is satisfied that these amendments we will offer will make it workable.

It was not the intention of the committee to create great big loopholes. It was the intention of the committee not to have anyone who might want to engage in a little neighborhood politics subject to indictment, fine, and imprisonment, because they did not know that if they spent $20 for cookies and coffee they had to make a report to the Federal Elections Commission.

What we tried to do is put a tight limit with some sensible—and I emphasize the word sensible—exemptions.

What about the travel amendment? We are saying—and I am paraphrasing some language—we further tightened that up with a committee amendment that if a person voluntarily, on his own, comes into the gentleman's district to help him, then his expenses which he pays for up to $500 shall not be considered a contribution. That is all.

We are saying, furthermore, these are the big loopholes the gentleman is talking about, that if one gives a reception on his own as a fund raiser and he has a friend who has a motel, or any other place that he can hold a reception in, and he sells the person the food and beverage at wholesale price, that the difference between the wholesale price and the retail price is not considered a contribution.

He may not sell it to the person at less than cost. He may not lose a dime on it. If he does, that becomes a contribution, and that, again, to the extent of $500. If it is $600, he has got to list it.

These are just some commonsense exemptions that we have found over the past few years that we had better write into law, because if we do not we are going to have some rulings that just make it impossible to comply with the law.

Let me just give the Members one example of what I am talking about. Under the laws of the State of Ohio, one has to pay $50 filing fee and have 100 signatures or he cannot get on the ballot. That is the law. The secretary of state of Ohio, who is not a great friend of mine, says this is not a campaign expenditure; it is a legal requirement.

But under the rules promulgated by the Commission, they told me that I had to file—and I did not realize this until I had already filed—an amended return saying that I had contributed $50 to myself and then another set of papers saying I had spend $50 to pay the election board my filing fee.

That appealed to me as so ridiculous that I refused to do it. I simply wrote a letter to the Clerk of the House and I said, "I went to the Election Board and filed my papers, and I reached in my billfold and paid $50, which the law requires, and I have a receipt for it. You can consider that as saying I made a contribution to myself and, therefore, spent it, or anything you want to, but this letter is all I am filing."

I had the letter notarized, and I sent it in. Up to now I have not been indicted, but I may be. I cannot tell.

All we are trying to do in this bill is pass a tight expenditures law. I want to reiterate again for the benefit of those who supported the substitute 2 years ago which was floated by my friend, the gentleman from Illinois (Mr. ANDERSON), who stood on this floor and said: "We do not need limitations; we just need disclosure; that will do the job," the bill I brought to the floor 2 years ago had limitations of $15 million on a Presidential campaign. I do not say this with any pleasure, but I will say this, if that bill had been passed and the substitute had not been passed—and I know it was not in the name of the gentleman from Illinois (Mr. ANDERSON), but it was his bill; he got Mr. BROWN or somebody else to introduce it for him, but it was his bill——

The SPEAKER. The time of the gentleman has expired.

Mr. YOUNG of Texas. Mr. Speaker, I yield 2 additional minutes to the gentleman from Ohio.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. I just want to make a point. I am sure the gentleman now in the well would not mislead the House. When I said I did not think we need the limitations, I was referring to overall limits.

Mr. HAYS. Mr. Speaker, I cannot yield any further; I do not have the time.

I will say that if we had limitations in the amount I specified 2 years ago, the country would not be in the trauma it is in today, because all of these people would not have been running around all over the country with bags full of money.

In retrospect, the President could have been elected for $4.59 given the situation we were in.

Mr. DAVIS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from South Carolina.

Mr. DAVIS of South Carolina. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of the resolution. I ask that we do not vote down the previous question. I just say simply that if we vote down the previous question and do not have this rule and adopt

some of the amendments that are floating around, it will make the Hatch Act look like the Bill of Rights.

Mr. HAYS. I think the gentleman has summed it up better than I could.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield to the gentleman from Alabama (Mr. DICKINSON) 3 minutes.

Mr. DICKINSON. Mr. Speaker, I want to say why I am going to oppose this rule. I would like to get the attention of the Members because I think this is probably something they have not thought of before. I favored the idea of requiring the printing of proposed amendments in the CONGRESSIONAL RECORD at least one calendar day prior to their consideration, but I had never envisioned that in its infinite wisdom the Rules Committee would not provide any guarantee of at least 24 hours so that the Members could comply with this requirement.

This is the situation we are faced with now. We are considering adopting a rule that requires on its adoption that we have to have gone back to yesterday and have printed in the RECORD something that will make it in order to introduce today. How can this be so? We were told, some of us on the inside, that this was going to be so, and some of us did get our amendments put in the RECORD yesterday. But what are we doing?

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield, but I have only a few minutes.

Mr. HAYS. I appreciate the gentleman's cooperation.

Mr. Speaker, I announced to the House last night we would do this when there were at least 250 Members here on the floor, for whatever that is worth.

Mr. DICKINSON. That is all right. I happen not to have been here. But if 250 Members were here, that means about 250 Members were not here. They had no notice and even those present had no staff in their office due to the lateness of the hour.

I think the basic fundamental constitutional right of the Members is being abrogated and threatened if we start this type of procedure. What we are saying is that we must have at least 1 calendar day notice to get one's amendment printed, but immediately upon adoption of this rule we go right into the bill. There is no way one can protect himself unless one is privy to what is going on inside the committee or has some knowledge of it.

The "Rules of Proceedings" say:

> In the exercise of their constitutional power to determine their rules of proceedings, the House of Congress may not "ignore constitutional restraints or violate fundamental rights, and there should be a reasonable relation between the mode or method of proceeding established by the rule and the result which is sought to be attained.

If we start this type of procedure, then no Member can ever be sure that he will be allowed to introduce an amendment even if it would normally be in order and it would be germane. We are denying to the Members of the House the right to offer an amendment that would normally be in order, that would be acceptable, but if he does not have the knowledge ahead of time that the rule would require him to do this, then he is precluded.

For this reason I urge the Members to vote down the rule and the previous question.

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Tennessee (Mr. JONES).

Mr. JONES of Tennessee. Mr. Speaker, I support the motion and I support the rule on H.R. 16090.

This is a very complex bill which the House Administration Committee has spent many long hours writing and rewriting. In size alone, it numbers 79 pages, more than double the length of the committee print we started with last March.

I think that all of us on the committee learned a lot during the hearing and markup process. There is a tendency to think that we are all experts on political campaigns and on election law. And that may be true in our own districts. But this bill is bigger than the Seventh Congressional District of Tennessee. It is being proposed as a new law to govern the conduct of all candidates for Federal office and all political committees that get involved in the campaigns of any candidate for Federal office anywhere in the country.

We have produced a good bill. It took a long time and it was not easy. It is not a perfect bill; there are still points of controversy. But under this rule, amendments will be offered to answer every doubt a Member may have about this bill.

Public financing of elections is one of the controversial points. H.R. 16090 provides for a complete package of public financing for the 1976 Presidential election. I favor that, because it is in the Presidential election that millions of dollars are required, where the public is demanding that we put a stop to the excessive influence of the special interests. We need to make sure that the abuses of 1972 do not happen again, and that is the reason I am supporting the idea of paying for the next Presidential election out of the dollar check-off fund.

Some people think we need to extend public financing to House and Senate elections as well. I disagree. I think we ought to give this new idea a trial run in the 1976 Presidential primaries to see how it will work. But to my colleagues who want to extend public financing to congressional races, let me assure you that you will get a chance to vote for such an amendment under the rule we are considering.

Then, there are some who feel we need to change the enforcement mechanism. Personally, I think Pat Jennings, the Clerk of the House, has done an outstanding job overseeing the thousands of pages of reports which candidates must file. As far as I can discover, there have been no complaints about the operation of his office or the office of the Secretary of the Senate during the past 2 difficult years we have operated under the current election law.

But for the Members who wish to provide for somebody else to serve on a Board of Supervisory Officers, an amendment will be offered to provide for this.

There are other amendments planned. I agree with some of my colleagues who feel that $75,000 is too much to spend on a primary, that $75,000 is too much to spend on an election for the House. I plan to support the amendment offered by my friend from Pennsylvania (Mr. DENT) to lower this amount. Others of you plan to support amendments to increase this amount.

My point is this: Under the rule proposed by the Rules Committee, all of these amendments will be in order.

The major vote that will not be in order will be proposals to create new loopholes for political party committees, to permit wealthy individuals and special interest groups to give money to a political party, which in turn could provide services to candidates. Under the bill, no committee can give a candidate more than $5,000. I think that is more than enough.

I can assure you that we will have many hours of debate under the 5-minute rule on the many amendments that will be offered under the pending rule. However, a completely open rule would prevent us from completing work on this bill for another week.

Look at what happened during the debate on the strip mining bill. Very few of us have any mining in our districts, yet the debate went on and on and on—almost 2 full weeks of legislative time. Unfortunately, we just do not have 2 weeks left on the calendar to devote to this very important bill.

I speak from the experience of our committee deliberations. To those of you who really believe in election reform, who sincerely want to get a good bill passed this year to make sure that we do not have a repeat of the scandals of 1972—I urge you to support the rule on this bill.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. JONES of Tennessee. I yield to the gentleman from Ohio.

Mr. HAYS. I do not see the gentleman from Alabama on the floor, but I would like to announce to the membership, it would not be my position, nor do I know it would be the purpose of anybody on the committee, to object to an amendment not printed in the RECORD which would be otherwise germane under the rule.

I want the Members to know that if it is germane and the rule is adopted and if the amendment is germane or an amendment to an amendment, we do not intend to object.

We asked for that because this is an extremely technical bill, as the gentleman from Tennessee knows. We had hoped that on major amendments we would be put on notice so our legal staff would have a chance to examine them and tell us what the implications are; but I have no intention to preclude a Member if the rule is adopted from offering any amendment to any section that the rule says amendments are in order to.

Mr. MARTIN of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. JONES of Tennessee. I yield to the gentleman from Nebraska.

Mr. MARTIN of Nebraska. I would

like to point out that under the resolution we are considering at the present time any Member of the House could object to the offering of an amendment that is not printed in the RECORD.

Mr. HAYS. Mr. Speaker, if the gentleman will yield further, I am aware of that. I think all Members of the House are aware of this and if the rule is adopted and the amendment is germane, it will be accepted.

Mr. JONES of Tennessee. Mr. Speaker, I urge support for this bill.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, Members of the House, it is certainly not an overstatement to say that this is a bill for which the country has been waiting, and one in which every one of the 435 Members of this body is very, very much interested. The only question before us during this hour is the kind of rule under which we are to debate this bill.

I am asking the Members to vote down the previous question. I want a rule. I want a bill, but I suggest that it is a travesty on the legislative process and an insult to every one of the 435 Members of this House to tell us that we should be limited by the kind of rule that is proposed in this case.The Democratic caucus in February 1973, at least adopted some rules that were postulated in order to meet Democratic aims to do away with what they said was the iniquitous procedure that had been followed by the Committee on Ways and Means in presenting closed rules. Yet, we have the distinguished chairman—I think he is here—of our Committee on Rules take office in this Congress, and I remember reading an interview where he said he wanted the Members—referring to the Members of this body—to vote. "That is what they are sent here for."

Yet, they are going to muzzle the Members of this House today with the kind of rule suggested for adoption. Vote down the previous question; give us a chance to legislate. We will do that responsibly and intelligently.

Mr. Speaker, I took the trouble to see what some of the people around the country who are really interested in the subject of reform had to say about this, and I have letters and will put them in the RECORD. John Gardner wrote:

DEAR REPRESENTATIVE ANDERSON: We deplore the failure of the House Rules Committee to fully open up the contribution and spending limits of H.R. 16090 to germane amendments.

I have a letter which I will put in the RECORD that I frankly solicited from Ralph Nader saying the same thing:

The failure yesterday of the House Rules Committee to fully open up the contribution and spending limits of H.R. 16090 to amendments is an inappropriate action.

I am reminded of the claims that are given that this is the "Sunshine Congress." We have opened up the House to let the sunshine in. I have read that in the closing scene of the musical production "Hair" that they take off their clothes and they are naked by the time they finish, "Let the Sunshine In." Those who say they are for reform of the procedures of this House are going to be equally naked this afternoon in their pretentions to open up this body to let the sunshine in if they support this closed rule.

If we adopted the kind of modified closed rule that is being sought, and there are at least 10 areas—10 areas that were called to my attention as a member of the Committee on Rules in which perfectly legitimate amendments are sought to be offered on the floor of this House, and to suggest that in a matter as fundamentally as important as the electoral process, how we solicit campaign funds, how we are elected to office, is not of equal interest to every Member of this body—and I appreciate the gentleman's expertise, I appreciate the 21 markup sessions that it took to produce a bill and I am glad he is here today.

Many of the provisions, perhaps most of them, I will support, gladly support, but I would suggest that to deny us who are interested in other areas of the bill what is our legitimate right to write a piece of legislation of this interest and of this import on the floor is to deny us the right we ought to have as Members of this body.

Mr. Speaker, the letters follow:

COMMON CAUSE,
Washington, D.C., August 6, 1974.

Hon. JOHN B. ANDERSON,
House of Representatives,
Longworth House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE ANDERSON: We deplore the failure of the House Rules Committee to fully open up the contribution and spending limits of HR 16090 to germane amendments. This action prevents major issues in controversy on the campaign finance bill from being considered on the House floor.

We believe that the House in considering the rule on HR 16090 should vote to defeat the previous question and should adopt an open rule making all germane amendments in order. To do less will seriously jeopardize House consideration and action on campaign finance reform in 1974.

Sincerely,

JOHN GARDNER.

AUGUST 6, 1974.

Hon. JOHN B. ANDERSON,
House of Representatives,
Longworth House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE ANDERSON: The failure yesterday of the House Rules Committee to fully open up the contribution and spending limits of HR 16090 to germane amendments is an inappropriate action. Legislation of the dimensions of HR 16090 needs to receive full consideration on the floor of the House. This action prevents major areas of legitimate controversy from being considered by all members of the House of Representatives.

The House, in considering the rule on HR 16090 (H. Res. 1292), should vote to defeat the previous question and should vote an open rule making all germane amendments in order. HR 16090, the Anderson-Udall amendment and the Frenzel-Fascell amendments should be passed with the benefit of full debate and consideration of all relevant points of view.

Yours truly,

RALPH NADER.

PUBLIC CITIZEN,
August 6, 1974.

DEAR MEMBER OF CONGRESS: This Wednesday and Thursday, August 7th and 8th, the House will debate a bill of immense importance to the democratic institutions of the United States—H.R. 16090—the Federal Election Campaign Act Amendments of 1974.

The House Administration Committee's bill reforms several areas of campaign financing abuses—abuses which have brought scandal, disrespect and criminal convictions not only to Presidential campaigns, but to congressional, state and local campaigns as well.

The Committee's bill would establish expenditure and contribution limits for individuals and committees; would provide public funds from the income tax check-off fund for Presidential general and primary campaigns; and would provide funds for national party conventions. However, it does contain two glaring omissions.

First, the bill limits any public support to only Presidential campaigns, completely omitting congressional races. Representatives John Anderson (R-Ill.) and Morris Udall (D-Ariz.) are proposing an amendment to cover congressional campaigns that deserves your support. Under this amendment, money from the income tax check-off fund would be provided to congressional candidates for general elections on a matching basis for private contributions of $50 or less. The matching funds could only be used for voter communication functions, i.e., radio and TV, newspaper advertising, billboards, etc. and would be limited to ⅓ of the candidate's spending limit (under the Committee's bill, to $25,000). In addition, each candidate will have to raise a threshold amount equal to 10% of the spending limit in order to qualify for matching payments. Thus, frivolous candidates would not qualify for these funds.

The second omission concerns enforcement powers. Representatives William Frenzel (R-Ill.) and Dante Fascell (D-Fla.) are introducing an amendment to correct this deficiency. As a *Washington Post* editorial, August 5, 1974 said, ". . . for there could be no more constructive change in federal campaign practices than to have the regulatory laws—whatever they may be—aggressively and consistently policed by an agency with enough authority to do the job." Given the history of weak enforcement of campaign financing laws and the extensive evidence of misuse of law enforcement agencies for political purposes, anything less than a truly independent elections commission with sufficient law enforcement authority will be perceived by citizens as a self-serving arrangement.

Congress Watch supports the provisions of the Committee bill to provide public funds for Presidential general elections, primaries, and nominating conventions. We oppose, however, the high limit on contributions by special interest groups ($10,000 per election).

Reform of the campaign financing system is one of the most difficult challenges facing the 93rd Congress. The Senate is firmly on record for serious reform. It is now the duty of the House of Representatives to see that the abuses which have brought the democratic institutions of America such disrespect are corrected. Your support of the Anderson-Udall and the Frenzel-Fascell amendments and HR 16090 is crucial to the reconstruction of citizen trust in government.

The House Rules Committee has failed to fully open the contribution and spending limits of HR 16090 to germane amendments. The House, in considering the rule on HR 16090, should vote to defeat the previous question and should adopt a rule making all germane amendments in order. It is inappropriate for a bill of the importance of HR 16090 to be considered under a rule which does not allow for major areas of controversy to be considered on the floor.

Yours truly,

JOAN CLAYBROOK.
MORGAN DOWNEY.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Speaker, I would like to extend my congratulations to the gentleman from Illinois for what he said, and I associate myself with his remarks. I would like to say that as long as this Congress tries to start election reform by adopting a gag rule, it cannot expect to be any better thought of by the public than it unfortunately is.

Mr. ANDERSON of Illinois. Mr. Speaker, the gentleman is correct. There is the utmost irony in a situation where we find that we are legislating reform under the kind of rule that it proposed here this afternoon.

Vote down the previous question; let the gentleman from Nebraska offer an open rule so that we can work our will on this vital piece of legislation and get on with the kind of reform that the country is waiting for.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I rise in opposition to the previous question on House Resolution 1292, the rule for consideration of H.R. 16090, the Federal Election Campaign Act Amendments of 1974.

H.R. 16090 is one of the most important legislative items on our calendar this year; it provides for long-overdue reforms in Federal election laws. The American people have been calling for these reforms ever since the revelations of widespread abuses by many candidates and campaign organizations of both parties during the 1972 elections. It is unfortunate that there has been such substantial delay in getting a bill before the House, and that we must consider it at a time of domestic upheaval which diverts our energies and attention.

I have long been a vigorous supporter of campaign reform, both in the Florida State Senate and here in the House. I agree with millions of Americans that there are glaring defects in existing Federal law, and I have introduced my own campaign reform bill, H.R. 11735, to correct these defects. My bill is much tougher in many respects than H.R. 16090, and I had therefore looked forward to offering amendments to the committee bill to make it tougher.

However, the Rules Committee has unfortunately decided that H.R. 16090 will be considered under what is essentially a "gag rule." Whole crucial sections of the bill will, under House Resolution 1292, be totally exempt from amendment. We will not be able to toughen up the provisions of H.R. 16090, nor will we be able to close some very glaring loopholes in the bill.

As I noted previously, campaign reform is one of the most pressing issues of our time. I am reluctant to vote against the rule for consideration of such an important bill, because I feel that H.R. 16090 should be debated and passed, with certain amendments. But the rule which we have before us today is totally unsatisfactory for consideration of this measure because it does not allow the House to work its will in the normal legislative manner. Therefore, Mr. Speaker, I am going to join other Members in voting against the previous question on House Resolution 1292 so that we may bring H.R. 16090 to the floor under a completely open rule.

Mr. CLEVELAND. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from New Hampshire (Mr. CLEVELAND).

Mr. CLEVELAND. Mr. Speaker, as a member of the Committee on House Administration which produced this bill, I rise in opposition to its consideration under what amounts to a closed rule. It would be an utter disgrace for the House to act on the critical issue of political campaign reforms while denying Members meaningful opportunity to improve it by amendment.

The record will show that this legislation was finally reported, more than 2 years after the Watergate break-in, by a committee dominated—like the rest of the House—by the majority party. Many amendments offered in committee were rejected by party-line vote. Some amendments such as the Brademas proposal to use check-off funds for matching of small contributions to candidates in presidential primaries were adopted with bipartisan support, including my own. Yet the bill with all its deficiencies is essentially a Democratic product.

It is significant to me that many of the amendments barred from consideration by this rule deal with special-interest contributions, the problem of pooling of funds so as to prevent identification of original donors, and in-kind contributions.

The affinity of organized labor for the majority party makes all too evident the basis for resistance to this type of reforms, as well as other measures to tighten up this legislation. Because the majority does operate from a privileged sanctuary, the media and election reform advocates will probably remain respectfully and benignly silent.

The spectacle of a sharply limited rule is all the more abhorrent in view of the impeachment proceedings now in process of being accelerated. Granted, the fixing of responsibility for Watergate is the principal priority response to Watergate. But a close second is election reform. To do only half the job now would be manifestly a return to business as usual, politics as usual and I will have no part in it.

Incidentally, a third priority is further progress in congressional reform, from which this rule represents a giant step backward. It would be absolutely absurd to abandon our progress toward a more open and responsive Congress in enacting a legislative response to the closed-door horrors of Watergate. I, for one, tend to view this as being of a piece with the tactics of the Democratic Caucus in bottling up the latest congressional reform proposals.

One might argue that the debate would last too long, that the bill might be extensively altered. That is no excuse for preventing the House from working its will. I reject the suggestion that Members cannot act constructively and responsibly. Indeed, we have an obligation to assure that they are confronted with the opportunity and the responsibility to vote these pending amendments up or down, on the record.

I insist that we must take the time. The body has recently scheduled an entire 2 weeks of debate on impeachment. It now appears that 1 week will suffice. There is no way the House could spend its time more in the public interest than to take an entire week, if need be, to do the job that must be done on this bill.

Mr. CRONIN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Massachusetts (Mr. CRONIN).

Mr. CRONIN. Mr. Speaker, Congress has spent the past year and a half attempting to enact a meaningful campaign reform bill. During this period, many of us strongly and consistently urged prompt action by the House Administration Committee, only to be met with delay after delay. I was pleased when the committee—at long last—reported out a campaign reform measure, because I foresaw the opportunity to transform all of our efforts into reality.

Although I do not believe the bill as reported is strong enough to prevent campaign financing abuses, it is a good base from which to initiate an effective reform. Through the adoption on the floor of many strengthening amendments—several of which I am cosponsoring—I believe that the House could pass a meaningful reform bill which could be further strengthened in a House-Senate conference.

Now, through the procedural tactic of a modified closed rule, we are prohibited from even offering these amendments which I feel are necessary if we are to claim, with any integrity, that we have enacted a reform measure. If this rule is adopted, many of the major areas of controversy of campaign financing will never be considered by the 93d Congress. Instead of ignoring these issues, I feel it is the responsibility of every Member of Congress to take a public stand of each of them, so that their constituents will know exactly how their Congressman has voted on legislation to change the law which governs his reelection efforts. I believe the full House should have the opportunity to consider each of these amendments and to determine its merit.

Although I am certain my vote on the previous question to this rule could be misinterpreted by some of my constituents as "antireform," I am equally confident that my constituents will not be deceived by attempts to limit true campaign reform. Openness is a basic ingredient if any democratic system is to work; openness is what reform is all

about. If we are truly concerned about reform with this bill on campaign financing and campaign practices, then it is imperative that we have an open rule. Therefore, I will vote no on the previous question, and I urge my colleagues to do likewise.

Mr. YOUNG of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. HAYS), the chairman of the committee.

Mr. HAYS. Mr. Speaker, I would yield to the gentleman from Illinois, who refused to yield to me, but that is beside the point.

I just want to make a few observations. The gentleman from Indiana (Mr. DENNIS) has shifted his position once this week on a very vital matter. He might shift again when he understands what is involved here.

A lot of the Members are shifting their positions over there, when they should not have taken one, as I did. I did not have to shift.

Let me say this to you, Mr. ANDERSON: I can understand the speech you made, and if I had been the author of the bill which produced Watergate, as you were, with no limitations I would be making the same kind of speech you made.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, during the past 2 years, the American public has been forced to witness the depressing spectacle of massive violations of our campaign laws under a coverup atmosphere. Do we now dare to subject the American people to the irony or perhaps the outrage of considering the campaign finance reform bill under a closed rule?

The confidence of the American people in their Government is too low for us to embark on such a risky undertaking. With public cynicism and alienation so rampant, a campaign reform bill that is considered under a closed rule will be short on credibility.

The rationale for the closed rule is that the House cannot be trusted to deal with one of the most important issues it will consider all year. If our own leadership does not have confidence in us, then how can we expect the American people to have any confidence in us?

I think we can be trusted to handle the people's business. I think that is what we were elected for. If the public is to regain confidence in the Congress, then we have to show confidence in ourselves. I think the best way to display that confidence is for all Members to commit themselves to the principle that open proceedings are the way to obtain the best bill possible.

The closed rule will both stifle debate and discussion and drastically limit the amendments that can be offered. Only about half a dozen amendments will be in order. Proponents claim that, under an open rule, the House will take weeks to complete a bill. To date, there have been only about 50 separate amendments printed in the RECORD. Committee amendments will eliminate many of these. Under our proposed open rule, these are the only amendments that could be offered. A close examination of these amendments demonstrates that all of them are germane to the topic at hand, and should be debated.

I do not want to discuss the merits or demerits of the bill, but in an 80-page comprehensive election reform bill, each of us can find ideas for amendment. Why should some of us be more equal than the rest? We used an open rule in 1971, and we all survived.

Mr. Speaker, the case for an open rule is overwhelming.

We are not going to bring sunshine into the electoral process by considering the campaign reform bill in the dark.

We cannot expect the public to have confidence in this body, when we ourselves do not have sufficient confidence to allow Members to work their will freely on one of the most important issues of the year—an issue on which each of us has plenty of expertise.

What a dreadful irony it will be to handle a bill designed to open up the political processes under a procedure that is not open.

The public is not going to believe that this bill will open up the processes when it is legislated under a closed rule.

I urge Members to vote down the previous question so that we can consider the bill under an open rule.

Mr. YOUNG of Texas. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON of New Jersey. Mr. Speaker, with due respect to the feelings of the gentleman from Minnesota (Mr. FRENZEL), who has worked long and hard on this legislation and of the gentleman from Illinois (Mr. ANDERSON), I rise in support of this rule. I do so because, notwithstanding the fact that it is not completely open, every single section of the proposed legislation in which there has been a major public interest is open and will be open.

Further, our distinguished committee chairman, the gentleman from Ohio (Mr. HAYS), has indicated a willingness not to object to amendments which have not been printed in the RECORD if they are germane. What could be more open than that?

It has not been my habit to vote for closed rules, but I really honestly do not consider this to be closed since the very vital elements of it are open.

Mr. Speaker, only this morning in committee there were adopted and agreed to by the gentleman from Minnesota (Mr. FRENZEL) and by other members, including myself, five committee amendments which go a long, long way toward satisfying the desires of those who really want meaningful election reform. Certainly the American people want it and demand it, and they are going to get it. We are going to get a very splendid piece of legislation as a result of this process.

I see no need to open it up further, especially on those technical aspects which really do not go to the heart of the matter. The heart of the matter is in the financing, in the limitation, and in the enforcement procedures, all of which are open.

Mr. Speaker, I respectfully request the Members of the House to vote for this rule.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado (Mr. ARMSTRONG).

Mr. ARMSTRONG. Mr. Speaker, I thank the gentleman from Nebraska for yielding this time to me.

I commend the gentleman from Nebraska for his leadership in this matter in drawing the attention of the House to the serious shortcomings of this rule. I also particularly commend the gentleman from Illinois (Mr. ANDERSON), who has underscored so vividly the reasons of principle and conscience why this rule must be defeated. He has pointed out, and I think we all know, the moral implications of bringing this bill to the House floor for consideration under an antireform rule.

The very idea of bringing an election reform bill to the floor of the Congress of the United States under a closed rule is absurd, and it would be laughable if it were not tragic.

Mr. Speaker, I want to say a word about some needed amendments which will be precluded unless we vote down the previous question so an amendment providing for an open rule can be adopted.

Let me call attention of the Members to provisions of this bill as it is now written which give to candidates for public office a veto power over the rights of publication and speech of other persons. The language contained in this bill is strikingly similar to that which was held by a New York court to be unconstitutional just a few months ago. It is not my purpose to argue the legal considerations, but I just do not see how we can give that kind of a veto power to any person over the free speech and publication rights of another person without violating the first amendment of the Constitution.

I think we ought to have an amendment to strike that provision out of the bill. The Committee of the Whole ought to be entitled to take this matter up under debate and vote on an amendment which would be proposed on that portion of the bill.

Second, I want to point out this bill does not deal effectively with in kind contributions. It does not close the existing loopholes; it opens up new loopholes, not only as to limitation but also as to reporting.

Third, Mr. Speaker, I want to respond to the chairman of the committee, the gentleman from Ohio (Mr. HAYS), who has mentioned Watergate. One of the most serious shortcomings of this piece of legislation is that it fails to take into account the abuses revealed by the Watergate investigation. This rule would not make in order. amendments to the

bill which would be offered by the gentleman from California (Mr. DEL CLAWSON) and others aimed at outlawing specific Watergate types of abuse. I refer to campaign spying, and espionage, and that kind of thing. In my judgment, these are far more in need of legislative attentive than other aspects of the bill that comes before us.

Let me say to the Members of the House that worthwhile amendments will be proposed; let them be considered and vote them up or down on their merits. I urge my colleagues to vote down the previous questions so that the Members of this body can exercise their prerogatives and have free and open debate on the bill and its amendments.

The SPEAKER. The time of the gentleman has expired.

Mr. YOUNG of Texas. Mr. Speaker, I yield 3 minutes to a distinguished member of the committee, the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Speaker, I rise in support of the rule, and urge that the Committee on Rules and the Committee on House Administration be supported in their effort to produce what I believe can mark a milestone in major campaign reform legislation written by the Congress of the United States.

The gentleman from Illinois (Mr. ANDERSON) who has himself made a significant contribution to the shaping of public opinion on this important legislation, remarked that the only question before the House today was the rule. That is not the only question. The real question coming up, in my judgment, is whether we will have a campaign reform bill this year or not. For one of the reasons for the rule that has been brought forth by the Committee on Rules to the floor of the House today is to make sure, on the one hand, that all of the major matters that are in controversy or that may have been considered by the Committee on House Administration are in fact brought before the floor of the House so that we will have a chance to vote on them while, on the other hand, assuring that we are not hit with such a raft of amendments that may be frivolous in nature that, with time running out in this session of Congress, they could pose a danger to the passage of effective campaign reform legislation this year.

Mr. Speaker, I think it is important to note, if the Members will look at the rule, that germane amendments to limitations on expenditures and contributions will be made in order.

The amendment to be offered by the gentleman from Virginia (Mr. BUTLER) to make bank loan endorsers contributors is in order. Germane amendments to the composition of the supervisory board are in order, and the Fascell-Frenzel amendment relating to the Supervisory Board is made in order. These parts of title IV which have to do with public financing will be made in order, and the rule specifically permits a vote on the Anderson-Udall amendment on public financing of congressional elections. Committee amendments are also made in order under the rule.

There will be, therefore, this speaker, ample opportunity for the House to work its will in this bill on matters of substance.

The Committee on House Administration considered nearly 100 amendments over the many days of markup. We worked long and hard.

I want to say further, Mr. Speaker, that this is a bipartisan bill. The gentleman from Minnesota (Mr. FRENZEL) made contributions. Members on both sides of the aisle made contributions.

So, Mr. Speaker, I suggest that the real issue here, and I am not now going to take time to go into the substance of the major features of the bill, but the real issue here is: Do the Members want a campaign reform bill this year or not? If they do, then they should vote for the previous question and the rule.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to ask the chairman of the Committee on House Administration, the gentleman from Ohio (Mr. HAYS), a question.

The gentleman has stated that he would not object to amendments being offered on the floor regardless of whether they had been published in the CONGRESSIONAL RECORD 1 calendar day previous to today.

I would ask the gentleman from Ohio, does the gentleman's statement also include that the entire bill be open to amendment, and that the gentleman does not object to amendments to other sections?

Mr. HAYS. Of course not. I said anything that the rule does make in order.

Mr. MARTIN of Nebraska. I decline to yield any further. I am glad the gentleman from Ohio clarified that, because we still have a closed rule before us.

Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. FREY).

Mr. FREY. Mr. Speaker, reference was just made to the position of the gentleman from Indiana (Mr. DENNIS) and by implication to other Members on our side of the aisle who served on the Committee on the Judiciary. I certainly was proud of these men, or I was proud of the entire Committee on the Judiciary in the way they approached this issue of impeachment. It was obviously a tough issue and tore a lot of people apart. But these men acted on the evidence, and they acted within their consciences.

Then changes of position in light of the new evidence was not only courageous but correct. To question this is to do these men a disservice.

During this time of the debate on impeachment we heard from both sides of the committee words like "fairness and justice," words like "bipartisan approach," and words like "rule of law."

The Judiciary Committee, I think, acted on the whole within these concepts and most of us in this country were proud of such actions.

I would say to my colleagues on the other side of the aisle that we are in a position today where the House can continue in the path which the Committee on the Judiciary followed. Certainly, it is a tough vote to vote down the previous question and provide an open rule when the head of the Democratic Campaign Committee wants a modified closed rule. But your position is not nearly as tough as the position that many of us have been in and had to wrestle with. There is only one fair way to approach this issue. That is to vote down the previous question and open up this rule and give us a real chance at reform. It is something that we want; it is something that this country needs. This country will not tolerate a double standard of conduct; one for impeachment of the President, the other for the Democratic Party and the Congress. It is time in the House for fairness, not partisan action. The vote will tell the story more than any words.

Mr. YOUNG of Texas. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, I take this moment just to say that I endorse the rule and the previous question on it, because I started this little bill on its way with the hearings in our subcommittee over a long period of time. Most of the closed parts of the bill are matters that in my honest opinion have very little to do with campaign behavior. Most of them are kinds of regulations and criteria that have to be put into legislation for guidelines.

The real heart of the legislation that all of us are interested in is the matter of solicitation of funds, the spending of funds, limitations or no limitations. I am going to support the rule. But I say to the House that ever since I started working on the bill before we put it up to the full committee, Mr. HAYS took all of the hard work and all of the blame and abuse on the legislation because some persons do not believe one has to have time to work, and he had to have time. The Members may think this is an argument on a rule. Can they imagine what we have gone through for over 2 years in the committee?

I intend to offer two amendments. I will offer one myself and the other will be offered by the gentleman from Georgia (Mr. MATHIS) dealing with the limits of spending, dealing with the total amounts, dealing with how much one can contribute and how much one can accept. That is what the people call reform. That is what the people are interested in.

When we get to the floor and action on the bill, I hope some of us will stay around and let me give them the facts after 2 years of intense work on this bill.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 3 minutes to the distinguished Minority Leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, I rise in opposition to the rule on H.R. 16090, the Federal Election Campaign Act Amendments of 1974, and I ask that the previous question be voted down so that the rule may be amended.

I have consistently urged enactment of responsible campaign reform legisla-

tion, and I feel it is a priority for the 93d Congress. The House Administration Committee has worked long to develop H.R. 16090, and while I do not agree with all of the committee's proposals I commend the members for their diligent efforts. I cannot, however, allow the rule under which we will consider this important legislation to go unchallenged.

In a straight partyline vote, the Committee on Rules adopted House Resolution 1292, a "modified closed" rule. Instead of full and open consideration of campaign reform, the rule permits Members to amend only a few, specific portions of the bill.

On such a vital issue, where real, workable reform is essential, it is unconscionable that the major party would impose a gag rule.

As set forth in the statement by the Republican Policy Committee, H.R. 16090 contains many areas of serious concern. For that reason the House should have every opportunity to work its will and consider not just the provisions adopted by the House Administration Committee but the substantive amendments proposed by other Members of the House.

I think it is strange, Mr. Speaker, of those sections which are eligible for amendment under this rule the section which have to be amended in order to shut off the "soft money" type of contribution is not one. In other words there are no amendments which can be offered which would shut off the kind of contribution which certainly is unconscionable, if not illegal. I do not know why it would be that any campaign reform bill worthy of the name would not shut off the largest source of illegal aid that we have in the whole country.

It has been said that this bill does not deal with all of the things which caused Watergate. That is undoubtedly true, but I think it is even more serious that it does not even deal with the type of opening in the artery of the political system which causes the hemorrhage which the "soft money" causes.

I do not believe that the gentleman from Ohio really is getting his hats mixed up, and that he is wearing his hat as the chairman of the Democratic Congressional Committee with as much more pride as he wears the hat of the chairman of the House Administration Committee. I just think it is at least suspect that this "soft money" phase of the bill is not covered adequately.

I ask that the previous question be defeated so that the proper amendments can be offered to make this truly a campaign reform bill which will be even-handed as it deals with both parties.

Mr. YOUNG of Texas. Mr. Speaker, I yield 1 minute to the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I rise in strong support of the rule.

I ask the Members on our side of the aisle to stay with the gentleman from Ohio, the chairman of the committee, who has worked so long and arduously on this bill.

It is quite unexpected that the minority party should at the last minute come up with the roadblocks that they have. Their actions have made this a partisan issue. I certainly hope that our party stays with the gentleman from Ohio (Mr. HAYS) and I congratulate him and his committee for the work which they have done in reporting a campaign reform bill that has teeth in it. H.R. 16090 is a strong measure, and it is a giant step toward improving Federal campaign practices.

The bipartisan House Administration Committee has had an exhaustive and lengthy debate on this issue. They have spent over 4 months drafting this legislation and have considered more than 95 amendments. Chairman HAYS has been fair and patient with all the members of his committee, and everyone—Democrats and Republicans alike—have had ample opportunity to offer amendments and alternative proposals.

The leadership considers this bill of highest priority in the 93d Congress. The American people have been waiting long enough for a straightforward and positive response from the Congress on the numerous campaign abuses stemming from the Watergate affair. The Senate has already acted. Time is running out. The House must agree on an effective campaign reform package as a step toward restoring public confidence in Government.

I believe that this bill meets that objective. It is a solid measure, which corrects some of the abuses of campaign financing that were so graphically pointed out to all of us over the past 2 years. H.R. 16090 places strict limits on campaign contributions and expenditures—simplifies campaign reporting procedures and provides for public financing of the 1976 Presidential election.

If this badly needed reform is to become effective in time for the 1976 election, it must be acted upon this session. I repeat—time is running out. We must have immediate action by the House so that the differences with the Senate-passed bill can be worked out quickly in conference. This is why I think the rule is a fair and reasonable one.

It allows for amendments to the most controversial sections of the bill: expenditure limits, contribution limits, composition of the board, public financing of both Presidential and congressional elections, and bank loan endorsers as contributors. We cannot delay action. Public confidence in the electoral process will continue to erode unless we act responsibly and expeditiously on this bill. If we do not adopt this rule, we will open up the floor to amendments that will prolong interminably the debate and final action on this urgently needed legislation. That would not only be self-defeating, it would also be a betrayal of the public mandate to their representatives to act immediately on substantive revisions in our campaign financing laws.

Mr. Speaker, the rule is openly fair. We cannot delay action. I urge all my colleagues to vote "aye" on the previous question.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Speaker, the very credibility of this Congress reform spirit depends upon adoption of an open rule for this Federal Election Campaign Act Amendments bill so that a number of crucial perfecting amendments can be considered. Without these amendments, this Congress, under the facade of reform, will be passing laws that in reality are insufficient and incomplete.

I have been a strong proponent of Federal campaign reform throughout my short tenure here in the House. This rule, House Resolution 1292, which limits consideration of perfecting amendments to only certain sections of the bill is inimical to the very spirit of reform.

Numerous crucial amendments have been drafted for this Federal election campaign reform bill. But many of these cannot even be considered because of this modified closed rule that we have been given by the Rules Committee. How are we to be able to develop the best possible legislation for Federal election campaign reform if we are unwilling to subject the entire bill to proper scrutiny? Does this Congress fear consideration of all these amendments? Is this true reform?

This bill in its present form is not the true campaign reform legislation we so crucially need and I cannot accept it until certain basic and crucial revisions are affected.

Halfway measures designed to appease the appetite without satisfying the hunger of the times for thorough election campaign reform are little better than no pretense at reform.

This bill fails to provide for any Federal funding in congressional elections, but requires comprehensive public financing of Presidential election campaigns. I urge adoption of the Anderson-Udall amendment to eliminate this double standard and extend clean election standards to congressional races. The Anderson-Udall congressional matching amendment provides for limited public funds to match small private contributions to congressional campaigns.

I also urge adoption of the Frenzel-Fascell amendment to create an independent body to enforce compliance with these clean election laws and require full congressional accountability.

This bill before us, H.R. 16090, limits congressional campaign expenditures to $75,000. It sounds good to the lay ear. But surely we are all aware that such an across-the-board spending limitation gives a nearly insurmountable advantage to the incumbent.

As incumbents with the franking privilege, high profiles in our district media, and full time to devote to being Congressmen, we naturally have a tremendous advantage over any challenger. I have heard some of my colleagues estimate the advantage to be one of as much as $80,000.

A challenger limited to spending $75,000 must attempt to overcome a Con-

gressman also spending $75,000 in addition to his huge incumbency benefits. Is this limitation equitable when we know that a challenger must spend so much more than the incumbent just to be in the race?

Common Cause prefers a $90,000 spending limitation; $75,000 seems quite low for major congressional campaigns. The point is that with the present format of the legislation, any lowering of the limitation level would only exacerbate the disadvantage of the nonincumbent. Clearly we need to develop a mechanism to create greater equity in campaigns by allowing challengers to spend an amount to begin to counter the incumbency advantage. The solution may be a lower spending limitation for the incumbent.

I suspect that my colleagues on the other side of the aisle are anticipating the predicted landslide congressional victories for their party this fall. So naturally they are anxious to pass this bill, heavily weighted in favor of the incumbent, which will become law next year with Congress heavily controlled by the Democratic majority. Such a bias to the advantage of the incumbent will insure their continued strength and domination in this body. The new election campaign laws would not apply to this fall's election campaigns.

Finally, Mr. Speaker, I believe it essential that we establish strong financial disclosure laws for candidates and elected officials. To this end I am a cosponsor of H.R. 16195. We had hoped to offer that bill as the Steelman amendment to H.R. 16090 before us today. But to my distress the Parliamentarian ruled the proposed amendment nongermane and the Rules Committee refused the special rule necessary for its consideration.

For the record, though, this financial disclosure legislation is something this Congress must concern itself with in the very near future.

That is where we stand now with H.R. 16090. With these necessary amendments we can make it an acceptable Federal election campaign act amendments bill; without these amendments the American people will have to wait another year for true election campaign reform laws.

I urge this Congress to demand an open rule for consideration of amendments to H.R. 16090.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. ARCHER).

Mr. ARCHER. Mr. Speaker, one of the major responsibilities of this Congress is to eliminate the abuses in our Nation's election processes, but the reform proposal before us is surely deficient in this desired result. It does have a number of strong points, but there are still too many weaknesses in the bill that can only be corrected by amendment.

Unfortunately, we will not be allowed to offer those amendments on the House floor. The chairman of the House Administration Committee saw to that when he went before the Rules Committee. The result is a rule allowing only the five amendments he approved. Others will not be allowed because, by his own admission before the committee, they would not benefit Democrats.

In my opinion, this is an irresponsible answer to the Nation's plea for open election processes. The bill that should accomplish that goal has become itself a closed partisan issue. As it now stands, there can be no amendment to restrict the "in-kind" contributions Democrats enjoy from big labor. Instead, the limitation has actually been increased from $100 provided in present law to $500 per individual. Nor can any amendment even be considered to restrict contributions by organized griups, whether they be big labor or big business, which deny the individual's right to decide which candidate receives his contribution.

According to the present bill, incumbents still have too great an advantage over their challengers in congressional races. I also question whether or not the American people want to finance Presidential nominating conventions of political parties with their tax dollars.

We need responsible nonpartisan campaign reform to guarantee fair competition in our election processes, not a package that simply carries the title of "reform" but in fact is designed to assure advantages to only one political party. If we indeed want true reform and open elections in this country, we also need to open up the debate and amendment procedure by which this reform legislation is written.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, the majority leader apparently feels that Republican Members are throwing obstacles in the way of election reform. Nothing could be further from the truth. Our situation typifies the dilemma of the minority. For too long we have been working and calling upon the majority for progress in Federal campaign legislation. Having committed ourselves in many ways to the concept of reform, we are now presented with a reform package, credible in appearance, but inclusive of partisan mischief. What do we do to "throw obstacles in the way of reform"? We ask for the right of amendment, to protect our party procedures and our view of what is appropriate. To criticize this insistence is partisan politics, for we have no further remedy; and so we must take our chances that the public will misinterpret a vote against a restrictive rule. I think most people realize this problem exists for any minority on any issue within the control of the majority. I regret that the majority in this case has not dealt with this vital subject on a level above traditional politics.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. MAYNE).

Mr. MAYNE. Mr. Speaker, I rise in opposition to the attempt by moving the previous question to prevent debate and amendment of House Resolution 1292, the resolution providing for consideration of H.R. 16090, the Federal Election Campaign Act Amendments of 1974. The resolution provides for a closed rule allowing only amendments of five special types to be considered. The Members of the House, as well as the Nation, have long awaited this legislation, one of the most important bills to come before the House in this Congress. It is completely inappropriate to hog-tie and hamstring this House through a closed rule so that it can not even consider the several very important amendments that would be offered to this legislation, in order to strengthen its provisions, improve its enforceability and feasibility, fill the loopholes, and correct the several defects evident in the bill as reported.

H.R. 16090 as reported by the House Administration Committee constitutes a substantial improvement over the present law regarding campaign financing and disclosure, and I commend the chairman and members of the House Administration Committee for their work and efforts in preparing it and bringing it before the House. However, it is sadly deficient in several major instances.

The Senate Select Committee on Presidential Campaign Activities—the Watergate Committee—in its recent report stated that an independent Federal Elections Commission is the single-most important change needed in existing law. Early in May, 1973, I cosponsored introduction with the distinguished gentleman from Illinois (Mr. ANDERSON) of H.R. 7901, the Clean Elections Act, which proposed establishment of just such a Commission. The House Republican task force on election reform under the able chairmanship of our colleague from Minnesota (Mr. FRENZEL) in July, 1973, publicly recommended enactment of such a reform.

I am gratified that the Chamber of Commerce, the White House, and such public-interest groups as the League of Women Voters, Common Cause, and Congress Watch have joined in urging enactment of this absolutely essential reform. I share their disappointment that the House Administration Committee bill instead provides for an inadequate, Congress-dominated, nonindependent mechanism to administer this act. I strongly urge my colleagues to defeat the motion for the previous question so that the Frenzel amendment establishing a more independent administration and enforcement agency may be given the consideration it deserves. I am a cosponsor of the Frenzel amendment and shall give it my strong support.

The Anderson-Udall Clean Elections Act introduced in May of last year with my full support also proposed public financing through limited matching of private contributions for congressional candidates. I cannot understand the present bill's failure to incorporate similar provisions as a protection against candidates being tempted to rely on "fat-cats" and special interest groups for campaign financing in the future. I am an early co-

sponsor of the amendment proposed by the gentleman from Illinois (Mr. ANDERSON), which would establish a system of matching grants for congressional general elections, matching payments for private contributions of $50 or less, and I am pleased that public interest groups including the League of Women Voters, the Center for Public Financing, Common Cause and Congress Watch all agree that adoption of this amendment is essential if we are to obtain true campaign financing reform.

The bill contains still other deficiencies which cry out for correction by floor amendments, amendments which will not be allowed unless the proposed closed rule is amended into an open rule. For example, the bill as reported exempts certain gifts-in-kind from limitations and disclosure, such as up to $500 of unreimbursed travel expenses. Furthermore, the bill does not require the amount of a bank loan whose endorser waives repayment after an election be counted as part of his total allowable contribution. The bill's limitations on special interest group contributions to campaigns are woefully inadequate. I intend to support appropriate amendments to correct these deficiencies if the closed rule is amended to permit such amendments to be offered—but we must first defeat any attempt to move the previous question and thereby prevent amendment of the rule.

Ladies and gentlemen of the House, I respectfully urge all to join in defeating this effort to gag the membership and prevent it from working its will, and to amend the rule so that we may adopt these desperately needed amendments and enact campaign reform legislation of which this House can truly be proud. It is indeed time for this House to agree to effective campaign reform as a straight-forward response to the so-called Watergate abuses and a step toward restoring public confidence in Government and especially in this Congress.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. HUDNUT).

Mr. HUDNUT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, as an original cosponsor of the Anderson-Udall bill, on Monday, August 5 I submitted a statement before the House Rules Committee appealing to them to adopt an open rule on H.R. 16090 that would permit the offering of amendments during debate on the House floor, including one that several of us are interested in to require complete financial disclosure of everyone in public life above the $32,000 level of income, which might or might not be ruled germane or might or might not be in the view of the House a good idea. They voted against this open rule on a straight party line vote. This was most disappointing even though we have great respect for the wisdom and integrity of our colleagues on the other side of the aisle.

It appears the majority does not want to allow a bill to pass that would in any way discomfit or disadvantage their Members on their side of the aisle who presently control the Congress. It appears that they are more eager to perpetuate themselves than to effect true campaign reform, and more concerned about the narrow self-interest of incumbents and special groups than they are in the public's interest in clean, competitive election campaigns by persons who are willing to be forthright and open with the public about their sources of income. The public should know this. They should be aware of the support of the other party for a closed rule. And they should also be assured that I and many of my colleagues on our side of the aisle intend to fight this issue as hard as we can.

Mr. Speaker, I urge my colleagues to vote "no" on the previous question.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I happen to be one of those Members not fortunate enough to serve on the House Administration Committee and who, therefore, will be foreclosed from an opportunity to present an amendment to this legislation, unless we get an open rule. I, frankly, resent that.

It was said in the Committee on Rules that there were no experts on campaign reform. I would submit there are 435 experts in this House on campaign reform and that we all deserve some opportunity to work our will on this legislation.

Now, we had an open rule the last time we had campaign reform legislation in 1971 and 1972 and we got good legislation out of it; at least we got legislation that is substantially better than what we had been operating under previously. That is not the case with this proposed legislation.

We admire and respect the gentleman from Ohio (Mr. HAYS). He is one of the cleverest and funniest speakers in this House and he is a man of considerable power in this body; but this bill is merely an exercise in that power, unless we can get an open rule.

This bill is also an example of his cleverness. While it is called reform legislation, it strengthens the hand of the majority party and those groups which generally support that party. But it is bipartisan to the extent that it benefits incumbents of both parties.

The funny thing about this bill is that it comes to the floor under a gag rule passed by the Rules Committee on a straight party-line vote. The argument that reform of campaigns should be passed under gag rule—that we cannot amend a bill to give the public a fairer share in how their campaign contributions are to be collected, spent, and reported.

Mr. Speaker, I regret that this has become such a partisan bill, but perhaps the times make the circumstances.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker and Members of the House, I take the well with less than wholehearted support for broad sweeping election reform legislation. I am really speaking only as an individual, for I would say the majority of my party would not probably not hold to that particular position.

I frankly would be content with something providing for full disclosure of contributions in limited amounts, both cash, and in kind, closely monitored and with stiff penalties for violations.

There is no simple solution to this problem upon which we are about to legislate. There is a wide disparity of conditions that prevail in this country. What is good for New York City certainly is not good for the hinterlands out in the Midwest in Peoria or in some rural community.

On the expenditure side, I have to take a very practical stance. I am representing a party in the minority. How can we in the minority ever hope to gain majority status when incumbency carries with it so many advantages and we Republicans are so outnumbered here in the Congress. Challengers are tightly limited by this bill and cannot possibly compete with incumbents in those districts where expensive media can make the difference.

The Senate-passed bill is for all practical purposes an incumbent protection act. All of us here today are incumbents. As a practical matter, none of us are about to give our challengers an advantage; but I think just simple equity dictates that at least we debate this overall question.

I can appreciate the chairman's concern over opening this thing up and having some silly amendments being offered here and people demagoguing all over the place. I should like to be the first one down here in the well to help fight those kind of silly amendments.

I must say, Mr. Speaker that I do resent being so restricted, as we can be under this rule. I feel strongly, as do several other Members with responsible amendments, that our legitimate rights in this House are being submerged simply by sheer weight of political numbers. For that reason, I take this time to ask that we vote down the previous question and open up the rule so we may have an opportunity to offer our constructive amendments and have them stand or fall on their merit after reasonable debate.

Mr. MARTIN of Nebraska. Mr. Speaker, again I urge the Members of the House to vote down the previous question so that we can have open debate on this matter for a very important piece of legislation and the Members of the House can be able to work their will in the forming of the election process.

The present resolution we have before us precludes amendments to about 95 percent of the bill and the Members will not be allowed to offer amendments to most of the sections of the legislation because of the type of resolution we are currently considering.

Again I urge a no vote on the previous question, so that we may have an open debate on this bill and the Members can work their will. The people of the United States expect no less from their Congress.

Mr. YOUNG of Texas. Mr. Speaker, I yield the remaining 4 minutes to the gentleman from Arizona (Mr. UDALL) for the purpose of closing debate.

Mr. UDALL. Mr. Speaker, sometimes we cannot have everything we want. I want debates under open rules whenever possible, but I also want to end a national system of election laws that have brought disgrace and shame to this country.

We have today an historic opportunity to change that system of laws, and I see the thing possibly going down the drain, and I do not like it. I would have preferred to have debated this bill a year ago. I think we should have done so. I would have preferred to have taken 5 or 6 days to debate it. But the clock is running and we are confronted with a condition where we are going to adjourn for a recess in a week or 2 weeks or 3 weeks. The Senate is probably going to start an all day program on the impeachment trial, and we have some tough choices.

One choice is to conform to procedural purity here and probably lose a bill which has 95 percent of what I want and what I think the gentleman from Illinois (Mr. ANDERSON) wants and those who have supported this long bipartisan effort want. The other choice is to do something we do not like to do and support—not a closed rule—this is a modified open rule—which takes two pages in the rule to list the kinds of things, parts of the bill that are open for debate. So we can stand on procedural purity on one side and lose an historic opportunity. I reluctantly decline to be a party to such a destructive choice.

Let me make a couple of things clear. Most of the points in dispute; most of the points mentioned are either in the law, the kind of things the gentleman from Colorado talked about such as spying, dirty tricks, these kinds of things, are in the law and people have gone to jail for violating them; or they are in the bill; or they are made open for debate and amendment in the rule.

The rule provides that the Anderson-Udall public financing amendment is available for debate; the Frenzel-Fascell, supervisory authority is open for debate. The amounts for limitation of spending and contributions are open for debate. The Butler amendment to take care of the problem of bank loans is open for amendment and debate.

So, what are we talking about here? We are talking about losing an historic opportunity, because we are insisting of some kind of theoretical procedural sanctity and we are going to end up with a fiasco here this afternoon where we lose an opportunity we have all fought for. I do not think we ought to do that. I think we ought to support this most sensible, modified, open rule in this case. Before this day is out we will have sent on to conference with the Senate a darn good bill. In that conference, many of the other things my friends are concerned about can be corrected.

Mr. WAGGONNER. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Speaker, I want to thank the gentleman from Arizona for yielding to me.

I have the same problem with open rules as the gentleman has expressed having himself, but I am convinced of the mood of the House, having listened to this debate and having followed the media reporting of this matter and rule, the mood which prevails in this House today is one of few of the media and that with a completely open rule, there are going to be totally unworkable and unrealistic amendments offered which this Congress will not have the courage to resist. Emotions and fear of being against reform with prevail.

We will have an unworkable bill which will guarantee each of us 4-year terms—2 years when we are elected and 2 years in jail, because nobody can comply with what I think we will be faced with. Let us use some commonsense for a change.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman for yielding to me.

For the record, I would like to address myself to the gentleman from Ohio, the chairman of the committee, who remarked that somehow an amendment I offered to the 1971 Campaign Finance Act was responsible for Watergate.

The hearings on that act began in June 1971; it was reported to the House in October 1971; it was not brought to the floor until December 1971; it was stalled in conference until mid-January 1972; so that we did not get an effective date for enactment until April 1972.

I think the record shows who is responsible for the fact that we have Watergate.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I certainly agree with every word the gentleman from Arizona has said. This is a much stronger bill than the Senate bill, and a far stronger bill than the cynics thought this Congress would enact.

Mr. UDALL. Mr. Speaker, I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Speaker, I thank the gentleman from Arizona.

I want to join in his comments. I support this rule because every major issue has been considered or is reachable by amendment. There are obviously many other amendments which could be offered but in the interest of passing in this session of Congress the important reforms contained in this bill and leave for later additional improvements.

The SPEAKER. The time of the gentleman from Arizona has expired.

All time has expired.

Mr. BAUMAN. Mr. Speaker, I rise in opposition to the adoption of the closed rule, House Resolution 1292, which would provide for consideration of the Federal Election Campaign Act Amendments of 1974. While the House Administration Committee has worked for some time on this measure, and has reported a bill to the floor of the House which will provide for significant reform, I would agree with many of my colleagues that it is inappropriate to consider a bill of this importance with a closed rule. It is clear that at a time when both the country and the Congress are attempting to recover from the excessive campaign practices of past elections, all Members of the House of Representatives should have the opportunity to offer amendments which they sincerely believe will correct certain deficiencies in the measure as reported by the committee.

One major provision of the bill as reported by the committee which should be corrected would place a limitation of $5,000 on the contributions of political committees to candidates for Federal office. The definition of a political committee clearly includes the National and State committees of both major parites, and this action if approved by the House would significantly weaken the two-party system as we know it in this country. I would support those Members of the House who feel that National and State committees of major parties should be excluded from the definition of political committee for the purposes of contribution limitations.

Throughout the history of this Republic political parties have been important institutions in our political process and have provided a measure of stability in our political system. If the opportunity was offered, I would join with the minority members of the House Administration Committee in supporting an amendment which would provide for continued viability of our national and State parties so that they may assist candidates as the need arises, and to provide for the continuation of the two party system in this country. This is just illustrative of many other areas of this legislation which should be strengthened by the adoption of constructive floor amendments, including those sections dealing with special interest groups, and the inability of the committee to deal affectively with the problems associated with in kind contributions.

I would hope that my colleagues will realize that the people of this country will be watching what we in the Congress do in the area of campaign reform legislation, and it should be incumbent upon us to provide for a thorough and complete discussion of this bill and of all amendments which would strengthen the provisions of the legislation. I hope that my colleagues will vote to oppose the adoption of this rule and will vote to provide for an open rule instead. To do any less is political cynicism disguised as "reform."

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in opposition to debate of the campaign reform bill under the restric-

tive procedures proposed by the House Rules Committee.

I do so because I am deeply disturbed that the leigslation approved by the House Administration Committee does not include the provisions of my own Election Campaign Espionage bill which would outlaw political spying in election campaigns.

This bill, which I introduced last year, is designed to prohibit individuals from interfering in the political campaign of any other candidate. It would prohibit the use of contributions for the commission of any illegal act such as wiretapping, electronic surveillance, burglary, or other such activities.

And, it makes it a felony to cover up any violation of Federal election laws.

It is his type of repugnant political activity that we must be seeking to end and I believe we should go ahead and do so directly rather than indirectly through other controls.

I believe very strongly in the concept embodied by my bill because the type of behavior known as "Watergate" has no place in the American election process and is completely contrary to our system of free and open elections.

Bill Stodart, my administrative assistant who passed away last month, worked quite closely with me in the process of developing this proposal.

He did the basic research needed to perfect the language and achieve the goal we both sought to reach.

It was his keen sense of the need for morality to retain and improve America's participatory democracy that helped to come up with the idea for this legislation and get it into final form.

The distinguished gentleman from Minnesota (Mr. FRENZEL) offered my proposal as an amendment in the committee but it was not accepted. If possible amendments are prohibited when the bill is considered on the floor of the House, it will be impossible to offer this amendment to outlaw "dirty tricks" and coverups.

The gentleman from Minnesota has been most helpful in trying improve the bill before us. It is a "dirty trick" to prevent the House from considering amendments to a bill of this nature.

Therefore, I urge the House to reject the rule and allow a more stringent regulation of conduct in political campaigns to be included in this measure.

GENERAL LEAVE

Mr. YOUNG of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of House Resolution 1292.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Before the Chair goes into the question, he desires to state that the monitor on the Republican side is not in order. The Chair has tried to see if we could get up a substitute monitor but apparently there is not sufficient time.

While the Chair could order the vote taken by rollcall, the Chair thinks that both sides can use the Democratic monitor and can alternate in the use of the monitor and save that much time. Therefore, the Chair will ask the Democratic operator and monitor to alternate with the Republican operator and monitor.

For what purpose does the gentleman from New York rise?

Mr. WYDLER. I just want to make it clear to the Chair that in coming onto the House floor at 12 o'clock, I informed the clerks of the House that the Republican monitor was not working. That was within a few minutes after noon today.

The SPEAKER. The Chair was not informed about that until 2 minutes ago. The Chair is the proper person to be advised of things of this sort.

The Chair is going to order that the vote on the previous question be taken by electronic device.

Without objection, a recorded vote was ordered on the motion for the previous question.

The vote was taken by electronic device, and there were—ayes 219, noes 190, not voting 25, as follows:

[Roll No. 457]

AYES—219

Abzug	Drinan	Landrum
Adams	Dulski	Leggett
Addabbo	Eckhardt	Lehman
Alexander	Edwards, Calif.	Litton
Anderson, Calif.	Eilberg	Long, La.
Andrews, N.C.	Evans, Colo.	Long, Md.
Annunzio	Evins, Tenn.	Luken
Ashley	Fascell	McCormack
Aspin	Fisher	McFall
Badillo	Flood	McKay
Barrett	Flowers	Macdonald
Bergland	Flynt	Madden
Bevill	Foley	Mahon
Bingham	Ford	Mann
Blatnik	Fountain	Maraziti
Boggs	Fraser	Mathis, Ga.
Boland	Fuqua	Matsunaga
Bolling	Gaydos	Meeds
Bowen	Gettys	Melcher
Brademas	Giaimo	Metcalfe
Breaux	Gibbons	Mezvinsky
Breckinridge	Ginn	Milford
Brooks	Gonzalez	Mills
Brown, Calif.	Grasso	Minish
Burke, Calif.	Green, Oreg.	Mink
Burke, Mass.	Green, Pa.	Mitchell, Md.
Burleson, Tex.	Griffiths	Moakley
Burlison, Mo.	Gunter	Moorhead, Pa.
Burton, John	Haley	Morgan
Burton, Phillip	Hamilton	Moss
Byron	Hanley	Murphy, Ill.
Carey, N.Y.	Harrington	Murphy, N.Y.
Carney, Ohio	Hawkins	Murtha
Casey, Tex.	Hays	Natcher
Chappell	Hébert	Nedzi
Clark	Helstoski	Nichols
Collins, Ill.	Henderson	Nix
Conyers	Hicks	O'Hara
Corman	Holtzman	O'Neill
Cotter	Howard	Passman
Daniel, Dan	Hungate	Patman
Daniels, Dominick V.	Ichord	Patten
Danielson	Johnson, Calif.	Pepper
Davis, S.C.	Jones, Ala.	Perkins
de la Garza	Jones, N.C.	Pickle
Delaney	Jones, Okla.	Pike
Dellums	Jones, Tenn.	Poage
Denholm	Jordan	Preyer
Dent	Karth	Price, Ill.
Dingell	Kastenmeier	Randall
Donohue	Kazen	Rangel
Dorn	Kluczynski	Rees
	Koch	Reid
	Kyros	Reuss
	Landrum	Riegle
	Leggett	Roberts
	Lehman	Rodino
	Litton	Roe
	Long, La.	Rogers
	Long, Md.	Roncalio, Wyo.
	Luken	Rooney, Pa.
	McCormack	Rose
	McFall	Rosenthal
	McKay	Rostenkowski
	Macdonald	Roush
	Madden	Roy
	Mahon	Roybal
	Mann	Runnels
	Maraziti	Ryan
	Mathis, Ga.	St Germain
	Matsunaga	Sarbanes
	Meeds	Satterfield
	Melcher	Schroeder
	Metcalfe	Seiberling
	Mezvinsky	Shipley
	Milford	Sikes
	Mills	Sisk
	Minish	Slack
	Mink	Smith, Iowa
	Mitchell, Md.	Staggers
	Moakley	Stanton, James V.
	Moorhead, Pa.	Stark
	Morgan	Steed
	Moss	Stephens
	Murphy, Ill.	Stokes
	Murphy, N.Y.	Stuckey
	Murtha	Studds
	Natcher	Sullivan
	Nedzi	Symington
	Nichols	Taylor, N.C.
	Nix	Thompson, N.J.
	O'Hara	Thornton
	O'Neill	Tiernan
	Passman	Traxler
	Patman	Udall
	Patten	Ullman
	Pepper	Van Deerlin
	Perkins	Vander Veen
	Pickle	Vanik
	Pike	Vigorito
	Poage	Waggonner
	Preyer	Waldie
	Price, Ill.	White
	Randall	Whitten
	Rangel	Wilson, Charles H., Calif.
	Rees	Wilson, Charles, Tex.
	Reid	Wolff
	Reuss	Wright
		Yates
		Yatron
		Young, Ga.
		Young, Tex.
		Zablocki

NOES—190

Abdnor	Frenzel	O'Brien
Anderson, Ill.	Frey	Parris
Andrews, N. Dak.	Froehlich	Pettis
Archer	Gilman	Peyser
Arends	Goldwater	Powell, Ohio
Armstrong	Goodling	Price, Tex.
Ashbrook	Gross	Pritchard
Bafalis	Grover	Quie
Baker	Gubser	Quillen
Bauman	Gude	Railsback
Beard	Guyer	Regula
Bell	Hammer-schmidt	Rhodes
Bennett	Hanrahan	Rinaldo
Biester	Hastings	Robinson, Va.
Blackburn	Hechler, W. Va.	Robison, N.Y.
Bray	Heckler, Mass.	Roncallo, N.Y.
Brinkley	Heinz	Rousselot
Broomfield	Hillis	Ruppe
Brotzman	Hinshaw	Ruth
Brown, Mich.	Hogan	Sandman
Brown, Ohio	Holt	Sarasin
Broyhill, N.C.	Horton	Schneebeli
Broyhill, Va.	Hosmer	Sebelius
Buchanan	Huber	Shoup
Burgener	Hudnut	Shriver
Burke, Fla.	Hunt	Shuster
Butler	Hutchinson	Skubitz
Camp	Jarman	Smith, N.Y.
Carter	Johnson, Colo.	Snyder
Cederberg	Johnson, Pa.	Spence
Chamberlain	Kemp	Stanton, J. William
Clancy	Ketchum	Steele
Clausen, Don H.	King	Steelman
Clawson, Del	Kuykendall	Steiger, Ariz.
Cleveland	Lagomarsino	Steiger, Wis.
Cochran	Landgrebe	Stratton
Cohen	Latta	Symms
Collier	Lent	Talcott
Collins, Tex.	Lott	Taylor, Mo.
Conable	Lujan	Thomson, Wis.
Conlan	McClory	Thone
Conte	McCloskey	Towell, Nev.
Coughlin	McCollister	Treen
Crane	McDade	Veysey
Cronin	McEwen	Walsh
Culver	McKinney	Wampler
Daniel, Robert W., Jr.	Madigan	Ware
Davis, Wis.	Mallary	Whalen
Dellenback	Martin, Nebr.	Whitehurst
Dennis	Martin, N.C.	Widnall
Derwinski	Mathias, Calif.	Wiggins
Devine	Mayne	Williams
Dickinson	Mazzoli	Wilson, Bob
Duncan	Michel	Winn
du Pont	Miller	Wyatt
Edwards, Ala.	Minshall, Ohio	Wydler
Erlenborn	Mitchell, N.Y.	Wyman
Esch	Mizell	Young, Alaska
Eshleman	Montgomery	Young, Fla.
Findley	Moorhead, Calif.	Young, Ill.
Fish	Mosher	Young, S.C.
Forsythe	Myers	Zion
Frelinghuysen	Nelsen	Zwach
	Obey	

NOT VOTING—25

Biaggi	Hanna	Rarick
Brasco	Hansen, Idaho	Rooney, N.Y.
Chisholm	Hansen, Wash.	Scherle
Clay	Harsha	Stubblefield
Davis, Ga.	Holifield	Teague
Diggs	McSpadden	Vander Jagt
Downing	Mollohan	Wylie
Fulton	Owens	
Gray	Podell	

So the previous question was ordered.

The Clerk announced the following pairs:

Mr. Fulton with Mr. Hanna.
Mr. Biaggi with Mr. McSpadden.
Mr. Teague with Mr. Rarick.
Mr. Rooney of New York with Mr. Stubblefield.
Mr. Podell with Mr. Harsha.
Mrs. Chisholm with Mrs. Hansen of Washington.
Mr. Davis of Georgia with Mr. Hansen of Idaho.
Mr. Mollohan with Mr. Scherle.
Mr. Owens with Mr. Wylie.
Mr. Downing with Mr. Vander Jagt.
Mr. Diggs with Mr. Gray.
Mr. Clay with Mr. Holifield.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 330, nays 78, not voting 26, as follows:

[Roll No. 458]

YEAS—330

Abdnor	Conte	Guyer
Abzug	Conyers	Haley
Adams	Corman	Hamilton
Addabbo	Cotter	Hanley
Alexander	Coughlin	Hanrahan
Anderson, Calif.	Cronin	Harrington
Anderson, Ill.	Culver	Hastings
Andrews, N.C.	Daniel, Dan	Hawkins
Andrews, N. Dak.	Daniel, Robert W., Jr.	Hays
Annunzio	Daniels, Dominick V.	Hébert
Ashley	Danielson	Hechler, W. Va.
Aspin	Davis, S.C.	Heckler, Mass.
Badillo	de la Garza	Heinz
Bafalis	Delaney	Helstoski
Barrett	Dellenback	Henderson
Bell	Dellums	Hicks
Bennett	Dent	Hogan
Bergland	Devine	Holt
Bevill	Dingell	Holtzman
Biester	Donohue	Horton
Bingham	Dorn	Howard
Blatnik	Drinan	Hungate
Boggs	Dulski	Ichord
Boland	Duncan	Jarman
Bolling	du Pont	Johnson, Calif.
Bowen	Eckhardt	Johnson, Colo.
Brademas	Edwards, Ala.	Johnson, Pa.
Breaux	Edwards, Calif.	Jones, Ala.
Breckinridge	Eilberg	Jones, N.C.
Brinkley	Esch	Jones, Okla.
Brooks	Eshleman	Jones, Tenn.
Broomfield	Evans, Colo.	Jordan
Brotzman	Fascell	Karth
Brown, Calif.	Findley	Kastenmeier
Broyhill, N.C.	Fish	Kazen
Broyhill, Va.	Fisher	Kemp
Buchanan	Flood	Ketchum
Burgener	Flowers	Kluczynski
Burke, Calif.	Flynt	Koch
Burke, Fla.	Foley	Kyros
Burke, Mass.	Ford	Landrum
Burleson, Tex.	Fountain	Latta
Burlison, Mo.	Fraser	Leggett
Burton, John	Frenzel	Lehman
Burton, Phillip	Frey	Lent
Butler	Fulton	Litton
Byron	Fuqua	Long, La.
Camp	Gaydos	Long, Md.
Carney, Ohio	Gettys	Lujan
Carter	Giaimo	Luken
Casey, Tex.	Gibbons	McClory
Cederberg	Gilman	McCloskey
Chamberlain	Ginn	McCormack
Chappell	Gonzalez	McDade
Clark	Grasso	McFall
Clausen, Don H.	Green, Oreg.	McKay
Cohen	Green, Pa.	McKinney
Collier	Griffiths	Macdonald
Collins, Ill.	Gude	Madden
	Gunter	Mahon
		Mallary
		Mann
Maraziti	Railsback	Stokes
Martin, N.C.	Randall	Stubblefield
Mathis, Ga.	Rangel	Stuckey
Matsunaga	Rees	Studds
Mayne	Regula	Sullivan
Mazzoli	Reid	Symington
Meeds	Reuss	Talcott
Melcher	Riegle	Taylor, Mo.
Metcalfe	Rinaldo	Taylor, N.C.
Mezvinsky	Roberts	Teague
Milford	Robinson, Va.	Thompson, N.J.
Miller	Robison, N.Y.	Thomson, Wis.
Mills	Rodino	Thone
Minish	Roe	Thornton
Mink	Rogers	Tiernan
Minshall, Ohio	Roncalio, Wyo.	Towell, Nev.
Mitchell, Md.	Roncallo, N.Y.	Traxler
Mitchell, N.Y.	Rooney, Pa.	Udall
Mizell	Rose	Ullman
Moakley	Rosenthal	Van Deerlin
Montgomery	Rostenkowski	Vander Veen
Moorhead, Calif.	Roush	Vanik
Moorhead, Pa.	Roy	Veysey
Morgan	Roybal	Vigorito
Moss	Runnels	Waggonner
Murphy, Ill.	Ruppe	Walsh
Murphy, N.Y.	Ruth	Wampler
Murtha	Ryan	Ware
Natcher	St Germain	Whalen
Nedzi	Sandman	White
Nelsen	Sarasin	Whitehurst
Nichols	Sarbanes	Whitten
Nix	Satterfield	Widnall
O'Brien	Schroeder	Wiggins
O'Hara	Sebelius	Williams
O'Neill	Seiberling	Wilson, Charles H., Calif.
Passman	Shipley	
Patten	Shriver	Wilson, Charles, Tex.
Pepper	Sikes	
Perkins	Sisk	Winn
Pettis	Slack	Wolff
Peyser	Smith, Iowa	Wright
Pickle	Snyder	Yates
Pike	Staggers	Yatron
Poage	Stanton, J. William	Young, Alaska
Preyer	Stanton, James V.	Young, Ga.
Price, Ill.	Stark	Young, Ill.
Price, Tex.	Steed	Young, Tex.
Pritchard	Steele	Zablocki
Quie	Stephens	Zwach
Quillen		

NAYS—78

Archer	Froehlich	Myers
Arends	Goldwater	Obey
Armstrong	Goodling	Parris
Ashbrook	Gross	Powell, Ohio
Baker	Grover	Rhodes
Bauman	Gubser	Rousselot
Beard	Hammer-schmidt	Schneebeli
Blackburn	Harsha	Shoup
Bray	Hillis	Shuster
Brown, Mich.	Hinshaw	Skubitz
Brown, Ohio	Hosmer	Smith, N.Y.
Clancy	Huber	Spence
Clawson, Del	Hudnut	Steelman
Cleveland	Hunt	Steiger, Ariz.
Cochran	Hutchinson	Steiger, Wis.
Collins, Tex.	King	Stratton
Conable	Kuykendall	Symms
Conlan	Lagomarsino	Treen
Crane	Landgrebe	Wilson, Bob
Davis, Wis.	Lott	Wyatt
Denholm	McCollister	Wydler
Dennis	McEwen	Wyman
Derwinski	Madigan	Young, Fla.
Dickinson	Martin, Nebr.	Young, S.C.
Erlenborn	Michel	Zion
Forsythe	Mosher	
Frelinghuysen		

NOT VOTING—26

Biaggi	Gray	Patman
Brasco	Hanna	Podell
Carey, N.Y.	Hansen, Idaho	Rarick
Chisholm	Hansen, Wash.	Rooney, N.Y.
Clay	Holifield	Scherle
Davis, Ga.	McSpadden	Vander Jagt
Diggs	Mathias, Calif.	Waldie
Downing	Mollohan	Wylie
Evins, Tenn.	Owens	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Downing with Mr. Holifield.
Mr. Rooney of New York with Mr. Hanna.
Mr. Carey of New York with Mr. McSpadden.
Mr. Biaggi with Mr. Hansen of Idaho.
Mr. Mollohan with Mr. Rarick.
Mrs. Chisholm with Mr. Gray.
Mr. Davis of Georgia with Mr. Scherle.
Mr. Diggs with Mr. Patman.
Mr. Evins of Tennessee with Mr. Vander Jagt.
Mr. Clay with Mr. Owens.
Mr. Waldie with Mrs. Hansen of Washington.
Mr. Podell with Mr. Wylie.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON RULES TO HAVE UNTIL MIDNIGHT THURSDAY, AUGUST 8, 1974, TO FILE CERTAIN PRIVILEGED REPORTS

Mr. YOUNG of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tomorrow night, Thursday, August 8, 1974, to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 15405, DEPARTMENT OF TRANSPORTATION APPROPRIATIONS, 1975

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 15405), making appropriations to the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

Mr. HAYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16090) to impose overall limitations on campaign expenditures and political contributions; to provide that each candidate for Federal office shall designate a principal campaign committee; to provide for a single reporting responsibility with respect to receipts and expenditures by certain political committees; to change the times for the filing of reports regarding campaign expenditures and political contributions; to provide for public financing of Presidential nominating conventions and Presidential primary elections; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. HAYS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 16090, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Ohio (Mr. HAYS) will be recognized for 1 hour, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 1 hour.

The Chair recognizes the gentleman from Ohio (Mr. HAYS).

Mr. HAYS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I propose to take as little time in general debate as possible. There is usually not a very heavy attendance, and I think we will get down to the crux of the disagreements, if any, under the 5-minute rule.

I want to quickly run through the general provisions of the bill.

There are questions that Members have, and I will yield myself more time in an attempt to answer them.

In title I, the Criminal Code amendments, we have these limits of $1,000 per election by any person to a candidate. A "person," of course, is a broad term under the law. There is a $5,000 limit per election on contributions to candidates for Federal office by multicandidate committees. That would be the Democratic Campaign Committee, the Republican Campaign Committee, et cetera.

There is a $25,000 limit on the amount one individual may contribute in one year to all candidates. In other words, if a man wanted to contribute $1,000 to 25 candidates, he could do it, and then the ball game is over for him.

This gets away from the type of $2.5 million contributions and $1 million contributions that were had on both sides the last time, and of course, if the bill stays as it is, there will be no contributions in Federal elections because we propose to fund them out of the income tax checkoff.

The expenditure limits are set overall in this way: The President for the general election, $20 million; for the primary election, $10 million; for the Senate, $75,000 or 5 cents times the population of the State, whichever is larger; in the House, $75,000 in each primary and general election.

Expenditure limitations would be increased by the cost of living escalation.

There is a prohibition against a candidate spending more than $25,000 of his own funds in an election. That, of course, includes the candidate, his wife, and members of his immediate family.

We allow an exemption for slatecards and sample ballots being exempted from the reporting requirement. The reason for that is that in very, very many geographical areas of this country there are counties with a population of 20,000, 30,000, and 40,000 where the parties in the county on both sides put out a sample ballot. I will use, for example, one county in my district in Ohio which has a population of 16,000 people. You can buy 16,000 sample ballots, even at today's prices, for less than $300 if you buy them from the people who print the ballots.

In Ohio the law requires anything labeled "sample ballot" to have the names of every candidate for both parties on it.

Mr. Chairman, under the old law, if that party spent $300 in this year's election for sample ballots, which would be one for every household in the county, they would be forced, under the penalty of fine and imprisonment, whether they knew it or not, to report to the Federal Election Commission that they had spent $20 on my behalf, for instance, because there are 15 candidates this year in my district on the ballot.

That is the kind of little thing that is one of the technical violations, of which there are literally thousands, that we are trying to eliminate by what seems to me to be a rather sensible exemption.

Under the Disclosure Act we simplify the reporting requirements. We provide for a single 10-day preelection report instead of the 5-day and 15-day report that the present law provides. The reason we did that is simply because the 5-day provision was not realistic. By the time you got your books closed, got your report made, and got it down here and the clerk put it on his computer and it was recorded, it was difficult to get copies in by election day.

So we did away with this. We now make one report mandatory 10 days before election and another 30 days after election.

I think the Members are also going to be delighted to know that we have eliminated these reports which had to come quarterly, most of which said, zero, zero, zero, but which had to be notarized and sent in. In any quarter in any year in which you do not spend $1,000 in that quarter, you do not make a report until the end of the year, when you make a cumulative report. If you spent over $1,000 in a quarter, you have to file a report.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. HAYS) has expired.

Mr. HAYS. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, we waive quarterly reports if they fall within the 10 days of a pre- or post-election report. In other words, if a quarterly report came within 10 days or 30 days after election, you just combine them and make one report.

We require each candidate to have a principal campaign committee. I am going to take a little time to explain that. If you have nine counties in the district or nine wards in the city and you want to have a committee in each ward, that is all right, but you have got to designate one committee as your principal committee. All of those country or ward committees have to report whatever they spend in your name to the principal committee, and the principal committee is responsible and must make the report to the reporting authority.

Mr. Chairman, we have agreed, by a committee amendment, with the gentleman from Minnesota (Mr. FRENZEL) and the gentleman from Florida (Mr. FASCELL), as well as other Members—the committee agreed to it this morning—that the committee will offer an amendment on the composition of the board, which will be as follows: The board will be composed of six people, four voting members and two nonvoting members. The four voting members will be appointed, two by the Speaker of the House and two by the Vice President of the United States.

I wish to tell the Members that we included the Vice President of the United States in an effort to be eminently fair to the minority side, because normally those appointments are made by the Speaker of the House and the President pro tempore of the Senate, and they are both Democrats. However, we stipulate that those appointees must be, one from each party in both cases, and to that are added the Clerk of the House and the Secretary of the Senate as nonvoting members of the Board, for the purpose of being there and being in on the promulgation of rules and regulations and being available for Members to consult as to what are the proper procedures so that one can make out his report and have some real feeling that he is within the law.

We also have compromised another thing in the bill which will be offered as a committee amendment. Under the old bill the reporting authority got together and made rules and regulations and they changed the law. It was 5 days and 15 days, but by regulation they changed it to 22 days and 12 days. We do not think that ought to be done. We had in there that any rules or regulations they made could be vetoed by either committee, but we decided that raised a constitutional question. So, by committee amendment, we will change that so that anything they promulgate can be vetoed within 30 days by a vote of either House of the Congress.

In other words, it would probably be referred to the committee. If they thought it worthwhile, they would bring it to the House for a vote.

In title II we amend the Hatch Act so as to allow State and local government employees to participate on a voluntary basis in certain partisan political activities.

We strengthen and expand the existing dollar checkoffs now limited to the financing of Presidential elections. The gentleman from Indiana (Mr. BRADEMAS) will explain this later in detail. We make the dollar checkoff self-perpetuating to assure that the money may be used within the election, and we set aside $20 million for each major political party. We define major political parties and minor political parties, and something will be available for the minor political parties.

The definition of a minor political party is one that got 5 percent of the vote in the last election. As I say, there is $20 million for each major party in the State, and they may not raise any money privately, and they may not spend more than $20 million, which must be spent again through a designated single committee, which may be the national committee or it may be another, but it must be one single committee, and they will not be out running all over the country, raising money.

Finally, we put in the law that political committees with no gross income for the taxable year would not be required to file income tax returns for that year. The IRS rules that whether you made a nickel or not you had to file a return.

Well, I was chairman around here many years ago when the Committee on Excess Government Paperwork was formed, and I think this was excess government paperwork. Anybody who does not have any income does not have to file a return, so why should a political committee which has no income be forced to file a return? We just wiped it out. That is one of the reasons of the waiver on points of order in the rule.

Mr. Chairman, I have touched on the high points, and other Members will explain in greater detail other sections. The members of the committee will be available to answer any questions that other Members may have.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAYS. Mr. Chairman, I yield myself 1 additional minute.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, the gentleman from Ohio serves as the chairman of the Democratic Congressional Campaign Committee, and the gentleman and I are friendly adversaries in the sense that one of my responsibilities around here is chairman of the Republican Campaign Committee.

I have one question. The gentleman stated that there is a $5,000 limitation on contributions to candidates for Federal office by committees other than one's "principal" campaign committees, and the gentleman from Ohio I think in the course of his general debate a moment ago likened the congressional committees to some of the better known recognized special interest groups. What was the rationale in the treatment of those kinds of committees as though they are on a par with the respective congressional campaign committees we chair?

I would like to think our respective national committees, senatorial and congressional campaign committees, could be looked upon in a special way—even in this bill. Why could we not have been excluded from this limitation?

The CHAIRMAN. The time of the gentleman has again expired.

Mr. HAYS. Mr. Chairman, I yield myself 1 additional minute in order to answer the question posed by the gentleman from Illinois (Mr. MICHEL).

Mr. Chairman, I would say to the gentleman from Illinois—and I understand that this is a complicated matter—that the rationale was in trying to make a distinction between the different candidate committees—and it was not my contention, and I want to make a little legislative history here, and I do not think it was the intention of the committee, to include whatever services we give to any candidate as far as the $5,000 is concerned.

In other words, if you furnish a candidate with a voting record, or my voting record, or if I furnish a candidate with the gentleman's, that is not included. We were talking about the way I understood it, and I believe that is the intent—a cash contrbiution to the candidate's campaign.

Mr. MICHEL. Strictly a financial contribution under an information and educational allowance, or whatever we might call it; but the inhouse kind of contributions that our respective committees have been accustomed to making candidates or to incumbents would be excluded?

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAYS. Mr. Chairman, I yield myself 3 additional minutes.

It is my belief that they are not included—just the cash contributions.

Mr. MICHEL. I thank the gentleman.

Mr. MATSUNAGA. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. I thank the gentleman for yielding.

As the gentleman knows, when he appeared before the Rules Committee, I raised a question relative to the definition of the term "any election" as used in section 101. I raise the question for the reason that, while setting the limitation on the amount that any person may contribute, the term "any election" is used, in setting the maximum for expenditures that any candidate may make, the term "any campaign for nomination for election, or for election" is used.

Mr. HAYS. May I say to the gentleman I do not have the section at my fingertips, but there is a section in there defining elections, and in the definition of election as the term is used, it means any primary, any runoff, and any general election.

Mr. MATSUNAGA. That is fine. For the purpose of establishing legislative history, I thought I should raise the question.

Mr. HAYS. It is also in the bill in the definition.

Mr. MATSUNAGA. I will remind the gentleman that the definition merely refers to existing law, which is not printed in the bill itself.

Mr. HAYS. But in the Ramseyer report it is there, and it is defined that way.

Mr. MATSUNAGA. I thank the gentleman.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. CONYERS. I appreciate the chairman's yielding to me.

I should like to have him explain, if he would, the question I raised with him before that apparently requires new political parties to have to accumulate 5 percent of the vote, which means that it would have to go from 0 percent to in excess of 5 percent. I know that it is in existing legislation, and is continued in the bill.

Mr. HAYS. Let me say that there is defined in there—and one of the other Members is going into it in depth—major party and minor party—and a minor party is one which accumulated 5 percent—and new parties. A minor party, to be called a minor party and to be eligible, must have gotten the 5 percent in the last election, but that is subject to amendment. That is in one of the sections that is open, and it could be amended.

Mr. CONYERS. The gentleman from Ohio perceives, then, the problem I am raising?

Mr. HAYS. I do.

Mr. CONYERS. We are precluding new parties from getting started. Both of the major parties in the United States pried themselves from splinter groups or from different political formations and entities. What we are now requiring is that these new parties, to get the benefit of public financing—as important and vital as it is—we are now in effect requiring to grow to at least 5 percent or die. I think that is a very serious situation that ought to be gone into very carefully by the Chairman and the Members.

Mr. HAYS. Let me say to the gentleman that I respect his position. He and I may have a fundamental philosophical disagreement about this without affecting our friendship. I personally would like to do anything I can to protect the two-party system, because I am too familiar with too many European countries that have multiparty systems that have degenerated into almost anarchy. There will be provisions for debate on this under the 5-minute rule. There will be provision for amendment, and I do not want to use more time because I have promised a lot of time; but I will be glad to discuss it further with the gentleman under the 5-minute rule.

Mr. CONYERS. Before we get into the 5-minute rule, the 5-minute rule, as I see it practiced on the floor, is that after we start the 5-minute rule, a great number of Members will decide that we ought to cut off the 5-minute rule—and I am referring to the $90 billion Department of Defense bill that was just considered yesterday.

Mr. HAYS. I will assure the gentleman that he will have 5 minutes if I have to get it and give it to him myself.

Mr. CONYERS. I am not only concerned about getting the 5 minutes but I am equally concerned about the provisions that limit new and small parties which ought to be thoroughly considered in passing this legislation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding. I wanted to ask my colleague, the gentleman from Michigan, did he vote for the closed rule?

Mr. CONYERS. I think that is an irrelevant question.

Mr. ROUSSELOT. I do not think so. As a matter of fact, it is a most relevant question because an open rule would have guaranteed the gentleman from Michigan more adequate time for appropriate amendments.

Mr. FRENZEL. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama (Mr. DICKINSON), the ranking minority member of the Committee on House Administration.

Mr. DICKINSON. Mr. Chairman, let me say at the beginning that I want to compliment the chairman of the committee, the gentleman from Ohio (Mr. HAYS) and the membership of our committee for the conscientious hard work

that they have put forth in bringing forward this bill. We had 21 different sessions on markup. We charged up the hill many times and charged back down again, and we charged up on the same hill again. There are many things in this bill that are good, that are salutary, that are needed.

There are many things in this bill that I object to that I would like very much to see removed from the bill. For instance, I favor some of the spending limitations, but on the question of campaign expenditures for Members of Congress I think that the amount is excessive. We voted I do not know how many different times on different figures and they ranged anywhere from $150,000 per election down to as low as $50,000 or even less. We finally settled on the figure of $60,000 per election. We tried to take into account the differences in rural areas and metropolitan areas or industrialized areas and agricultural areas in trying to work some equity because we realize the situation is different from Manhattan, say, to the rural areas of my 13 counties, and it costs more in some areas.

I felt that $60,000 was the most equitable figure we could have settled on. After we voted on it, it came up again and then we voted on $75,000. I can support the $75,000, but if an amendment is offered I will vote to go back to $60,000, because this means $50,000 per election, which means every time we vote.

It means that if there is a primary, that is $75,000. Then if there is a runoff a month later, that is $75,000, or a total of $150,000 which we will have spent right there. It is not a pass through and it is not cumulative, but we can spend $75,000 per election there or $150,000 total for the primary and runoff, and then it there is a general election, that is another $75,000, and if there is a runoff after that general election, as is permitted in some States, there is another $75,000, and it is up to $300,000 for a seat in the Congress, which I think is too high.

Mr. MATHIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Georgia.

Mr. MATHIS of Georgia. Mr. Chairman, I offered an amendment in the committee which reduced the amount of expenditure per election to $42,500. The gentleman supported that, and I would appreciate the gentleman's support in this instance as on that date.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I think it might be appropriate to make the observation that in the last election the challengers who defeated incumbents spent on the average, $120,000 to defeat the incumbents. I subscribe to the gentleman's personal view and hope that we could keep campaign expenditures down to a minimum in each one of our districts, but the facts of life prove that the only way one can possibly unseat those of us who are incumbents with our built-in advantages, and this was particularly true in 1972, is to spend considerable sums of money. So the $42,500, while good talk for the folks back home, is one of those kinds of amendments I referred to during the consideration of the rule as rather ridiculous and it will put the Members unfairly to the mast on the floor when we get under the 5-minute rule.

Mr. DICKINSON. I thank the gentleman for his observation.

Mr. Chairman, moving right along now, there are other features of the bill I find most repugnant and objectionable. For instance, on the financing of national conventions out of the public till, there is $2 million set aside here to finance the national conventions.

This is bad for many reasons. They say, "If you do not want it, we will make it optional." The Democrats say, "We want it. You don't have to take it if you don't want it."

We can find going through the whole thread of this bill the partisanship, I suppose, which is part of this ball game; but let me remind all of us that with the pursestrings goes control. That is a simple axiom of life that we cannot change.

When Federal funds go in, sooner or later we will have Federal control. We will find when the Federal Government starts financing purely partisan campaigns and elections, then they will start setting parameters of how many delegates we are going to have, the composition of the delegates. Ultimately we will find there are some disadvantaged ones that say, "We don't have the money to serve as a delegate." So we will see the Federal Government paying the salaries and transportation expenses of delegates to go to national conventions, all out of the taxpayers' pocket. This is one of the things I am adamantly opposed to. I think it is wrong. The taxpayers of the United States should not finance national conventions.

We heard the statement a bit earlier that do not let procedural purity keep us from this historical chance. This historical chance to what, to freeze in the incumbents? Procedural purity, and the thing I objected to when we were discussing the bill and the reason I wanted to vote it down under the discussion of the rule, I wanted to vote down the rule, because for the first time we required a proposed amendment to be printed 24 hours or a calendar day in advance and then moved immediately into the bill without preserving that 24 hours for the Members to avail themselves of the opportunity.

This is ludicrous. This means anybody that did not guess or hear or pick up a rumor yesterday that we were going to pass this rule today, if he did not have inside information and get his amendment in the RECORD yesterday, even though it is germane, even though it is acceptable in every other way, he cannot offer it today.

I think this is bad procedure. I think we are setting a bad precedent. I cannot imagine the Committee on Rules setting up this rule without at least guaranteeing 24 hours to a person to avail himself of this opportunity, but they did so. That was one good reason I think for opening up the rule.

Mr. Chairman, I think we need campaign reform. I think there are many good areas in here. I was very pleased to hear the chairman of our full committee in the colloquy with the gentleman from Illinois saying it was not intended that the overhead expense of the two campaign committees, such as salaries, rent and heat and so forth, be prorated in donations and given to the various incumbents that they serve, but only the cash contributions were to be intended; but as I pointed out in my special views in the report, in setting up the authority, whatever the authority there is to oversee and carry out the aims and wishes of this bill, we must be careful that in the name of reform we do not drive out and scare people away, good dedicated honest people who are interested in the Government of this country, scare them out of politics by stringing so many trip wires that they do not know if they are going to jail or not if they are a candidate or even helping a candidate.

I did serve on the special subcommittee that was set up to monitor elections by the Congress. The Clerk of this House certified over 5,000 violations of the last election law of the House of Representatives alone, over 5,000 violations to the Justice Department for investigation and/or prosecution.

I am very fearful if we are not careful in setting up whatever authority is to control this, if we do not get somebody knowledgeable and sympathetic and with commonsense, if we set up a Commission that is going to be headhunters, we are all going to be in danger of what the gentleman from Louisiana said earlier. We will be serving two sentences, one for 2 years in the Congress and one for 2 years in jail.

So, let us be very careful in considering what we are doing here. I am anxious to get a good campaign bill, and I hope I can vote for this on final passage.

But, some of the abuses in here, some of the things provided for such as public financing of some of these elections, make the bill ridiculous, in my opinion. To think the taxpayers should finance me in my campaign, or my opponent and considering the proliferation of candidates that are going to emerge as soon as they find out there is tax money involved, is staggering, I cannot think of a better business to go into than the public relations business for political campaigns.

Mr. DENT. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. MINISH).

Mr. MINISH. I thank the chairman for yielding. Mr. Chairman, under the Campaign Reporting Act of 1971, the American Federation of Teachers filed a report showing they distributed close to $70,000 to different Members of Congress and to certain other groups. I was charged with that entire amount.

I brought it to the attention of the Clerk of the House, and he said the reason they did that was because in the

report that they filed, they said they were supporting Senator MONDALE, and myself, so I was credited with the entire amount.

My question is this: Could that happen under this legislation?

Mr. DENT. Mr. Chairman, if the gentleman will yield, I will say absolutely not. It should not have happened under the old legislation. There were many cases exactly like this in the country. Certain groups would make contributions to more than one candidate, but the candidates in turn would say they received money but had not named that group as their contributor.

The gentleman evidently named the Federation of Teachers and he probably turned the name in showing that the organization had contributed to him. However, they also sent in a report stating the amount of money they have spent. Having no other names, and the gentleman having admitted that was his contributor, they turned it all into his account. This happened in many situations all over the country.

Mr. MINISH. Mr. Chairman, as I look around the floor, there are at least eight Members here who received money from the American Federation of Teachers AFL–CIO that I was credited with. I only received $250.

Mr. DENT. The only advice I can give the gentleman is to go see the Clerk.

Mr. Chairman, I yield 11 minutes to the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Chairman, I rise in support of H.R. 16090, the Federal Elections Campaign Amendments of 1974.

I would first like to take this opportunity to pay special tribute to the distinguished chairman of the committee, the gentleman from Ohio (Mr. HAYS). Mr. HAYS worked diligently day after day in the markup sessions on the bill and if major campaign reform legislation is passed by Congress this year, much of the credit will be due to WAYNE HAYS.

Because the gentleman from Ohio has been subjected to considerable criticism on this matter, I believe it only fair to make the point I have just made.

Mr. Chairman, members of the House Administration Committee have worked long and hard on this bill. We considered almost 100 amendments, offered by both Republicans and Democrats, and we have reported to the House what I believe to be a very sound campaign reform bill—one which will significantly improve and strengthen current law.

To quote from a letter to me of July 25, 1974, from the able codirectors of the Center for Public Financing of Elections, Susan B. King and Neal Gregory, following the action of the House Administration Committee in reporting H.R. 16090—

> We would like to commend you and your colleagues on the House Administration for the months of work which resulted in yesterday's reporting out of the Campaign Reform Bill.
>
> . . . Your action in moving to clean up the way in which we finance Federal elections was a very positive response to the current crisis of confidence in government. This is a good bill of which the Committee can be proud.

Mr. Chairman, the existing campaign finance laws include the Federal Elections Campaign Act of 1971, the Presidential Election Campaign Fund Act, and certain portions of the United States Criminal Code. The most significant of these is, of course, the Federal Elections Campaign Act, which calls for the disclosure of campaign expenditures and contributions.

Although the Federal Elections Campaign Act has only been in effect for little over 2 years, it has become apparent that certain provisions of the law need to be strengthened. Further, the law failed to reach one of the most serious campaign finance problems—the excessive influence of big money in political campaigns.

Mr. Chairman, the committee bill meets these problems by improving the disclosure requirements of the Federal Elections Campaign Act and by providing for a Board of Supervisory Officers to strengthen the enforcement of campaign finance laws. To meet the problem of spiraling campaign expenditures and the excessive influence of big money, the bill sets strict limits on campaign expenditures and contributions. And to limit the influence of big money in the area which, I believe, offers the greatest potential for abuse—all phases of election to the office of President—the committee bill strengthens the existing dollar check-off law with respect to the Presidential general elections and authorizes the use of checkoff funds for Presidential nominatig conventions and Presidential primary elections.

Mr. Chairman, although I would like briefly to summarize the major provisions of the bill, I would like to focus my remarks on two important features of the bill—the Board of Supervisory Officers and the sections dealing with public financing of Presidential elections.

CONTRIBUTION LIMITS

Mr. Chairman, the committee bill limits contributions to candidates by persons to $1,000 per election—primary, runoff, special election, and general election.

The bill permits committees which have: First, been registered for 6 months pursuant to the Federal Elections Campaign Act of 1971; second, which have received contributions from more than 50 persons; and third, which have contributed to at least 5 candidates for Federal office to contribute to candidates up to $5,000 per election. This limit on contributions by so-called multicandidate committees applies equally to the Republican and Democratic Congressional Campaign Committees and to the National, State, and local committees of the political parties as well as to broad-based citizens groups which support candidates for Federal office.

By providing higher limits on contributions by multicandidate committees, our committee recognized the important role of broad-based citizen interest groups—whether conservative, such as the Americans for Constitutional Action, or liberal, such as the National Committee for an Effective Congress.

To curtail the influence of excessive political contributions by any single person, the bill establishes a $525,000 limit on the amount any individual can give to all candidates for Federal office in a single year.

Mr. Chairman, these limits were subject to lengthy debate in the committee, and I believe we have provided for limits which are low enough to bar excessive contributions, yet not so low so that it would be impossible for candidates to raise adequate campaign funds without incurring exorbitant fundraising costs.

EXPENDITURE LIMITS

Mr. Chairman, the bill would curb spiraling campaign expenditures by setting strict limits on campaign spending.

Candidates to the office of President would be able to spend only $20 million; candidates for the nomination to the office of President could spend a total of $10 million.

Senate candidates would be able to spend the higher of either $75,000 or 5 cents times the population in the candidate's State in each of the primary and general elections.

And House candidates would be able to spend $75,000 in each of the primary and general elections.

In addition to these general expenditure limits, the committee bill allows candidates to spend up to 25 percent above the limits to meet the costs of fund raising. This provision is particularly important in view of the cost of raising campaign funds through small contributions.

Mr. Chairman, these expenditure limits were adopted after extensive and thorough debate in our committee, and I believe the limits we have recommended are low enough to prevent excessive campaign expenditures, yet high enough to allow challengers to mount meaningful campaigns and to permit both incumbents and challengers to communicate their positions on campaign issues to the voters.

PRINCIPAL CAMPAIGN COMMITTEES AND DISCLOSURE REPORTS

To simplify reporting requirements and facilitate the dissemination of campaign finance information, the bill eliminates unnecessary disclosure reports and provides for the designation of principal campaign committees to make all committee expenditures on behalf of a candidate and to file a consolidated report of all such expenditures and all contributions of committees which support the candidate.

Mr. Chairman, the committee bill eliminates the 15- and 5-day preelection reports required by existing law and requires instead a single preelection report 10 days before each election. In addition, the bill requires a report 30 days after each election. Quarterly reports would still be required, but a candidate would not have to file a quarterly report if it falls within 10 days of the pre- or post-election report or if in that quarter neither contributions or expenditures exceed $1,000.

BOARD OF SUPERVISORY OFFICERS

To assure full compliance with and effective enforcement of the election laws, the committee bill establishes an independent Board of Supervisory Officers.

The Board would be composed of the three existing supervisory officers—the Clerk of the House, the Secretary of the Senate, and the Comptroller General—and four public members appointed by the Speaker of the House and the President of the Senate. To assure that the members of the Board are selected on a bipartisan basis, one of the Speaker's appointments shall be made from a list of recommendations provided by the House majority leader, and one from a list of recommendations provided by the House minority leader. Similarly, one of the President of the Senate's appointments would be made from a list of recommendations provided by the Senate majority leader and one from a list of recommendations provided by the Senate minority leader.

Under the bill, the supervisory officers would retain their existing authority to maintain disclosure reports and other records. Any apparent violation of election laws which they discover would have to be referred immediately to the Board.

The Board would be responsible for reviewing the actions of the individual supervisory officers, supervising development of rules and regulations, and the preparation of forms to assure they are uniform, to the extent practicable. To assure that the regulations developed by the Board and the supervisory officers conform to the law, all regulations would have to be submitted to congressional committees with election law responsibilities for review.

The Board would have the authority to investigate possible violations of the law, subpena records and witnesses, hold hearings, and refer appropriate apparent violations of the election laws to the Department of Justice for criminal and civil enforcement action. To avoid referring technical and minor violations to the Department of Justice, the Board would be authorized to encourage voluntary compliance through informal means.

And to assure expeditious enforcement action by the Justice Department, the bill requires the Attorney General to report to the Board on the status of referrals—60 days after the referral and at the close of every 30 days period thereafter.

Mr. Chairman, I would like here to note that I will later be offering a committee amendment to this section of the bill which will modify the composition of the Board. Very briefly, the amendment will provide for a six-member Board composed of four public members who will be appointed by the Speaker of the House and the President of the Senate, on a bipartisan basis, and the Clerk of the House and the Secretary of the Senate, both of whom will serve as nonvoting members.

The amendment will also amend the "review of regulations" provision in the committee bill to provide that all rules and regulations be submitted to the Senate and the House for review, rather than to the House Administration Committee or the Senate Rules and Administration Committee.

I will provide a more complete explanation when the amendment is considered, but I would like to observe that this amendment received the unanimous support of the House Administration Committee and will, I believe, strengthen the enforcement of campaign finance laws.

PUBLIC FINANCING OF PRESIDENTIAL ELECTIONS

And finally, Mr. Chairman, the bill provides a full package for public financing of Presidential elections.

First, the bill strengthens existing law with respect to public financing of Presidential general elections. As you are aware, the dollar checkoff law, first passed in the 92d Congress and amended last year, allows individuals to designate on their annual tax return that a dollar be paid to the Presidential Election Campaign Fund, or the so-called dollar checkoff fund. The amount of money available for Presidential general elections is limited to the amount voluntarily designated by individual taxpayers that candidates may use public funds, or they may continue to finance their campaigns through private resources.

The committee bill amends current law to provide that the amount of public money available from the checkoff fund conforms to the spending limit for Presidential general elections—$20 million and to provide that the dollar checkoff fund be self-appropriating to assure that the dollars checked off by individual taxpayers are actually available.

In addition, the bill authorizes the use of dollar checkoff funds for Presidential nominating conventions.

Mr. Chairman, I think it is important to note that the current system of convention financing is a de facto public financing scheme. The national nominating conventions are now paid for principally by corporate and union advertisements in the convention programs. And much of the cost of this convention advertising is passed on to each taxpayer by means of tax deductions for these ads.

This section of the bill is based on a recommendation of the bipartisan Commission on Convention Public Fnancing, composed of top officials of both the Republican and Democratic national committees. It repeals the provision authorizing tax deductions for convention advertising and provides up to $2 million for major parties and proportionately smaller amounts for minor parties to defray the costs of conducting Presidential nominating conventions. The bill specifically prohibits, however, the use of public funds for direct cash payments to delegates and candidates.

Public financing would be voluntary and any political party that wished to continue to finance its convention with private resources could continue to do so. However, overall expenditures from both public and private sources would, under ordinary circumstances, be limited to $2 million.

Finally, Mr. Chairman, the bill provides for limited public financing of Presidential primary elections by authorizing matching payments from the dollar checkoff fund for small contributions.

Candidates would receive matching payments for the first $250 or less received from each contribution. The maximum amount of public money a candidate could receive would be one-half the expenditure limit for Presidential primaries. Under this bill, that means each candidate could receive up to $5 million. To prevent public financing of frivolous candidates, the bill would require a candidate to accumulate at least $5,000 in matchable contributions in each of 20 States.

All public funds would come from the surplus in the dollar checkoff fund after funds have been set aside to meet the estimated obligations of Presidential general elections and nominating conventions. Since experts estimate that the checkoff fund will contain approximately $64 million by 1976 and that some $46 million would be used for general elections and conventions, approximately $18 million should be available for primary elections.

Mr. Chairman, this Presidential public financing package is one of the most important features of the bill. Clearly, the potential for the abuse of big money is the greatest in the area of Presidential elections, and public financing would, in my view drastically reduce this potential.

Mr. Chairman, H.R. 16090 is a solid piece of campaign reform legislation, one which if passed, will prove to be a major advance in the financing of campaigns for Federal office.

Some critics have charged that the bill is loophole ridden and that it fails to provide an effective enforcement mechanism. These critics allege that the enforcement entity in the bill builds on a system of nonenforcement by the Clerk of the House and the other supervisory officers, and they infer that these deficiencies can never be corrected under the present approach because of the "appearance" of a conflict-of-interest situation. To support their case, they cite a whole litany of alleged shortcomings of the Clerk and the other supervisory officers.

Mr. Chairman, I have gone to some trouble to review the criticisms of this bill to determine if there is any solidity to these charges. And I must say that after investigation, there appears to be no basis for these allegations.

Take, for example, the charge that "the Clerk of the House waited until after the election to forward many of the violations to the Justice of Department. The Clerk reported 5,000 unprocessed violations (most of them trivial or minor). The Clerk did not actively search for and investigate incomplete filings."

From April 7, 1972, the effective date of the 1971 elections law, throughout the 1972 election year, the Clerk made 15 separate referrals of violations to the Justice Department. The Clerk averaged making such a referral once every 16 days during 1972. Of the 4,893 referrals of apparent violations made during 1972, 3,192 or approximately two-

thirds were made before the general elections of 1972. A goodly portion of the remaining 1,701 apparent violations were either not committed or not uncovered by audit until after the general elections. Each report filed with the Clerk by a candidate or political committee was audited. Each apparent violator was contacted separately on the deficiency by both the Clerk of the House and the Special Committee To Investigate Campaign Expenditures prior to being referred to the Justice Department.

This dual investigatory procedure by the Clerk and the special committee averaged approximately 40 days from the time an apparent violation was uncovered by audit until it was referred to the Justice Department. None of these referrals were for trivial or minor violations such as forms not being signed, or forms not being notarized. These referrals included failure to file, late filing, corporate contributions, union contributions, contributions from Government contractors, exceeding candidate's spending limitations, and other apparent violations of Federal election laws. Under section 308 of the election law, the Clerk's responsibility was to refer apparent violations to the Justice Department. Under the law the Attorney General has prosecutorial discretion on which cases he chooses to prosecute and it is his responsibility to perfect each case prior to trial.

Or take the charge that "since the Clerk apparently did not conduct any field investigations, the Justice Department was forced to reexamine and reinvestigate many of the complaints reported by the Clerk."

The Clerk has regularly conducted numerous field investigations and hearings on complaints. Some of these investigations and hearings were held jointly with the bipartisan House Special Committee To Investigate Campaign Expenditures. During the 1972 elections, the Clerk of the House has been the only supervisory officer to hold field investigations and hearings on election campaign complaints—and all of these hearings have been open to the public.

In fact, a review of the record of the Clerk of the House and the other supervisory officers shows that overall they met their election law responsibilities fairly and efficiently. And the enforcement entity in the bill builds on this expertise by creating a Board composed of these supervisory officers and four public members of national prominence. I am certain that both the high quality of these public members and the scrutiny of the Board by the public will remove any taint of an apparent conflict of interest.

Mr. Chairman, the House Administration Committee has labored long and hard on this measure, and has developed what I believe is a most significant piece of campaign finance legislation, and I would urge all my colleagues to give it their full support.

Mr. Chairman, I want to add just one word to what was observed by the gentleman from Arizona (Mr. UDALL), who has contributed so significantly to the shaping of the climate for the kind of legislation we are today considering. Time is running out. There is scheduled to come before the House in a few days, a very major piece of business which will preoccupy us all and, presumably, the other body as well, and then there will be a brief recess.

Mr. Chairman, it seems to me that it would be tragic if we were to fail in our obligation to the American people to produce a campaign reform bill in 1974 that can respond to the abuses of which we are all now too painfully aware.

H.R. 16090, with the committee amendments to which I have already alluded and with certain other committee amendments to which the gentleman from New Jersey (Mr. THOMPSON) and other Members will address themselves, represents a solid, substantial campaign reform bill around which Members of the House, both Democrats and Republicans, of every point of view, can rally.

The time to act is now, 1974, not 1975. So I urge adoption of H.R. 16090, I hope with overwhelming support from both sides of the aisle.

Mr. BELL. Mr. Chairman, will be gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

Mr. DENT. Mr. Chairman, I yield 1 additional minute to the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Chairman, I yield to the gentleman from California.

Mr. BELL. Mr. Chairman, I want to ask a question of the gentleman. It is a technical one, but I think perhaps the gentleman knows the answer, and I want to make a little legislative history on the floor.

Let us take an off election year. And I might say this happened in California a year or so ago. It was an off year, and a candidate who had not declared himself to be a candidate, but he goes around the State. He makes airplane trips. He has dinners and meetings, and so forth. And this runs up to a considerable amount of expense, and yet at the time he was not a candidate because it was an off election year, and he was not a declared candidate. He may spend over $25,000.

My question is: Would that $25,000 be considered as an expenditure for his election if he was not at that time himself an announced candidate for office, and it was an off election year?

Mr. BRADEMAS. In response to the gentleman's inquiry, I would say that he must declare himself a candidate to be a candidate.

Mr. BELL. But the gentleman from Indiana knows there have been a number of candidates for statewide office who have made speeches and made public appearances who have not announced as to whether they were or were not candidates.

Mr. BRADEMAS. I understand. But if we were to take California, if I were to cite an example——

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield an additional minute?

Mr. DENT. I yield 1 additional minute to the gentleman from Indiana.

Mr. BRADEMAS. I thank the gentleman. And I believe I can respond to his question more fully, and simply, by referring him to page 42 of the committee report on H.R. 16090, and the definition of "candidate" in section 591(b) of title 18, United States Code, which reads as follows:

(b) "candidate" means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, to Federal office, if he has (1) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, or (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

Mr. BELL. So that the $25,000, or even above that, could be spent without the person running or apparently not running publicly, at least?

Mr. BRADEMAS. I believe that the definition of "candidate" I have just cited will answer the gentleman's question.

I hope I have responded satisfactorily to the gentleman's question.

Mr. BELL. I thank the gentleman.

Mr. FRENZEL. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, in response to the inquiry made by the gentleman from California (Mr. BELL) I might state that the law says a candidate is a candidate whenever he or she raises or expends money in behalf of a candidacy, or when a committee does so for them. In addition, of course, if he or she is a declared candidate, or a candidate under the particular State law at that time, he or she is also a candidate under our law.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from California.

Mr. BELL. What the gentleman from Indiana (Mr. BRADEMAS) said, was that so long as they are not a declared candidate, or because you cannot exactly prove that they are, then he or she could continue the expenditures as long as they are not declared candidates.

Mr. FRENZEL. If it was for a goodwill trip, yes, but if the expenditure one made was for a sign that said "Vote for Jones for Congress," then maybe they would come under the definition.

Mr. BELL. In other words, if word were mentioned that he or she were a candidate.

Mr. FRENZEL. Exactly; then he or she would be a candidate under the law.

Mr. BELL. I thank the gentleman.

Mr. FRENZEL. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. CRANE), a member of the Committee on House Administration, and whose amendments are not allowed under the closed rule.

Mr. CRANE. Mr. Chairman, I thank my distinguished colleague from Minnesota for yielding this time to me.

Mr. Chairman, for openers, I would like to extend my congratulations to my colleagues on the Committee on House

Administration for the time and energy they have put into preparing this rather prolix campaign "reform" bill. I put the word "reform" into quotation marks, Mr. Chairman, because, unfortunately, my colleagues in this body saw fit earlier this afternoon under our vote on the rule to prohibit me from introducing some amendments which I had anticipated I might have the opportunity to present for consideration, and which, in my judgment, represent the real substance of campaign reform, while much of that contained in the proposed legislation I do not view as reform at all. On the contrary, I think it is going to set our political system back rather considerably.

One of the areas of concern that many people have touched upon in the past several months in connection with the revelations accompanying Watergate and related matters is influence peddling in politics. We are all too familiar with the role of the milk lobby, and the question of whether in fact contributions from the milk lobby had any impact on decisionmaking in the White House.

In this connection we had an amendment introduced before our committee by the distinguished gentleman from Wisconsin (Mr. FROEHLICH) which would have dealt with this question of influence-peddling by special-interest groups, and which would remove any doubt in anyone's mind as to whether any vested-interest group was exercising undue influence on the decisionmaking of a Member. This amendment that the gentleman from Wisconsin (Mr. FROEHLICH) had initially proposed before the committee, and was defeated in the committee, I intended to bring before the whole House. It would have prohibited contributions from political committees to candidates except for contributions from the respective congressional campaign committees of the Democratic and Republican Parties, and the Senate campaign committees.

As the gentleman from Wisconsin (Mr. FROEHLICH) very capably explained to the committee at the time he introduced this amendment, this would have had the effect of removing any area of doubt as to whether the realtors through REALPAC, or business and industry through BIPAC, or the American Medical Association through AMPAC, or for that matter, even the American Conservative Union through its Conservative Victory Fund.

Also the Political Education Committee of the AFL–CIO—was exercising undue influence over Members through campaign contributions. That, in my estimation, was a salutary amendment. It was one that I think should have been adopted by the committee and incorporated into this bill.

The second amendment I intended to offer deals with contributions in kind. This has been an area where we are all too aware of a number of abuses—and they are not confined exclusively to unions. When corporations provide, for example, unreported aircraft travel, that surely is an abuse as much as when unions engage in the providing of services of a similar nature. Such contributions should have an appropriate fair market value attached to them and classified and reported as in-kind contributions. That was the second amendment that I had hoped to bring up before this committee.

The third is one that I introduced first before the committee at the time we had our Reporting Act legislation 2 years ago. This would have prevented the use of involuntarily raised union moneys for political purposes, whether those were voter registration drives or get-out-the-vote drives. I do not think there is any question in anyone's mind that these have distinctly partisan overtones.

I can understand so long as silence in the law permits this injustice to continue, that those people who are so inclined will exploit this deficiency in the law. I have been waiting vainly for the American Civil Liberties Union to get involved in the fight on behalf of the civil liberties of these people whose involuntarily raised union moneys, which must be paid frequently as a condition for employment, are being used to subsidize political objectives contrary to their own.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

Mr. FRENZEL. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois.

Mr. CRANE. I yield to the gentleman from Indiana.

Mr. DENNIS. I thank both of the gentlemen for yielding.

I simply want to say that in my judgment the gentleman from Illinois in the well is making a very important contribution to this debate, although unfortunately there are very few people here to hear it. The essential cynicism of the process we are going through this afternoon is illustrated by the consideration of this so-called reform bill, which is being considered under a rule where the three important amendments mentioned by the gentleman, indeed, essential amendments for any real campaign reform, to anyone who knows anything about the subject realistically cannot even be considered by this body, cannot even be voted upon. The essential cynicism of this situation is a sad commentary on our whole operation here, and I am glad the gentleman at least is still allowed to point out the need, even though in this body we are not allowed to have a vote.

Mr. CRANE. I thank the gentleman for his comments.

In conclusion I would like to add this one final note. In connection with the abuses we have thought about and heard reported in the media over the past year or so, I think it is essential for us to bear in mind that there is one overriding reason for abuse that this body ought to consider, for it gets to the nub of the problem. In answering the question why people are willing to spend millions of dollars and willing to circumvent the law as a means of obtaining influence here, I think the answer is that the Federal Government in Washington is too vast and too sweeping in its powers and exercises life and death control over too many aspects of American life. When we address ourselves to this problem, we will have begun the most meaningful campaign reform and not before.

Mr. FRENZEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding.

I would like to associate myself with the remarks of the gentleman from Illinois (Mr. CRANE).

Mr. Chairman, one way or another, this Congress soon will act on campaign spending reform. I am sure all my colleagues will want to be on record back home as being solidly on the side of representative government, and solidly opposed to special interests.

However, unless the campaign reform legislation we enact covers in-kind—noncash—political expenditures by special interest groups, we will be doing more harm than good.

Dave Broder of the Washington Post recently addressed that point:

> If access to large sums (of cash) is eliminated as a potential advantage for one candidate or party by the provision of equal public subsidies for all, then the election outcome will likely he determined by the ability to mobilize other forces. The most important of these factors are probably manpower and publicity. Legislation that eliminates the dollar influence on politics automatically enhances the influence of those who can provide manpower or publicity for the campaign.

Such nonreform legislation would by definition leave virtually unchallenged the bosses of big labor in the political arena—making a mockery of the political ambitions of the estimated 16 million wage earners who must pay union officials for representation they do not want or lose their jobs.

Like most Americans, we recognize the serious need for further careful examination and reform of the practices under which political campaigns are financed. That is why we are supporting efforts in this House to address the reform issue to "in-kind" as well as direct financial aid.

There is not one of us who can honestly deny the excessive influence union officials exert in this Congress, because of the political support they provide. Support which Mrs. Helen Wise, the recent past president of the teachers union, says will amount to "millions and millions" this year.

Twelve years ago, Justice Hugo Black in his dissent in IAM against Street said:

> There can be no doubt that the federally sanctioned union-shop contract here, as it actually works, takes a part of the earnings of some men and turns it over to others, who spend a substantial part of the funds so received in efforts to thwart the political, economic and ideological hopes of these whose money has been forced from them under authority of law.

That situation has not changed. The use of compulsory union dues for political purposes seriously jeopardizes our system of representative government. It dilutes every citizen's political freedom and outrageously violates the basic rights of workers whose money is being mis-

used. We believe that there can be no meaningful campaign reform legislation unless it contains provisions which will put a stop to these political spending abuses.

A recent public opinion study by Opinion Research Corp. showed that 78 percent of all union members—and a greater majority of the general public want union dues kept out of politics.

Can we deny them and still claim to be representatives of the people?

Mr. FRENZEL. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, we have reported this bill at great length in the RECORD, and in the committee report, which of course, will stand for itself. Like the chairman of the committee, I hope we do not use all of our time in the scheduled debate and that we do proceed on a prompt basis to the amendments allowed.

Our job has been rendered a great deal easier by the passage of the closed rule, which we on this side disagreed with. But since the vote has gone against us we must proceed as that restrictive rule directs.

Mr. Chairman, the bill before us is a mixed bag. The committee labored mightily, and diligently, and produced a good vehicle, but an imperfect one. The bill has been considerably strengthened within the last 24 hours due to the hard work on the part of the chairman of the committee in constructing what I think are important compromises to be reflected in the committee amendments. These will do a great deal to shore up what I think are some of the weak spots in the bill that is before us.

There are many strengths in the bill and the committee is to be commended for those strengths. For instance, the limitations on contributions and expenses, while all of us may disagree with the various levels, have got to be something that is necessary and something the people want.

The single committee, the limitation on cash, the preemptions of State rules, the restoration of reasonable rights under chapter 611 for Government contractors the removal of State and local employees from unreasonable Hatch Act restrictions, the redefinition of restrictions on foreign nationals, the restrictions on honorariums are all important features of this bill. All of us will undoubtedly agree to the merits of these features even if we might have some complaints with some of the particular numbers involved.

I am particularly pleased with the committee amendment which will relate to the board of supervisory officers because I think it answers a number of the complaints I had about the committee bill. I am pleased that the compromise has been able to worked out.

What has not been worked out is the subject of public financing of elections which in my judgment is destructive to our election processes and will reduce individual participation and reduce party strength in this country.

The bill itself is restrictive to political party activities because it equates a broad-based national political party with any small special interest group of 50 persons. Each is able to contribute $5,000 to any campaign, and in my judgment this particular facet of the bill makes a special interest, a single tiny special interest, the equivalent of a political party. It renders violence to the concept that political parties are important and necessary to our system of government.

It is also my regret that the clearinghouse function, which was previously provided by the General Accounting Office, has been dispensed with in this particular bill. It may be possible to resurrect it now that we have a new board of supervisory officers. It is the one element in the Federal Government that renders some good to State governments.

We seem to have plenty of interest in telling the States how to run elections, but no interest in helping them with the elections. The clearinghouse served in that function and it is my hope that will be restored to the bill.

Mr. Chairman, I hope we adopt some of these amendments, but certainly not the Anderson-Udall amendment, and that we move this bill along and produce for the American people a good election reform bill at a time when confidence in our Government is threatened.

Mr. HAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Chairman, I rise in support of this bill.

Mr. Chairman, the Committee on House Administration has spent many hours in marking up this bill and, at this time, I want to congratulate both the Chairman, Mr. HAYS, as well as my colleagues on the committee for their diligent efforts in drafting the legislation which is now before the House. It was evident to all the members of the committee that there was no easy answer to the many problems that were raised. I do think, however, that the bill before us is a good one. It reflects an attempt to meet the problems arising out of the 1972 elections and to provide a means of preventing their repetition in future elections.

We must bear in mind the fact that many of the abuses of the 1972 elections which have been exposed, were brought to light only because of the disclosure requirements of the Federal Elections Campaign Act of 1971. Furthermore, we must not lose sight of the fact that many of those responsible for those abuses have been and are still being prosecuted under existing law.

So I submit that we do have existing law that has been beneficial.

I. LIMITATION ON EXPENDITURES AND CONTRIBUTIONS

The purpose of the bill before us is to add to the 1971 act by providing additional restrictions on campaign activities. The 1971 act established limitations on the amount that a candidate could spend on "communication media." The substantial sums spent in the 1972 Presidential campaign, namely $54 million by Mr. Nixon and $28 million by Senator MCGOVERN, as well as some House campaigns involving expenditures by individual candidates in excess of $100,000, and even a few in excess of $200,000 have demonstrated that a limitation on only a portion of the total campaign expenditures is inadequate.

Accordingly, the bill before us would place an overall ceiling on campaign expenditures. For Presidential campaigns this would be $10 million in the preconvention period and $20 million in the general election. When compared with the expenditures on the 1972 election, it is abundantly clear that it is the intent of the bill that the tide must be reversed and allowable Presidential campaign expenses must be substantially reduced.

With respect to senatorial campaigns the limits are 5 cents multiplied by the population of the State—but in no case less than $75,000—for each election; primary and general.

For House campaigns the limits are $75,000 for each election; primary and general—and runoff if needed.

Admittedly the $75,000 limitation has to be arbitrary as many candidates spent substantially less while others spent more, but in order to take into consideration variations between congressional districts, the committee concluded that $75,000 was an appropriate limitation.

The bill does contain two provisions that could affect these limitations. One provision allows an increase in the ceiling based on an increase in the price index from the base period of 1973 and the year preceding the election. The second provision does allow a candidate to exclude from the limitation any expenses—not to exceed 25 percent of the limitation—for the costs entailed in fundraising. These provisions apply to all Federal elections.

Much has been made about the existence of the few very large contributors who appear to play a disproportionate role in the elections of Federal officials. The provisions of this bill setting very low contribution limits should eliminate the potential for abuse by the very large donors. No individual can contribute more than $1,000 to a candidate for each election—a total of $2,000 for primary and general, or $3,000 if a runoff is included—and no individual can contribute more than $25,000 to all candidates for all Federal elections in a single year.

Strict enforcement of these provisions should both eliminate the undue influence of the very large contributor to past elections as well as encourage many more individuals to contribute to the candidates of their choice. No longer will an individual be discouraged from making a modest contribution to an election campaign because of his feeling that his contribution will mean nothing compared to the substantial contribution of the very affluent individual.

The lack of participation and apathy of such a large segment of the electorate is a problem that concerns all of us. The setting of very low limits on individual contributions should serve to convince these individuals that they should take a more active part in election campaigns, to educate themselves as to the

candidates and issues involved and to contribute to those candidates who promote their interests.

With respect to contributions by organizations, the bill provides a limit of $5,000 on contributions by a "political committee" to any candidate for any election.

A candidate cannot contribute more than $25,000 from his personal funds or the personal funds of his immediate family in connection with his own campaign.

There are additional provisions which prohibit contributions by foreign nationals and cash contributions in excess of $100.

II. DISCLOSURE

In order to make the disclosure provisions of the 1971 act more effective, the bill requires that each candidate designate a "principal campaign committee" to make expenditures on behalf of the candidate and to be responsible for the preparation and filing of reports to reflect the activities of all committees which support a candidate. This should inhibit the proliferation of campaign committees and provide a single report to reflect all activities in support of the candidate.

The bill amends existing law by repealing the provision requiring the 15-day and 5-day report and instead requiring a 10-day report which would have to be mailed no later than the 12th day prior to the election. Experience has indicated that the 5-day report has been of little value because the short time span involved between filing and the election prevents the most effective use of the information contained therein.

III. FINANCING OF PRESIDENTIAL ELECTIONS

The bill contains provisions which mark a radical change from the present private system of financing presidential elections. It expands on the dollar checkoff procedure which was adopted in 1971 by providing each major party with funds up to $2 million to cover the expenses of the party's nominating convention. Minor parties would be eligible for a lesser sum based on their past vote or to be reimbursed on the basis of their present vote in the general election.

Payment for convention expenses would be the first claim on the funds available from the checkoff procedure.

The major parties would be eligible to receive up to $20 million to cover expenses incurred in the general election. Minor parties would be eligible to a lesser amount. If a party chooses to use this method and funds available from the dollar checkoff fund are insufficient to cover the entire $20 million then the parties would be allowed to raise the difference from private sources.

With respect to presidential prenomination activities, the bill provides for funds from the dollar checkoff fund to be available on a matching basis. This is to assure that a candidate for nomination has sufficient national support and is not a frivolous candidate.

The use of funds from the dollar checkoff are limited only to the Presidential elections. Experience to date indicates that the overwhelming number of instances of election campaign abuses involved the recent Presidential campaign.

I am not presently convinced that the use of the checkoff system is going to be a complete solution to this problem, but I do support this approach with the hope it will be a viable solution.

On the other hand, I am not convinced at this time that the dollar checkoff system should be applied to other Federal elections. There is a substantial difference both in the magnitude and the process of Presidential elections as compared to elections to congressional office which make the former more appropriate for the use of public rather than private funds. The problem of frivolous candidates alone is one that could be a nightmare in the case of public funding of congressional elections.

Furthermore, I am quite optimistic that the limitations on contributions and expenditures provided in the current bill when combined with the disclosure provisions of the 1971 act as amended by the bill before us will eliminate the opportunity for campaign abuses in congressional elections.

We must not be unmindful of the fact that the constitutionality of funding Federal elections from the dollar checkoff system is far from clear.

Accordingly, I support the approach of the bill before us which limits the dollar checkoff system to the Presidential election.

CONCLUSION

The bill that the House Administration Committee has reported to the full House is a sound and workable approach to a very complex problem.

I sincerely urge my colleagues to give their full support to it.

Mr. FRENZEL. Mr. Chairman, I yield 7 minutes to the gentleman from Colorado (Mr. ARMSTRONG).

Mr. ARMSTRONG. Mr. Chairman, it is my purpose to ask some questions about provisions of the bill which trouble me. I refer to language on line 21 of page 6. I would like to read it and put it in perspective:

"(e) (1) No person may make any expenditure (other than an expenditure made by or on behalf of a candidate under the provisions of subsection (c)) relative to a clearly identified candidate during a calendar year which, when added to all other expenditures made by such person during the year advocating the election or defeat of such candidate, exceeds $1,000.

I would like to inquire of the floor manager of this legislation whether or not I correctly understand that this section limits not just the right of candidates or their supporters, but other persons who are in no way related to the campaign or the candidates on either side.

Mr. FRENZEL. It is my impression that this $1,000 limitation was the committee's response to the question of free speech, which was at least hinted at in the ACLU-Jennings case. We decided we should let an individual spend $1,000 to defeat or to elect the candidate, which amount would not be spent through the particular candidate's campaign committee or through the candidate personally. What we are doing, I think, in a short phrase, is to allow every individual a thousand dollars' worth of free speech.

Mr. ARMSTRONG. Mr. Chairman, the gentleman from Minnesota has come quickly to the heart of my concern. We are talking about other persons, not candidates or their committees.

The thing I do not understand, and I wish we could have some explanation, is how we can limit the right of free speech to $1,000 worth. The first amendment says we may not abridge free speech; we may not curtail; we may not diminish; we may not shorten. Is that not exactly what we are doing by this amendment?

Mr. FRENZEL. Mr. Chairman, if the gentleman will yield further, the gentleman is correct. We are at least modifying or containing the right of free speech exactly as the Supreme Court said, that one can shout "Fire" anywhere he wanted to except in a closed building. We are saying that a person can have $1,000 worth of free speech to elect a candidate or to defeat him.

We chose $1,000 because that was the limit we put on individual contributions to the committees. We said there ought to be a limit which would be similar for independent expenditures. The constitutionality may be doubtful, but if so, then the individual limitation is also doubtful.

Mr. ARMSTRONG. I thank the gentleman for his explanation.

But let me make it clear my concern is not primarily legalistic, but simply to draw attention of the Members to the fact that we are tampering in a very unfortunate way with free-speech rights, not of candidates or their supporters, but other persons, persons who may be entirely unrelated to the candidates, who may be citizens' groups, as was the committee in the New York decision—American Civil Liberties Union against Jennings.

May I now ask whether or not this $1,000 limitation would apply to advertisement or advocacy of the pros and cons of issues which may be clearly identified with the candidates, even though the candidates are not clearly identified within the meaning of the definition which follows this paragraph?

For example, if we have two candidates clearly defined on an emotional issue such as busing, inflation or amnesty, can citizens go out and advocate one side or the other of the issue and not mention candidates and escape this limitation?

Mr. FRENZEL. In my judgment, they cannot. This particular amendment was proposed by the gentleman from Michigan (Mr. NEDZI). The gentleman will find in our committee records that gentleman's explanation. I think he intended to cover by the words "clear and unambiguous" reference to a candidate the kind of thing the gentleman is discussing. One cannot by subterfuge or indirection escape that description if in fact the candidate, opposed or proposed, is apparent.

Mr. ARMSTRONG. Let me suggest that

while such issues as busing or amnesty may be clear cut, other issues are less sharply defined. I feel that we will find ourselves in a quagmire of litigation as committees try to determine where this line is.

May I ask a further related question of the gentleman? Supposing a committee seeks to advocate the election of 10 candidates and buys a $10,000 ad. Is it then to be prorated among the 10 of them?

Mr. FRENZEL. That is my understanding.

Mr. ARMSTRONG. May I ask, if the money is spent for an organizational effort not directly related to a candidate; for example, suppose to hire poll watchers or campaign workers, which in the end may be the most effective political expenditure of campaign funds, does it escape this limitation and other similar limitations in the bill?

Mr. FRENZEL. In my judgment, that expense would have to be prorated also, depending on the number of candidates.

Mr. ARMSTRONG. Suppose it is not for a candidate, but simply an expenditure for this purpose in the area?

Mr. FRENZEL. We can think up all kinds of situations that are difficult to explain. I think we have to take each one on its face. If there is a party expense which is pure overhead and is not directed at any single candidate, or may flow over to non-Federal type candidates, we will simply have to interpret those as they come up.

That is one of the reasons the committee wrote into the bill the advisory opinion section, which I hope will be helpful to candidates of all parties.

Mr. ARMSTRONG. Mr. Chairman, in the brief time remaining, I would like to again thank the gentleman from Minnesota for his explanations and to comment the gentleman and others who worked on this legislation for their sincerity of purpose. But I think they have gone far astray. I think they are making a terrible mistake which will be ultimately invalidated by the courts, but which will in the meantime cause a great harm.

I hope that there may yet be a way to amend the bill to strike out this provision.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I will yield if I have any time left.

Mr. FRENZEL. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. ARMSTRONG. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I wish to associate myself with the gentleman's concerns. I think there is a real question as to whether or not we can put a quantified limit on the individual's constitutional rights of free speech, whether it is about political campaigns or anything else, but in particular political campaigns, which strikes at the heart of the operation of our Government.

I think the gentleman has raised a substantial point which, if this legislation is thoughtfully considered, will sustain his viewpoint.

Mr. HAYS. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON of New Jersey. Mr. Chairman and members of the committee, I do not intend to use 5 minutes, but I cannot let this opportunity pass without commending, in particular, the chairman of the committee (Mr. HAYS) and the members of the committee.

I have heard virtually innumerable attacks on the chairman and on members of the committee for being dilatory, for not wanting legislation, and for stalling, all of which attacks which have been unfair and untrue.

This is enormously complicated legislation, and I would expect that of the members of the committee, there were at least an average of 10 amendments in the hands of each one of them. The gentleman from Minnesota (Mr. FRENZEL) himself must have had 50 amendments. I had about 12 or 14.

We operate under the 5-minutes rule, and everyone was given every possible opportunity to be heard and to have his amendments voted upon. Virtually innumerable votes were taken, and in the course of this we saw a committee operate in the best possible and most democratic fashion in terms of give and take.

The gentleman from Minnesota referred to the committee amendments which were agreed upon a bipartisan and unanimous basis. I shall present 4 of them. They are not long, nor are they complicated, but their effect is to tighten up what we consider to be loopholes in this very excellent legislation.

Groups from outside this body, with particular interests, have been heard. They were present at the markups, have had their input, and have been paid attention to. In many cases their suggestions have been accepted.

In the final analysis, the votes of the committee, despite individual differences on individual sections or words or interpretations, were agreed upon almost totally unanimously in order to get this legislation to the floor.

I simply want to reiterate my confidence in the chairman and in my colleagues on the committee and to suggest to the Members that it is absolutely impossible to draft a perfect piece of legislation which is as complicated as is this. We think that we voted as well as can be done, and there may be subsequent changes necessary, but nevertheless, we are answering to an honest and much-needed response from the American public for meaningful election reform. That is the essence of this legislation.

We shall achieve the desires of the American public, and we shall do so honorably in this process today.

Mr. FRENZEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee (Mr. BAKER).

Mr. BAKER. Mr. Chairman, in the catalog of abuses, compulsory political donations by union members rank right up there with the worst.

Absolutely no one argues against union officials' right to assist their political friends. It is precisely the same right enjoyed by business groups. The trouble begins when unions take dues money to finance that assistance.

How do they do this? Mostly through the services they perform for prounion candidates. Union political front organizations, notably the Committee on Political Education, COPE, conduct get-out-the-vote drives in neighborhoods likely to go for right-thinking candidates; they turn over buildings, trucks, telephones, and computers to friends of the union viewpoint.

Now if the dues-paying union man happens to like the candidate his union is helping, he may not worry much about where his dues are going. But what if he hates the fellow, cannot stomach his views for a minute? It is too bad, but there is no help for him: Like it or not, he is going to subsidize a candidate for whom he refuses to vote.

The issue, then, is one of political freedom. Either the union member has the right to withhold support from a given candidate or he has not the right. There is no other way of looking at it.

In 1972 the unions spent some $50 million on their political friends, only about 10 percent of which, according to labor columnist Victor Riesel, came from voluntary giving.

Accordingly, I would have been supporting the proposed amendments to curb "in kind" as well as directed donations.

As the Dallas Morning News wrote in a recent editorial, we can—

> Take it from George Meany: "Existing laws aren't nearly strong enough to prevent the use of union dues for political purposes." The ban, as the AFL–CIO chieftain puts it, is "honored as far as I am concerned by everybody in the breach."

I do not know how I can vote for this discriminatory legislation since the rule prohibiting amendments has been adopted.

Mr. FRENZEL. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. DEL CLAWSON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, I would like first to commend the committee for several of the items that are incorporated

in the legislation, namely, the establishment of one central campaign committee through which we would do all of our reporting. I think that is certainly laudable. The fact that it establishes an independent election commission or board, I think, is good and sound and, as the Chairman pointed out, the simplifying of the election reporting requirements is surely desirable.

Then, too, the $100 limitation on cash contributions, in view of the shocking abuses that we have read and heard about within the last 18 months or so. One item that has not been touched upon up to this point, and that is the limitation of $1,000 on honorariums with a total of $10,000 in total for any Federal official.

And while this may in some respects be aimed at some of the Members of this body, I think in the main it is aimed at the Members of the other body who have been so piously proclaiming from time to time that Members of Congress do not need any pay raises, while all the time making as much and more in honorariums as their salary as Senators. I commend the committee for facing up to this thing and laying it right out here for everybody to see for what it is worth.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. I thank the gentleman for yielding.

I want to inform the gentleman that that particular amendment happens to be my amendment, and he is absolutely right.

Mr. MICHEL. I did not know that, but I would expect that the gentleman from Illinois, from conversations we have had in the past, would be the one inclined to offer that kind of an amendment. Obviously he had enough support to persuade his fellow committee members to write that into the legislation brought before us here today.

I do have some reservation, however, about the $1,000 contribution limitation. I do not need it in my own case. I think my maximum contribution is $250 in this particular campaign. But we do have some big, significant races here in this body on both sides of the aisle, and I think from a practical point of view, when one runs for the U.S. Senate, that may very well be a low limitation. I believe the limitation in the Senate-passed bill is $3,000. Of course, that could very well be compromised.

I have some other serious reservations with respect to the $5,000 limit per election on contributions to candidates by our recognized national party organizations, as I engaged the chairman of the committee in a brief colloquy during his presentation. I think that limitation on some of the special interest groups is very much in order, but I would surely much have preferred that each of our national committees and our congressional and senatorial campaign committees would have been excluded from that $5,000 limitation. I want to see both of the principal national parties enhanced. I want to see them as two strong, vigorous parties, and I think by this figure equalizing special interest groups with our national recognized Republican and Democratic national congressional and senatorial campaign committees really downgrades the importance of our respective nationally recognized committees.

I personally would have preferred that limitation to be something in the neighborhood of $10,000 or more. So I have to voice my reservation here today.

I am also concerned about the flat $75,000 limitation on any race. In my own case, I would hope that we would not spend more than $25,000 or $30,000 in a race in which I am running, but as an 18-year incumbent, I would expect that all of the good will that I have built up over the period of many years would not require 50, 60 or more thousand dollars. As I said earlier in the exchange with the gentleman from Alabama (Mr. DICKINSON) for a challenger to unseat an incumbent in 1972, it took an average of $125,000 to get the job done.

And again, representing the party in the minority in this body, I just cannot concede to this figure of $75,000. I think the problem—and I really do not criticize the committee so much in arriving at this figure as I do the incapacity of the general public to really comprehend it, are the differences that prevail throughout the country from one district to the other.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. I thank the gentleman for yielding again. I would like to point out that I was responsible for the $75,000 amendment.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WARE. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. MICHEL. Mr. Chairman, I yield again to the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Chairman, as I pointed out to my friend, the gentleman from Illinois (Mr. MICHEL), I was also the sponsor of the $75,000 limitation which was a compromise in the committee. We had several figures. But I want to point out that we can add $19,000 more to that, because we provide in the committee bill for 25 percent of the $75,000, but in the end, in reality it amounts to $94,000.

Mr. MICHEL. On that point I might ask the gentleman a question. As I read it, we provided for a 25-percent amount over the $75,000, but would that be limited to the expenditures involved in raising the money, in raising the funds initially?

Mr. ANNUNZIO. It could be limited. I would call it the meat-and-potato amendment. If one has a banquet for example the cost of the meat and the potatoes would come out of that, out of the moneys one would raise.

Mr. MICHEL. Or if there was a direct mail expenditure, that would be included?

Mr. ANNUNZIO. Yes.

Mr. MICHEL. I thank the gentleman.

Then, one final point I would like to make in transgressing upon the Member's time in general debate here is what I see is left out of the bill and which I would liked to have seen offered in the form of an amendment to appropriately treat the in-kind services and goods, for the special interest groups often make substantial contributions by providing in-kind services and goods, such as telephones, cars, airplanes, computer time, staff "volunteers," and the like.

The committee bill would exempt these contributions from both the limitation and in some cases the disclosure requirements.

To prevent this type of campaign abuse, the amendment I had intended to offer before adoption of the closed rule would have prevented or prohibited such in-kind contributions in excess of $100.

I might say that in the four particular special elections for seats in the House of Representatives that were held earlier in the year it has been estimated with pretty good justification, and I will insert with my remarks, when I have asked for permission to revise and extend, some documents that will lead us to believe in just those four special elections the in-kind services provided actually approached or exceeded the amount of hard contributions.

Current law defines the word "contribution" to exclude "services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or political committee," and the committee bill further exempts certain other limited personal services, so my amendment would have had no effect on truly voluntary efforts by individuals on behalf of a candidate.

The amendment would, however, have curbed the type of "in-kind" contributions of special interest groups that have resulted in millions of dollars worth of what are, in effect, unreported campaign contributions.

Such contributions have been extensively documented in past campaigns, and represent a serious violation of the spirit, if not the actual letter, of our campaign law.

While several legislative methods of dealing with this problem have been suggested, a flat prohibition of "in-kind" contributions in excess of $100 is by far the most effective since it would eliminate, beyond the $100 level, the inevitable questions that arise over the worth or dollar value of such services to a candidate.

It seems to me if we hope to maintain any measure of credibility in our efforts at campaign reform, we must certainly take the steps necessary to curb abuses such as this.

Mr. Chairman, I am inserting in the RECORD the material I referred to earlier.

PENNSYLVANIA'S 12TH DISTRICT

The documented record of the race between Democrat John Murtha and Republican Harry Fox reveals that literally tens of

thousands of union dollars were poured into the campaign by Murtha for former Representative John Saylor's (R–Pa) seat in the 12th District.

Contributions were of two types:

1. "Hard" contributions, in the form of cash donations, from thirty-two different union political action committees in the amount of $25,450.00 that were made to the Citizens for Murtha Committee.

2. "Soft" contributions, in the form of full time union staff personnel from national COPE, state COPE, the Pennsylvania state AFL–CIO and various other unions, the mailing by unions in behalf of Murtha, organizational activity at Indiana University that was clearly coordinated with Frontlash and supervised by a union "volunteer", last minute get-out-the-vote activities, polls conducted by the state AFL–CIO, and others such "soft" contributions. The amount identified in this area—by no means a full tally since the record for most of these hidden contributions remain in the hands of private organizations—comes to over $40,000—or nearly double the amount of hard contributions made by union officials.

STAFF TIME

It is clear that at least 20 union officials contributed time and effort during the campaign. They were:

1. Alexander Barkan, Director, COPE, $32,274.00 annual salary and $6,727.23 expenses.

2. Joseph Ferguson, Business Agent, International Ladies Garment Workers, $11,388.00 annual salary and $1,274.46 expenses.

3. Douglas Allen, Pennsylvania State AFL–CIO, salary unknown.

4. Mike Trbovich, Vice President, United Mine Workers, $31,100.57 annual salary and $3,049.04 expenses.

5. John Vento, Pennsylvania State AFL–CIO, salary unknown.

6. Carl Stellmack, Pennsylvania State AFL–CIO, salary unknown.

7. Harry Boyer, Pennsylvania State AFL–CIO, salary unknown.

8. Bernard Lurye, Assistant Manager, Garment Workers, $12,855.00 salary and $938.25 expenses.

9. James Myers, Organizer, AFSCME, $8,793 salary and $8,563.05 expenses.

10. Andrew Koban, District 15, Steelworkers, $17,314.59 salary and $4,179.56 expenses.

11. Edward Monborne, District 2, and International Exec. Board Member NMW, $22,491.73 salary and $4,600.61 expenses.

12. Frank Kulish, District 2 President, UMW, $15,314.17 salary and $87.22 expenses.

13. Mike Johnson, Vice President, Pennsylvania State AFL–CIO, salary unknown.

14. Robert Spence, International Representative, COMPAC, salary unknown.

15. Walter Carmo, Pennsylvania Education Assoc., salary unknown.

16. Chuck Krawetz, UMW, salary unknown.

17. Arnold Miller, President, UMW, $36,283.79 salary and $3,966.71 expenses.

18. Irwin Aronson, staff Pennsylvania State AFL–CIO, salary unknown.

19. Tom Reddinger, President, Indiana Labor Council (IAM), union salary, if any, unknown.

20. Dana Henry, member, IAM, no union salary.

Each of these individuals were identified—either through newspaper accounts, internal memos or union newsletters and papers—as having spent from one day to as much as five weeks promoting the Murtha candidacy.

One unionist, Tom Reddinger, identified by the Johnstown Tribune-Democrat as President of the Indiana County Central Labor Council, admitted in a personal interview, that he took five weeks of unpaid leave time from his job at Fisher-Scientific Company, Indiana, Pa., to work in the Murtha campaign. He further stated that all his expenses during this time were paid for by the Pennsylvania State AFL–CIO, including the cost for four telephones at headquarters, that, according to a General Telephone Company spokesman in Johnstown, would cost $126.80 during the five week period. Based on Reddinger's rate of pay with Fisher, his "in-kind" contribution in salary during the five week period would come to approximately $1,000.

Where salaries are available, the union official involved was pro-rated at the actual salary (plus identifiable expenses), for the period of time he was involved; where no salary was available, a reasonable figure of $15,000 per annum was assigned (a low figure in light of the bulk of identified salaries of union officials.)

On this basis, it was determined that salaries involved amounted to $5,902.78 and expenses to $2,317.73, for a total of $8,220.51.

PRINTING

There were four mailings to the 66,000 union members in the district and 6,500 active and retired teacher union members by the Pennsylvania AFL–CIO COPE and the Political Action Committee for Education (PACE), political arm of the state teachers union (Penn. State Education Association).

The two mailed under Permit #1, Harrisburg (the permit is held by Speed Mail, Inc.) were costed out by reputable printers at the following rates:

1. Mailing of January 18, 1974 to 1,000 retirees only:

Printing, $10 and postage, $80 (mailed first class); totals $90.

Mailing of January 25, 1974 to 6,500 active and retired educators:

Printing at $10/m, $650 and postage, $520 (mailed first class) totals $1,170.

Two additional mailings were sent out at the non-profit organization rate (1.7 cents per piece) under permit #668 at Pittsburgh, Pa., a permit registered to the Pennsylvania State. . . . Costs of these two mailings, were as follows:

Mailing to 66,000 union members in District by United Labor Committee:

Printing at $27/m, $1,782; postage at 1.7¢, $112; and postage $191, totals $2,025.

The second quoted postage cost is the difference between a non-profit mailing rate of 1.7¢ and what the candidate would have had to pay if the mailing had gone out regular bulk mail rates.

Mailing to same members in district of flyer with four halftones:

Printing at $40/m, $2,640; postage at 1.7¢, $112; and postage, $191; totals $2,943.

Thus, the total value of mailings by unions in behalf of the Murtha candidacy came to $6,288.00.

OTHER CONTRIBUTIONS

Other "soft" contributions by unions to the Murtha race included:

1. At least 15,000 telephone calls by the Indiana County Central Labor Committee to members of the union in the county. (Source—interview with Tom Reddinger.)

2. "at least $12,000 is expected to go into the district from labor for last minute campaign expenses and election day activities." (Philadelphia Bulletin, February 3, 1974.)

3. "$14,000 which . . . the state and national AFL–CIO and COPE committees spent to house and feed staff members at a downtown Johnstown motel during the election campaign." (Johnstown Tribune-Democrat, January 30, 1974.)

4. The AFL–CIO was "operating out of 15 rooms at the Sheraton Inn, on Market Street." (Johnstown Tribune-Democrat, December 18, 1973.)

5. The state AFL–CIO conducted a telephone poll for Murtha in the 12th District (Johnstown Tribune-Democrat, December 18, 1973.)

6. Democratic telephone bank workers use facilities of Gautier Hall, which is owned by the Steelworkers Union (photo in the Johnstown Tribune-Democrat, February 5, 1974.)

SUMMARY

By category, identifiable soft contributions by unions to the Murtha campaign are as follows:

Staff time, salaries and expenses deferred	$8,220.51
Printing and postage for mailings	6,288.00
Student activities	369.53
Other:	
Last minute get-out-the-vote	12,000.00
Costs at the Sheraton	14,000.00
Subtotal	40,878.04

When one includes the "hard" (reported) contributions of $28,450.00, it can be seen that the value of the total union effort in the district is at least $66,328.04, or nearly as much as Murtha reported for his entire campaign.

OHIO'S FIRST DISTRICT

There is very little doubt that, both in and off the record, union officials and their political organizations had a tremendous impact on the race between the Democrat, Tom Luken, and the Republican, Bill Gradison, on March 5th.

Direct contributions by union political organizations to the Luken for Congress Committee were made by thirty-three separate union organizations in the amount of $30,875.00.

The scope and significance of the indirect contributions by union officials is captured in the February 8, 1974 edition of The Chronicler, a bimonthly publication of the Cincinnati AFL–CIO Labor Council, which is distributed to 2,000 labor officials in the Cincinnati area.

In it, an announcement is made of the "most important business meeting for all union stewards and committeemen geared to their vital part in labor's effort to insure the election of Tom Luken to Congress." It goes on to note that "materials will be furnished and *definite assignments outlined* for the action required to build a Luken victory . . ." (emphasis supplied)

The cost of the space devoted in the Chronicler to Luken over the January 8-March 25 period represents an indirect cost of $360 alone.

In addition, William Sheehan, head of the Labor Council, disclosed that at least 4 national and state staffers were in for the election—or as George Meany put it on "Face the Nation" on March 3rd concerning the race, "We're putting in the usual—we're sending in outsiders. Some of our COPE men . . ."

Among those in Cincinnati were Ray Alverez, Area Director of COPE ($2,085.46 contribution in salary and expenses under previous formula); Ruth Colombo, COPE, ($1,977.19 pro rated salary and expenses for one month); Jane Adams Ely, Ohio State AFL–CIO (salary unknown); W. C. Young, National Field Director, COPE (salary $20,373.50 expenses $8,659.84). Ely and Young were in for an undisclosed period of time, but the bare minimum of salary and expenses for even one day's stay could reasonably be put at $500.00.

Thus, identifiable staff time and expenses for union officials came to $4,562.65.

Moreover, Alverez stated in an interview that at least 84,000 telephone calls were made from the phone banks at the Central Labor Council to union members in the District. If the cost of those calls were projected at the same 4½ cents per call rate used in Michigan, that would place their value at $3,780.00.

As in other districts, there were many mailings to union members:

1. At least two—one dated February 18, 1974 and another February 28, 1974 were sent out to members of District 30, United Steelworkers of America.

2. Another mailer dated February 28, 1974 was sent to all members of Local 863, UAW.

3. Yet another mailer dated February 18, 1974 was sent to members of the Amalgamated Clothing Workers.

4. Space was devoted in local union papers to promoting the candidacy of Luken.

In all at least $8,342.65 in paid staff time and telephone costs on a projected basis were pumped into the Luken's campaign.

MICHIGAN'S EIGHTH DISTRICT

As in the case with other special, off-year elections, the race between Democrat Robert Traxler and Republican Jim Sparling was significantly influenced by the infusion of "hard" and "soft" contributions made by union officials to the Traxler campaign.

Hard contributions amounted to nearly $29,000.00 with the United Auto Workers—an independent union based in the state—contributing nearly half the "hard" labor money, as reported by the Traxler for Congress Volunteer Committee.

Some 22 labor political action groups contributed $28,880 in "hard" money to the campaign, a figure that even cursory research shows does not realistically measure the contribution on the part of the union hierarchy in behalf of the Traxler campaign.

STAFF

A minimum of eight national, state, and local union officials contributed their salaried staff time (plus expenses) to the project of getting Traxler elected.

Those officials were:

James George, United Auto Workers (UAW), Detroit, annual salary $17,093.80, expenses $4,285.06,

Sam Fishman, UAW, salary $23,088.10, expenses $6,219.25,

Ray Alverez, Area Director, AFL–CIO COPE, salary $19,772.50, expenses $6,868.17,

Ernest Dillard, UAW, Detroit, salary, $18,-294.65, exp., $6,246.37,

W. C. Young, National Field Director, COPE, salary $20,373.60, expenses $8,659.84,

John Dewan, UAW, Madison Heights, Michigan, salary $16,943.80, expenses, $3,-992.16,

Ruth Colombo, Assistant Area Director, Women's Activities Program (COPE), salary $20,360.50, expenses $3,365.90.

In addition, Wallace J. "Butch" Warner, 2575 N. Orr Rd., Hemlock, Michigan, was off his job (unpaid) from January 14, 1974 through the election (April 16, 1974) to work as coordinator on the campaign for the "Traxler for Congress Labor Coordinator."

An employee of Michigan Bell and a paid staffer as President of Communications Workers of American Local No. 4108, Warner's worth to the campaign (he is a cable splicer and earns $225 per week under terms of the union contract) come to $3,202.50.

Warner disclosed in an interview that he had indeed worked with COPE and UAW personnel, identifying Sam Fishman as having been on the scene for at least one week, W. C. Young for 10 days, Ruth Colombo as having supervised for "at least 10 days" the phone banks used to contact the 43,000 active UAW members, 5,000 retirees and 25,000 AFL–CIO members in the district.

For various reasons—such as an unlisted number, personnel moving, etc.—some 50% of the 73,000 union members, according to Warner were not contacted. Thus, some 43,-800 calls were made, many of them twice, once they were identified as in the Traxler camp. Assuming ½ of those contacted were in this category, that means approximately 65,200 phone calls to union members alone at the rate of 4½ cents per call (as billed in Michigan) for a net cost of $2,922.

In terms of paid staff time, we must weigh in the appropriate pro rata share of Ray Alvarez' salary and expenses. Alvarez candidly admits he was assigned to work in three congressional districts (Ohio 1, Michigan 5 and Michigan 8) from January 3 through April 16—or 28% of his annual time.

Thus, in all three races, his "in-kind" contribution was $6,256.40, a third of which ($2,085.46) is allocated to the race in Michigan 8.

Applying the same pro rata formula, the "in-kind" contributions for other COPE and UAW operatives are as follows:

W. C. Young had salary of $738.00 and expenses of $309 which totals $1,047.

Ruth Colombo had salary of $738.00 and expenses of $309 which totals $1,047.

Sam Fishman had salary of $444.00 and expenses of $120 which totals $564.

In summary, a cursory glance will establish at least $7,945.96 in "soft" contributions of paid staff time to the Traxler campaign.

PRINTING

In addition to the identifiable staff time and expenses involved, a substantial "soft" contribution come in the form of four separate mailings, three of which were sent "To all UAW members in Michigan's 8th Congressional District." Copies of those mailings are attached as "A."

Two different mailing permits were used at the non-profit organization rate, with permit #3333, which belongs to American Mailers and Binders of Detroit, on two mailings, and the UAW's own permit #8000 being used for the third.

In terms of cost, as estimated by a Michigan printer, here is what each of the mailings would cost:

Mailing of March 30, 1974 to 43,000 UAW members:

Printing at $28.80/m, $1,238.40; Postage at 1.7¢, $73.10; and postage, $124.70 totals $1,436.20.

Mailing of April 2, 1974 to 43,000 UAW members: (It is noteworthy that this mailing made from Detroit under permit #3333, contained as an insert a six panel brochure allegedly paid for by the Traxler for Congress Volunteer Committee).

Printing a two page letter at $38.30/m, $1,668.40; postage at 1.7¢, $73.10; and postage at 2.9¢, $124.70, totals $1,866.20.

Mailing of April 6, 1974 to 43,000 UAW members:

Printing, $1,688.40; postage at 1.7¢, $73.10; and postage at 2.9¢, $124.70, totals $1,866.20.

Mailing of "8th Congressional District Special Election Edition" of Michigan *AFL–CIO News* (Vol. 35, No. 37, April 16, 1974) to UAW members in the 8th District.

(In this 8 page tabloid, five pages are devoted unabashedly promoting the candidacy of Traxler. Taking ⅝ths of the costs the "in-kind" contribution is shown below.)

Printing, $2,750.00; and postage, $200.00, totals $2,950.00.

Thus, total soft printing costs contributed by the UAW and Michigan State AFL–CIO to the candidacy of Traxler came to a total of $8,118.60.

SUMMARY

It is therefore reasonable to state that many thousands of dollars in soft contributions were funnelled into the Michigan 8 race by the unions and union officials.

The contributions break down as follows:

"Hard" contributions from labor sources, $28,880.

"Soft" contributions:

Staff time and expenses	$7,945.96
Printing	8,118.60
Telephone costs	2,922.00
Total	18,986.56

This "investment" is over and above the reported money, for a grand total union contribution of $47,866.00

Additionally, three union officials were identified as being on the scene, whether as paid or unpaid is not clear. The three were: James George, UAW, Detroit (annual salary of $17,093.80); Ernest Dillard, UAW, Detroit (annual salary of $18,294.64); and John Dewan, UAW, Madison Heights (annual salary $16,943.80).

MICHIGAN'S FIFTH DISTRICT

The race for Vice President Gerald Ford's former seat in Congress was somewhat different from the other three special elections, in that a professional firm—headed by John Martilla—took over direction and management of the Vander Veen campaign.

Nevertheless, the union influence directing the campaign was exercised in both a direct and indirect fashion, much as it was in all other special elections.

1. Direct contributions as filed by the treasurer of the Vander Veen for Congress Committee lists some 12 separate union political action groups contributed a total of $18,711.00 to the Vander Veen campaign—or approximately 38% of the total direct reported contributions of $49,588.70.

2. Indirect contributions. Perhaps because a professional consulting firm was retained to direct the Vander Veen campaign, the "high profile" maintained by union officials while working in other special elections was not as evident. However, Ray Alvarez, area Director of the AFL-CIO's Committee on Political Education (COPE) admitted to having been in Michigan's 5th District. Under the same formula developed for the Michigan's eighth District some $2,085.46 of Alvarez' annual salary and expenses of $26,590.67 could be considered an indirect campaign contribution.

The printing area was one that afforded a good deal of "in-kind" support for the Democrat. Curiously, the same format, type face, halftones, paper, three of the pages are exactly the same and appeared in a tabloid-type mailer that went out under *both* the permit number of the candidate (#552) and the permit of the Western American mailers (#1), which mailed the piece in behalf of Region 1–D, United Auto Workers, Box H, Grand Rapids, Mich.

In terms of specific mailings and costs, the following were sent during the course of the campaign:

Two page letter, enclosing a xeroxed "fact sheet" on Vander Veen plus a postage paid return card under Permit #4721 addressed to Region 1–D, UAW, soliciting workers for the Vander Veen campaign.

Printing, $1,151.70; postage at 1.7c, $374.00; and postage at 2.9c, $638.00, totals $2,163.70.

Tabloid mailer (mentioned previously) sent to all UAW members in the district.

Printing, $2,373.00; postage at 1.7c, $374.00; and postage at 2.9c, $638.00, totals $3,385.00.

In addition a separate tabloid mailer was also prepared that is, once again, similar & identical in places to the other two tabloids. The difference is that this is printed on offset stock instead of newsprint and in all likelyhood mailed at an estimated cost of $3,315.00 to all UAW members in the district.

Thus total "in kind" printing and contributions to the Vander Veen campaign came to $8,863.70; combined with the salary for just one member of the COPE staff, Ray Alverez, the total in kind contributions in their quietest of the districts comes to at least $10,949.30.

Obviously, not all "soft" contributions are covered in the report on this district—telephones, etc.—but the low profile maintained by union officials during the race makes them almost impossible to detect.

Mr. HAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Chairman, I rise today in support of H.R. 16090. I want to particularly congratulate the chairman of the full committee for the pa-

tience that he exercised during the past 6 months while the committee was deliberating all of the amendments that have been offered in committee to this legislation. As a cosponsor of this legislation, I would also like to pay tribute to the gentleman from Minnesota (Mr. FRENZEL), the gentleman from Ohio (Mr. DEVINE), the gentleman from Alabama (Mr. DICKINSON), the gentleman from Pennsylvania (Mr. DENT), the gentleman from Indiana (Mr. BRADEMAS) and the gentleman from New Jersey (Mr. THOMPSON); in fact, all the members of the full Committee on House Administration for the diligent manner in which they attended all the meetings in order to come out with a bill that deals with limitations, that deals with disclosure and deals with an idea whose time has come. I refer to public financing.

I would like to remind the Members of this House that in 1968 we passed in the House on a Christmas tree bill a $1 contribution the taxpayer would designate to which political party his contribution would go. In the public finance section of this legislation we have $24 million that has already been collected by the Internal Revenue Service checked off by the citizens as a voluntary contribution. It is estimated that by 1976 we are going to have $60 million in this fund.

I want to also remind the Members of this House that I am totally against any moneys being taken out of the general revenue fund for purposes of financing an election; but I do strongly favor the fact that the American people checked off and have mandated the Members of Congress to act, "We have given you voluntarily $60 million. We expect you to use this money so that we can have the kind of elections in America that we can feel comfortable with, and especially with the Members of the Congress and the President of the United States."

This is the reason we included in the bill a limitation of $20 million for candidates on a presidential level, $20 million for the Democrats and $20 million for the Republicans, and $2 million for each party convention.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAYS. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. ANNUNZIO. Mr. Chairman, there is $2 million for each party convention and with the Presidential primaries to be financed, as fully explained by my distinguished colleague, the gentleman from Indiana, Mr. JOHN BRADEMAS, that we would have to collect $250 in small contributions, a total of $5,000 in 20 States, a total of $100,000 to be eligible to qualify.

I believe in congressional public financing and the checkoff system. If the money is there and if the committee can work its will this afternoon, I would like to see both the Democratic Congressional Committee and the Republican Congressional Committee, with my good friend from Illinois (Mr. MICHEL), that those committees be used as a vehicle to distribute that public money that has been designated by the taxpayers to be used for public financing of congressional elections.

Mr. HAYS. Mr. Chairman, I yield 7 minutes to the gentleman from Pennsylvania (Mr. DENT), the chairman of the Elections Subcommittee.

Mr. DENT. Mr. Chairman, with all of the talk about the closed rule and not allowing certain sections of the bill to be open for amendment, I can say to the Members that for the number of years—not only months—that our committee held hearings and so forth, and the committee itself under the gentleman from Ohio (Mr. HAYS), with its meetings and markups for 22 sessions, the major point of discussion in all of these days and hours has been the question of money—m-o-n-e-y—the root of all evil and the source of much good.

Money is the name of the game in politics, and until we admit that and stand up and face it, all of the reforms that we may yap about and talk about and try to get our attention about are just so much talk.

As long as one candidate can spend $204,000 in a general election against a candidate who spends $2,775, it is a farce and a fraud upon the body politic; as long as the total number of candidates in the entire primary and general last year, who were candidates in the primaries and won and went on to the general election, 834 candidates spending a total of $40 million less $8,000.

We are proposing in this legislation to increase that spending allowance, almost by mandate in this law, to $240 million for 835 candidates. Who on God's earth is going to say that this is a reform when we are proposing to spend $7,395,000 for an election for Members of Congress more than the entire salaries of all the membership of the Congress combined?

The reason this has all come to this stage is because those who talk reform do not want reform; because every public organization demanding reform is basing it upon greater expenditures for elections, instead of less; when these same organizations fight every attempt by the Congress or even by the Commission on Salaries to raise or increase the salary of Congressmen. All right, they all agree, Common Cause and the rest, they agree that we should spend $240 million to get elected, but not one cent for an increase in pay to put us in a position where we would not have to go out with cap in hand and a tincup asking for donations.

"Please put money in the pot so that I can run for Congress. Please send me some money so that I can buy some matches and cards. Please do that. I want to serve in the Congress. I want to be a public servant, but you better send me some money or else I will not be able to do it, and if I am not there, I cannot do you any favors."

That is the condition we find ourselves in, because we have allowed this office to be bought and sold and traded around like a commodity. Three hundred and twelve thousand dollars by one candidate who ran against another candidate in the same election, who spent $208,000. It goes from the sublime to the ridiculous. The average spending of the Members of this Congress, of the total number of Members running, was $47,000. But, we are saying to 5 percent—5 percent of the candidates for Congress spent near the amount that we are saying in this bill ought to be the amount to spend for Congress.

The other 95 percent somehow found a way into the Congress with much, much, much less. The limit of one's spending is not the criterion that we measure an election on.

Let me just show the Members some of the examples, if they wish.

We have in one State—I will not mention the names of the Members; it might embarrass them, and I would not want to do that—but a Democrat spent $274,000 against a Republican who spent $152,000. The Republican was a nonincumbent and won.

We have in our House a very wonderful man. I think the Members would recognize him by the clothes he wears. He spent $218,000 to get elected to a seat in Congress. I want to know what kind of service he can render to his people that entitles him to $218,000 worth of expenditures on his part.

He had running against him a candidate who spent $169,000 and another one who spent $212,000 and beat a candidate against him—not a challenger, a candidate; they were both nonincumbents—he beat a candidate who spent $306,000.

Here we have another example of $518,000 and in another instance, $520,000 for a job that pays a total of $85,000.

I do not know. Maybe some of the Members come from some place where they have a money machine.

Here is what happens because of this. Here is an opus written by a well-known newspaperman. Let me give the Members his analysis of Congress: "$661 million puts Congressmen on Easy Street."

He starts off by asking a question, and I will give anyone a dime who can answer it.

This is what he says:

"What costs $661 million a year, travels a lot, talks a lot, talks himself to sleep, and writes letters even when he is not written to? Two guesses. Do you give up? Why, it is an easy answer: The Congress of the United States."

The Congress is now about to come on scene in a great public spectacle on the impeachment.

If we Members figure this out, it comes to about $1 million-plus per Member per year that the taxpayers have to pay.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HAYS. I have another minute left, I understand. I will be glad to yield it to the gentleman from Pennsylvania.

Mr. DENT. I do not want to read the whole thing, but I just want to tell the Members what he counts as an emolument, as a great piece of the gravy train.

He says: "The Library of Congress provides him with free reading matter

by bedtime if by chance he cannot sleep, and when he dies, the deceased Member receives automatically an extra year's salary to help him out with his own final arrangements."

Mr. Chairman, I think we ought to put this man up for the Pulitzer Prize.

Mr. FRENZEL. Mr. Chairman, I yield 1 minute to the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Chairman, we are now engaged in trying to pass a campaign reform bill—a bill which most Americans want to see adopted. I believe it is almost incredible, however, that this long and detailed bill makes absolutely no mention of what is probably the largest single abuse of our present campaign laws. I refer to the giant loophole which, in effect, allows union dues to be used in vast quantities, perhaps $100 million in a general election, to be funnelled by the union leaders to their favored candidates. Two international unions—caught red-handed in these practices—have recently agreed as a result of court cases to refund to their members those portions of their union dues which have been spent on political campaigning. These were the Brotherhood of Railway and Airline Clerks and the International Association of Machinists. A recent article in the Wall Street Journal, January 29, 1974, makes it very clear that cash-equivalent political expenditures by union officials far outweigh their direct cash aid to candidates.

I should like to submit this article for the RECORD at this time:

MONEY'S JUST ONE TOOL MACHINISTS USE TO HELP FAVORED OFFICE SEEKERS—INDIRECT AID IS A BIG ITEM, COURT RECORDS INDICATE; HOW DEMOCRATS BENEFITED—SOME OF THE DOUGH IS SOFT

(By Byron E. Calame)

LOS ANGELES.—Like the President himself, some of Richard Nixon's foes in organized labor have been surrendering sensitive political records.

The International Association of Machinists, in a case initiated by a group of dissident members of the union, was forced by a federal court here to release thousands of documents. They reveal in unusual detail how the IAM goes about electing its friends to federal office.

This rare glimpse into the inner workings of one of the AFL–CIO's largest (800,000 members) and most politically active unions shows that there is a lot more to a union's political clout than the direct financial contributions reported to government watchdogs—and labor's political experts say the machinists probably adhere to the campaign spending laws as closely as any union.

The documents indicate that direct gifts are often overshadowed by various services provided free of charge to favored candidates under the guise of "political education" for union members. The indirect aid includes some of labor's most potent political weapons: assignment of paid staff members to candidates' campaigns, use of union computers, mobilization of get-out-the-vote drives.

TRIPS AND DINNERS

Dues have also been used, the documents indicate, to supply IAM-backed candidates with polls and printing services and to finance "nonpartisan" registration drives, trips by congressional incumbents back home during campaigns, and dinners benefiting office seekers endorsed by the machinists. Machinist-backed candidates are almost invariably Democrats.

An important question is whether these dues-financed activities violate federal laws that for decades have barred unions and corporations from using their treasury funds to contribute "anything of value" to candidates for federal office. Money for such direct contributions by unions must come from voluntary donations coaxed out of the members. The federal statutes do permit unions to spend dues for partisan politicking directed at the union's members and their families, on the theory that this sort of thing is internal union business, and the money used for this activity is called "education money," or "soft money."

The political activities of the machinists' union are, indeed, aimed at the union's members and are therefore proper, says William Holayter, director of the union's political arm, the Machinists Non-Partisan Political League.

DRAWING THE LINE

Even labor's critics concede that it is sometimes hard to draw the line between activities designed to sell a candidate to a union's members and those intended to sway voters in general. A member of the machinists assigned to promote a candidate among other machinists may inevitably find himself wooing other voters as well.

Still, the machinists' documents suggest that the union has often sought to provide maximum assistance to a candidate by use of soft money. "The problem," says one labor political strategist, "is that the machinists put too much in writing." The late Don Ellinger, the widely respected head of the Machinists Non-Partisan Political League who died in 1972, evidently had a penchant for memos.

Spending reports filed with the Senate for the 1970 campaign show that the Machinists Non-Partisan Political League openly gave Sen. Gale McGee $5,000; the internal records now disclose that the Wyoming Democrat also received at least $9,300 in non-cash assistance. Direct donations to Texas Democrat Ralph Yarborough's unsuccessful Senate reelection bid in 1970 were listed at $8,950; one document indicates he got other help worth at least $10,680. While the league poured $15,200 directly into Democrat John Gilligan's unsuccessful 1968 bid for an Ohio Senate seat, the documents show it indirectly provided more, $15,500.

RECEIPT UNREPORTED

Available records indicate that few, if any, campaign committees for machinist-backed candidates listed indirect aid from dues money as contributions. Prior to a 1972 toughening of disclosure requirements, candidates evidently found it easy to spot loopholes that were used to avoid reporting such indirect assistance.

The dissident machinists who forced disclosure of their union's files had brought their suit with the backing of the National Right to Work Legal Defense Foundation. The dissidents wanted the court to bar the union from using dues money for any political activity—including such clearly legal endeavors as politicking directed at its own members and traditional union lobbying efforts. The real goal of the right-to-work foundation is to eliminate the forced payment of dues. A federal judge dismissed the suit Dec. 19, largely because the union offered to start rebating the dues of any member who disagrees with the union's stand on political or legislative issues. The dissident group appealed the decision Jan. 10.

One questionable arrangement of the machinists helped reelect Sen. McGee in 1970. Alexander Barkan, director of the AFL–CIO Committee on Political Education, asked the machinists early that year to put the names of 65,000 "Democrats in Wyoming" on the machinists' computer for the Senator's use in "mailings, registration, etc." The minutes of the Machinists Non-Partisan Political League executive committee show that Mr. Ellinger recommended handling the chore but warned that it would have to be financed with "general-fund money" (the league's separate kitty composed of voluntary donations and would be considered "a contribution toward the Gale McGee campaign.")

Despite the warning, internal records show that bills totaling $9,302.74 for the operation were paid out of the league's political-education fund, built from dues money. Computing & Software Inc. was paid $4,696.84. Minnesota Mining & Manufacturing Co. received $414, and $4,191.90 went to reimburse the IAM treasury for cards it provided.

Doubts about such arrangements may be raised in the coming report by the Senate Watergate committee. Though Republican hopes for public hearings on union campaign contributions will probably be disappointed, the committee staff has asked unions broad and potentially explosive questions about the services provided to candidates.

Watergate revelations, some union politicians believe, have demonstrated that labor can never collect enough rank-and-file donations to rival campaign contributions by business bigwigs. "There is no way we can match them," says Mr. Holayter of the machinists. "It's silly to try." Hence the importance of the indirect contributions.

This is one reason why the AFL–CIO is pressing for public financing of federal campaigns; its strategists obviously figure that a ban on direct contributions would leave labor in a better position relative to business than it is in now.

If past performance is any guide, the machinists' union would still be a valuable supporter for its political favorites if public financing were adopted. Its indirect assistance in staffers' time alone has totaled in the tens of thousands of dollars, the court documents show.

Printing is another campaign expense that the IAM often helps its friends meet. With the 1970 elections coming up, an aide to Rep. Lloyd Meeds passed to the machinists a bill for the printing of the Washington Democrat's quarterly newsletter. "The newsletter went to every home in the Second District," the aide rejoined in one of the released documents. "We had a tremendous, positive response to it." Although the newsletter had been distributed far beyond the IAM's ranks in an election year, a soft-money check for $695.17 to the printer was quickly dispatched to a local union official.

Early in the 1972 reelection drive of Sen. Thomas McIntyre, the Machinists Non-Partisan Political League agreed to spend $1,000 "for assistance in newsletters" put out by the New Hampshire Democrat. And earlier, during Rep. John Tunney's successful 1970 bid for a California Senate seat, the league picked up a $1,740 tab for printing of a brochure that compared the Democrat's voting record with that of the GOP incumbent, George Murphy. Some of the brochures were passed out at a county fair.

The amount of union staff time devoted to candidates' campaigns is difficult to pin down. Irving Ross, a certified public accountant retained by the suing dissident machinists to analize the IAM documents, filed an affidavit giving "incomplete" tabulations. Mr. Ross says the time that IAM "grand lodge representatives" and "special representatives" spent on campaigns in 1972 was worth $39,175. The amounts were $56,241 in 1970 and $42,921 in 1968, he says. The IAM says the figures are too high, but it didn't challenge them in court.

A status report prepared by the machinists political unit in late August 1970 shows that

at least one field representative was working full time on each of over 20 congressional campaigns. IAM agents often become almost part of the candidate's campaign staff. When Robert Brown was assigned full time to Indiana Sen. Vance Hartke's reelection campaign in May 1970, he set up an office right in the Democrat's headquarters and had the title of chairman of the Indiana Labor Committee for Hartke. Another IAM representative, William Wolfe, was assigned to Yarborough campaigns in Texas in 1970 and 1972—and was being paid out of the union treasury in May 1972 even though a new law effective in April 1972 specifically barred a union from using dues money to pay for services rendered to a candidate, thus spelling out more clearly an old prohibition.

The union also takes machinists out of the shop for campaign duty, giving them "lost time" compensation out of dues money to make up for the loss of regular pay. Thus, the files show, two Baltimore machinists got $282.40 a week while working for the Humphrey presidential campaign for five weeks in 1968. A Maryland IAM official said later that the two "did a first-rate job, especially in smoking out the local Democratic politicians who were inclined to cut the top of the ticket" and persuading them not to do so.

Rep. Richard Hanna of California got $500 from the machinists to help finance a $6,000 "nonpartisan" registration effort to help get him reelected in 1970. In a letter requesting the union's aid, the Democrat predicted that the drive would "raise the district to at least 53.5% Democratic . . . because most of the unregistered voters are Democrats." He said the registrars would be preceded by "bird dogs," meaning that Democratic workers would roam out ahead of the registrar to identify residence of unregistered Hanna supporters.

The machinists' union's airline credit cards come in handy when incumbents are earger to get home in election years. Early in 1969, the executive committee of the machinist political unit authorized the expenditure of $3,600 to buy plane tickets home for unnamed "western Senators" during the following year's campaign. The league's "education fund" provided Sen. Yarborough and his aides with $705.60 worth of tickets during his 1970 reelection campaign. The files show that $500 went to Sen. Albert Gore, Democrat of Tennessee, during his losing reelection effort in 1970.

Machinist officials contend the organization pays for such travel because the candidate speaks to a union group or "consults with union leadership" in his district. But correspondence in the files indicates that this is more of a rationalization than a reason. Take a 1969 Ellinger memo to Sen. Yarborough outlining procedures "for all transportation matters." It states:

"We would like our files to contain a letter . . . indicating that you intend to be in Texas on a particular date to consult with the leadership of our union. If a trip includes a member of your staff, the letter should also name the staff member as being included in the consultation."

"Appreciation dinners" for Senators and Representatives often serve as a conduit for "soft money." Consider the ten $100 tickets the IAM bought to a 1969 testimony gathering for Sen. Frank Moss, Democrat of Utah, who faced an election in 1970. "Since Moss is not yet an announced candidate, we can use educational money for this event and later consider this as part of our overall contribution," the minutes of the league's executive committee explain.

Mr. FRENZEL. Mr. Chairman, I yield 4 minutes to the gentleman from Texas (Mr. STEELMAN).

Mr. STEELMAN. Mr. Chairman, I thank the gentleman for yielding.

The American public wants campaign reform, and I think the majority of the Members of this body want campaign reform, and I intend to vote for portions of this legislation.

I should say, however, that campaign reform, whether it involves financing or whether it involves special interest groups or whatever, is not genuine reform until we start to face the basic question of personal financial disclosure.

It seems to me that the greatest doubt, the greatest amount of suspicion in the minds of the American people, has to do with the decisions that we in this House make, decisions made in the executive branch and in the judicial branch that affect the public interest, those decisions that are made daily by all of us, whether elected or appointed.

Those decisions are decisions that affect defense contracts and affect mineral leases and all these things, as well as other potential conflicts of interest which we in this body and these other two branches of Government might have.

Mr. Chairman, many of us have voluntarily disclosed not only our statement of assets and liabilities but also our private income tax returns.

However, it is not enough to have voluntary disclosure. The standards which we have to abide by now provided in the form A and form B are minimal. They do not get to our sources of income; they do not get to our assets and liabilities except as it applies to debts and transactions above a certain amount.

It just seems to me that the field of personal financial disclosure is the major uncharted area as far as campaign reform is concerned.

Mr. FREY. Mr. Chairman, will the gentleman yield?

Mr. STEELMAN. I yield to my colleague, the gentleman from Florida.

Mr. FREY. Mr. Chairman, I thank the gentleman for yielding.

I want to commend the gentleman for his own personal work in this area. I have also been involved in this matter for several years.

I think to a certain extent this does constitute an invasion of privacy of each and every Member. Yet under the circumstances we face today I think we must take that extra step and make that extra amount of effort to win back the confidence of the people in this country in ourselves and in all those who are in politics.

As distasteful as it is personally to me—and it frankly is—I think it is the price we have to pay. It is the price we have to pay, because of the loss in confidence that we have experienced.

Mr. Chairman, it is a shame that we are not able, under these procedures, to bring this matter up and to get this meaningful reform enacted.

Mr. STEELMAN. Mr. Chairman, the gentleman makes a good point.

Under the rule that has been adopted, we will not be able to offer this amendment. I wish to say that I intend to remain active in this field, and I know that the cosponsors of this amendment also intend to remain active in this area of personal financial disclosure, not because of the wrongdoing it may uncover or the wrongdoing it may prevent, but because of the contribution it will make toward restoring public trust. It seems to me that is the lacking commodity right now.

The personal example set by Vice President FORD, I think, with respect to the scrutiny of his public and private affairs during the investigation he underwent, was a major contributing factor to the public support that he has now.

Mr. Chairman, I just want to say that I hope at some point, if not in this session, certainly in the next session we will get a bill, the like of one which I introduced, along with cosponsors, that would require personal financial disclosure, not only on the part of us who serve in the legislative branch but also on the part of those who serve in the executive and judicial branches. I think it is only by this sort of approach that we will make a genuine contribution to restoring public trust and thereby complement the other steps I hope we will take today in reforming campaign finance practices.

Mr. PRITCHARD. Mr. Chairman, will the gentleman yield?

Mr. STEELMAN. I yield to the gentleman from Washington.

Mr. PRITCHARD. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, earlier in the day, the chairman of the committee, the gentleman from Ohio (Mr. HAYS), stated that he would not object to amendments that were serious. I wonder if the gentleman would indicate now whether he would object to an amendment such as this.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. STEELMAN. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I said that I would not object to any amendment that was germane under the rule. The amendment which the gentleman is talking about is not germane.

The CHAIRMAN. The time of the gentleman from Texas (Mr. STEELMAN) has expired.

Mr. HAYS. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, to respond further to the gentleman from Texas and the gentleman from Florida, I would tell the Members on the other side, if they have not already heard it, that Senator GOLDWATER was on television a few minutes ago saying that there would be a resignation today. That will do more to restore confidence than all the breast-beating that the gentleman from Texas can do from here on out.

Mr. FRENZEL. Mr. Chairman, I yield 1 additional minute to the gentleman from Texas (Mr. STEELMAN).

Mr. STEELMAN. Mr. Chairman, I thank the gentleman for yielding additional time to me.

I will say for the benefit of the chairman of the committee, the gentleman from Ohio (Mr. HAYS), that this amendment that I sought to offer and which the

rule precludes would have applied to the President and to the Vice President the same standards with respect to personal disclosure that I would have applied to those of us who serve here in the legislative branch.

It seems to me the standing of the Congress in the opinion polls, at least the ones I have seen this year, have been lower than those of the President. So I think we have an example to show in that respect, also.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. STEELMAN. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I will say to the gentleman that after the performance of the Committee on the Judiciary may I say after the performance of the members of the committee on both sides, I think the next poll will show that the standing of Congress will have gone up a great deal.

Mr. PRITCHARD. Mr. Chairman, will the gentleman yield?

Mr. STEELMAN. I yield to the gentleman from Washington.

Mr. PRITCHARD. Mr. Chairman, I would like to say that we were led to believe that we were going to have this bill opened up for serious amendments. Now we find the gentleman from Ohio says this does not apply. That is just the reason why I think it is a gag rule. I think we are doing an injustice to the Nation with respect to the cause of election reform when we bring this type of a rule to the floor, limited rule, or whatever you want to call it, instead of an open rule.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

Mr. FRENZEL. I yield 1 additional minute to the gentleman from Texas.

Mr. STEELMAN. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I resent the inference cast by the gentleman from Washington. I did not mislead anybody, and I did not try to mislead anybody. I said, in response to a question that the gentleman asked about publishing his amendment 24 hours before in the CONGRESSIONAL RECORD, and the gentleman said he did not know until today that that was a requirement, I said I would not object, and hoped that no one else would object to an amendment which would be germane under the rule being offered to the House just because it was not published in the RECORD. And that is all I said.

If the gentleman from Washington was misled, then the gentleman was misled because the gentleman either was not listening or was not here, or did not understand what I said.

Mr. PRITCHARD. Mr. Chairman, if the gentleman will yield further, I desire to state once again that this is a gag rule that we are working under. I believe that this is serious election reform that the gentleman in the well is bringing forth. This is why I believe that we should open up the financial affairs of we Members of the Congress. We are not ordinary citizens—and I repeat, we are not ordinary citizens—we are public servants. If we are going to have election reform that is meaningful, we are going to have to have this included before the public will have some real confidence in the Members of the Congress.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. HAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. MATHIS).

Mr. MATHIS of Georgia. Mr. Chairman, I, too, would like to join in with my colleagues on both sides of this body today in offering my congratulations to the chairman of the committee for the time the gentleman has spent in bringing before the House this legislation, which I believe goes a long way toward restoring the confidence and the faith of the American people in our democratic institutions, and hopefully in our public servants, we politicians, if you will.

There is one thing that I would like to point out in this bill that has not been pointed out before, and that is we have removed the limitation on the media expenditures. The House in its wisdom adopted in 1971 legislation fixing a ceiling of $50,000 that could be expended on media. We have repealed that section, and we leave it to the candidate's own judgment as to where he wants to spend the money, where he can get the best results for his dollar in his campaign.

The one big fault that I find in the bill is that it simply allows too much money to be spent on elections.

We come in here, and we talk about campaign reform. We talk about restoring the faith of the people in the processes of our Government, and yet we are allowing $270,000 plus to be spent by a candidate for Congress in any given year. I want to suggest once again to all of you who feel as I do that this figure is too high; that I will offer at the proper time an amendment that will reduce the amount of money that can be spent in any one election to $42,500.

It makes no sense at all to me to allow a candidate for Congress to spend $270,000 for a job that pays $42,500.

I do not think there is any way we are going to restore the confidence of the American people in this Congress as an institution unless and until we adopt some kind of a realistic spending figure.

Mr. HAYS. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. KOCH).

Mr. KOCH. Mr. Chairman, I thank the gentleman from Ohio for yielding me this time.

This bill has three provisions in it which everyone concerned about campaign reform wanted, and they have been accomplished, limitation of expenditures, complete disclosure, and public financing. The committee bill, with the committee amendments is a good one.

I know that there are those who will seek to lessen the amount that can be spent by a candidate for Congress. The bill now provides $75,000 in addition to the actual cost of raising the money. There will be some who are going to say they are going to outreform the reformers by reducing that amount. That would not serve the American public because to give a nonincumbent a reasonable chance of winning requires a reasonable sum for campaigning.

While I thought there should have been a higher limit, for example, $90,000, the amount in the bill is a reasonable amount, and I would hope that it will not be changed.

I also want at this moment to pay my respects to the distinguished chairman of the committee, Mr. HAYS. The chairman of our committee has been the subject of a great deal of what I consider to be unfair attacks and abuse on the ground that he was stopping the reform bill from coming to the floor. It is just the other way. The fact it, it was primarily through his efforts that the bill reached the point where we were able to bring it to the floor. I know that the chairman gives at least as good as he gets in debate, so I do not think he was as upset about the attacks as those of us were who serve on the committee and were aware of what was taking place.

Mr. BADILLO. Mr. Chairman, will the gentleman yield?

Mr. KOCH. I yield to the gentleman from New York.

Mr. BADILLO. Mr. Chairman, I thank the gentleman for yielding.

I want to compliment the gentleman from New York for his work on the committee.

Mr. BADILLO. Mr. Chairman, I am pleased that we have the opportunity today to improve and expand upon the reform of our political process which we began with passage of the Federal Election Campaign Act of 1971. We have had ample time over the past 3 years to observe the loopholes and inadequacies of that particular measure, and the bill before us today, H.R. 16090, will remedy some of the deficiencies of our earlier effort.

The Federal Election Campaign Act Amendments of 1974 will for the first time set absolute ceilings on expenditures for campaigns for all Federal offices. It sets much-needed limits on individual contributions to any single candidate and aggregate contributions for all Federal offices in any year. It places limits on cash contributions and restricts a candidate's personal financing of his own campaign. Most importantly, H.R. 16090 authorizes the use of public funds for Presidential elections and establishes qualifications for raising donations in small amounts to receive Federal matching funds for primary elections.

I believe, Mr. Chairman, that H.R. 16090 provides us a vehicle to enact a meaningful campaign reform bill in this Congress. The provisions of this bill are important and they set new standards for campaign practices. However, the measure needs considerable amplification if we are not to be accused of being

half-hearted in our commitment to campaign reform. The events of the 1972 election, in all their sordid detail, cry out for a response from us, and I am convinced that the American people will accept nothing less in 1974 than comprehensive legislation to eliminate once and for all the pervasive influence of private wealth in the election of candidates for Federal office.

True campaign reform entails much more than setting limits on contributions and expenditures. I support the establishment of such ceilings as a necessary beginning, and though nobody has an excess of wisdom in determining what the magic figures should be, the committee levels provide a yardstick that I am willing to see enacted into law in order to get the principle of such limitations into the statute books. Should experience indicate the advisability of revising the amounts upward or downward at a later date, we will find it relatively simple to amend an existing law.

We all agree that spending for national elections has simply gotten out of hand, Mr. Chairman, and our initiatives should be stimulated by the sorry record of intimidation, coercion, and blatant tradeoffs between candidate and contributors in the 1972 Presidential campaign. By putting ceilings on election expenditures, we can at least limit the opportunities for corruption and conflict of interest when large sums of money are sought from every possible source.

The ceilings in H.R. 16090 of $10 million for Presidential primaries and $20 million for general elections for the highest office in the land are realistic and should be adequate to conduct an effective campaign around the country. Our approval of this principle should be overwhelming since we have witnessed the temptations that are succumbed to by those in possession of funds far in excess of what is needed for election campaigns per se.

The American people have endorsed the principle of public funding of elections by their response to the dollar checkoff on Federal income tax returns. I am gratified that this totally voluntary system will establish a Presidential election campaign fund in the neighborhood of $70 to $80 million for the 1976 election. The healthy public participation is convincing proof to me that the public wants an end to the corrupting influence of private campaign contributions and is willing to provide the funding that will accomplish that reform. Public financing of Presidential elections will not forever end the possibility of corruption or secret deals in the Oval Office, but it will make it far easier for men of integrity seeking that high office to avoid indebtedness to the special interests which can be counted on to show up sooner or later to demand their quid pro quo, usually out of the pockets of the public.

What I find inexplicable, Mr. Chairman, is the omission from H.R. 16090 of public financing for House and Senate election campaigns. I cannot understand how the committee could endorse the removal of private money from Presidential races and not concede that the public interest lies in the same treatment of congressional elections. Consequently, I am joining the movement to amend this bill to provide Federal matching funds for congressional general elections. This particular amendment will authorize public matching funds for up to one-third of the spending limit for the office. A requirement that 10 percent of the candidate's spending limit must be raised in contributions of $50 or less will provide an incentive for the participation of more small donors than has been the case, reducing the traditional reliance on a handful of wealthy donors.

I regret that we are not today voting on full public financing of all Federal elections, but that is a goal which I believe we will reach in succeeding years and one which I am certain the American people will subscribe to if we take the necessary first step of approving the Anderson-Udall amendment to H.R. 16090. It is much cheaper for the public to underwrite election campaigns than it is to pay for Government policies such as the milk price support increase and the late unlamented oil import quota system, two of the most glaring examples of the price extracted from the average person for political deals struck between candidates and well-heeled industry lobbies. When Government decisions are made on the basis of what is right and just for the country as a whole, we will have a climate of greater respect for the political process and greater confidence in officials selected by the people to participate in making those decisions for them.

I will also support the Fascell-Frenzel amendment to create an independent Federal Elections Commission to oversee and insure compliance with the laws governing Federal elections. A commission composed of six full-time public members nominated by Congress and appointed by the President will inspire more public confidence than the committee bill's board of four public members and three—the Comptroller General, Secretary of the Senate, and Clerk of the House—who are intimately involved in the legislative process and whose tenure is decided by incumbent officials they would have to regulate. The confidence of the people in the political process is what this is all about, Mr. Chairman, and to merit that confidence we must make it clear that we in no way are hedging our responsibility to observe the law and submit our conduct to the scrutiny of objective public officers. I regard an independent Federal Elections Commission as absolutely essential to any serious reform of our election campaign laws.

Mr. Chairman, I urge my colleagues to accept these strengthening amendments to the bill and send H.R. 16090 to conference with the Senate to insure enactment of a meaningful Federal election campaign reform law this year. We have had such legislation before us for 3 years, and there can be no excuse for further delay. Grievous abuses of Federal elections are amply documented and have been paraded before us for all too many months now. The American people have a right to expect us to stand up and be counted on this issue, and I do not believe they will settle for partial or limited reform. This is our opportunity to demonstrate whether we believe that we have a living political process worthy of improvement and perpetuation. Passage of a strong campaign reform bill is our mandate from the people, and I hope that we will meet that high expectation in this Chamber today.

Mr. HAYS. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from New York and add my own personal commendation to the distinguished chairman of the Committee on House Administration. The gentleman from Ohio (Mr. HAYS) is really in many, many respects a very misunderstood Member. His basically kind and generous nature is not understood universally. Very importantly, his commitment to make the House a responsive instrument to resolve the public policy issues confronting this country is known by all who watch him and work with him.

I think that the gentleman from New Jersey (Mr. THOMPSON) should be commended; the gentleman from Indiana (Mr. BRADEMAS); the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. DENT); the gentleman from Illinois (Mr. ANNUNZIO); the gentleman from Pennsylvania (Mr. GAYDOS); the gentleman from Tennessee (Mr. JONES); the gentleman from New York (Mr. KOCH); the gentleman from West Virginia (Mr. MOLLOHAN); the gentleman from South Carolina (Mr. GETTYS), and the gentleman from Georgia (Mr. MATHIS); and the whole committee on our side, because they have brought to the floor a most worthy product. More importantly, they have permitted all of those amendments that had meaningful support to be the subject of the House working its will.

I would also like to note, the gentleman from Minnesota (Mr. FRENZEL) who has played a very constructive role in the developing of this legislation. While we are at it—the gentleman from Florida (Mr. FASCELL), the gentleman from Arizona (Mr. UDALL), the gentleman from Illinois (Mr. ANDERSON), the gentleman from Washington (Mr. FOLEY), and the gentleman from New York (Mr. CONABLE), have all contributed to the important public dialog on the nature of the legislation the House should write.

I freely predict when the sound and fury is behind us, just as did our Committee on the Judiciary reflect great credit on this institution by its conduct in recent weeks, similarly the Committee on House Administration and the House itself will send to the Senate a meaningful, responsible, and effective campaign reform bill that will come to grips with most of the urgently pressing campaign financing problems.

So, Mr. Chairman, again I want to commend the committee and say I am sure within the next 2 days we are going to write legislation every single man and women in this House can be most proud of.

Mr. WRIGHT. Mr. Chairman, this is an historic day in the life of our political institutions. The bill presently before us offers historic opportunity to help get politics out of the gutter and back onto a platform of public respect envisioned by those who drafted the Constitution.

This clearly is one of the most important bills which will come before us this year. In my opinion, as I shall point out in these remarks, it does not go quite far enough nor perform the total cleanup that I would like to see performed.

But what it does is in every respect salutary. It is, on balance, an exceptionally good bill and a much stronger bill than cynics had thought this Congress would pass.

We owe it to all those who want to believe in the basic goodness and decency of the American system to pass this bill by an overwhelming and resounding majority.

One of the saddest byproducts of the Watergate scandals has been the general impression that politics and our historic system of electing public officials is by its very nature corrupt—that it always has been, always will be, and that there is no use trying to make it otherwise.

This is tragic for two reasons. First, it is not true. Second, by destroying faith in the political processes, this cynical idea destroys faith in the system itself. It is up to us to restore that faith, and to make the American system of public elections worthy of public confidence.

Ridiculed in public print, satirized by cartoonist and comedian, butt of the street corner humorist and self-righteous moralist alike, politics is as necessary to the functioning of our society as water is to the flow of a river. It does not have to be filthy and corrupted—and neither does the river—for man has the wisdom, if he has the will, to keep them both clean.

Politics—the process of elections—is the lifeblood of democracy, the fuel that propels the engines of a free society. To profess love for the democratic form of government but disdain for politics is to pretend to honor the product while despising the process that creates it.

There have been abuses of the system. There is no denying it. We should not close our eyes to those abuses. We should correct them. We must devise laws that prevent their recurrence.

No facet of American life has cried out more loudly for reform than that of political campaign financing. It has cast a lengthening shadow over all else we do in our public institutions.

More than 6 years ago—in April 1967—I wrote an article for Harper's magazine calling for reform of the campaign financing laws. For years their cynical neglect made a mockery of our elective system. Under leave to extend my remarks, I am inserting a copy of that article for printing in the RECORD at the end of my statement.

Three years ago, Congress finally acted. It passed in 1971 the most sweeping campaign reform law since the Corrupt Practices Act of 1925. Although the public seems largely unaware of that law, it was a long step in the right direction. The bill we are considering today would build and improve upon it.

The 1971 law strictly limits total campaign expenditures in communications media. It makes candidates themselves responsible for reporting all moneys spent in their behalf during a campaign, puts an end to the devious practice of hiding behind phony "committees" whose expenditures the candidate pretended to know nothing about.

Under the 1971 law, full public disclosure must be made of every contribution in excess of $100 including the name and address of the contributor. Now, in light of the mammoth contributions revealed by the Watergate hearings—single contributions in the range of $50,000 and upward, some from corporations and thus clearly illegal under even the old 1925 law, which slipped in just days before the new law took effect and went officially unreported—we now are considering an absolute limit of $1,000 that any one individual may lawfully give to any Federal political campaign. I support this provision.

Enactment of this proposed limit will go a long way to reduce the shameful reliance upon a few enormous contributors who more and more have held the keys to the gates of public service, particularly in the larger States—California, New York, Texas, Illinois, Pennsylvania, Ohio—where it now can take $2 million or more to conduct a winning statewide campaign.

The bill presently before us would limit total expenditures in most congressional campaigns to no more than $75,000. Surely that is enough, unless we merely wanted to turn Congress into an exclusive playground of the wealthy and put its seats up for auction to the highest bidder, like seats on the New York Stock Exchange. I think we well could do with a lower ceiling.

Another extremely useful reform which went into effect in 1972 seeks to broaden the base of political fund-raising and give more plain citizens a piece of the action. It permits a tax deduction for any individual American contributing up to $50 to the candidate or party of his choice—or up to $100 on a joint husband and wife income tax return.

Unfortunately, this law has been little publicized. When it becomes generally known, it should provide encouragement for many small and moderate contributors to take up the slack heretofore filled by contributions in the multithousand-dollar range.

Personally, I would support an even stronger inducement, such as a tax credit rather than just a deduction, for any individual contribution up to $25.

Along the same line, Congress has tried to freshen the springs of Presidential campaign financing by permitting every taxpayer to check a square on his income tax report authorizing exactly $1 of his tax to go to the national Presidential campaign. This particular law was administratively emasculated in 1973 by on the 1040 tax return form, the IRS required any citizen desiring to avail himself of it to take the initiative, ask for and fill out an entirely separate form. Most citizens did not know to do so. Most did not even know of the law.

Under outraged pressure from Members of Congress who supported that reform, IRS was forced this year to carry out the intent of the law. The box now appears on the form 1040 itself, and a lot of good Americans did check the form and authorize the $1 deduction. I predict that, as it becomes better understood in subsequent years, more and more Americans will avail themselves of this means to provide clean and unfettered money for Presidential campaigns.

Some now are suggesting public financing of all political campaigns, including congressional elections. In other words, pay campaign expenses out of taxes. There is one thing wrong with this: it does not give the citizen any choice.

It would be thoroughly wrong, in my opinion, to take tax money from an individual and arbitrarily turn it over to some candidate or party of which that citizen does not approve. If you are a Republican, for example, it seems to me that you would have every right to object if the Government took some of your taxes and used them to finance Democratic political campaigns. And a Democrat would have every right to be unhappy about the reverse.

The answer, in my judgment, does not lie in paying congressional campaign costs out of public tax money. It lies in popularizing political contributions among average citizens, helping them to understand that it is a function of citizenship, and making it easier for them to contribute of their own volition to the candidates and parties of their own individual choice and preference.

Tainted money, however, is not the only evil that has been brought to light in the recent Senate and House investigations. One cannot blame the average citizen for being more than a little sickened by the illegal use of spies, burglary, electronic surveillance, fake documents and phony charges against the opposition.

Not only have there been thefts and illegal wiretaps. Telegrams have been sent falsely bearing the names of other parties. One of the rottenest and most callous abuses cited was the forging of a bogus telegram, purporting to be a State Department document, with the sole and express purpose of maligning the reputation of the late President Kennedy.

Phony press releases have been handed out purporting to come from an opposing candidate, with the deliberate intent of misrepresenting and embarrassing him and misleading the public. Elaborate hoaxes have been perpetrated, such as the one that pretended to document a connection between the late President Kennedy and the assassination of President Diem of South Vietnam. A lot of people have innocently believed these malicious frauds. How can they know, so

long as this type of deliberate deceit is permitted, until it is too late?

Each of these offenses has been confessed in open hearings, sometimes without any apparent sense of shame or repentance. The cynical defense is that "everybody does it." And that just may be the most monstrous falsehood of all. Many public officials are decent. Many have never corrupted the political process in any such way. Nobody should, and anyone who does should be punished for the irreparable harm he commits not only to the reputation of another but to the sancity of the political process itself.

Certainly it ought to be a punishable offense deliberately and knowingly to spread malicious untruths about the opposition. If lying and deceit about campaign contributions and expenses should be forbidden, as needed they should be, then intentional lying about the opposition is equally reprehensible. It ought to be equally punished.

Without doubt the one thing that has done more than any other to poison the political process, to disenchant decent Americans with political life and keep good men out of it, is the nauseating prevalence of slander and personal abuse in political campaigns.

For this reason, I feel that the bill presently before us, as good as it is, does not go far enough. I would like to see the legislation broadened to make all the penalties which it applies against misrepresenting campaign gifts and expenditures equally applicable against: First, publication of any spurious statement and attributing it to the opposition; second, reproducing any bogus telegram or communication falsely purporting to bear the signature of any other person; third, signing a false name to any political advertisement or letter to a newspaper editor; fourth, the use of "bugging" devices against political opposition; and fifth, using trick photography to cast an opponent in an unfair and untrue light.

I was prepared to offer such an amendment to this bill, but as I understand the rule, an amendment of that type would not be in order. I urge the committee to keep it in mind for future legislation.

If democracy and our form of elective government are sacred, then the political processes that create them should be equally sacred. Those processes can be kept clean. It is up to all of us to insist that they are.

Enactment of this bill today will be one long stride in that direction.

Although something short of a total answer to all of our Nation's electoral problems, the bill deserves to be considered on the basis of the affirmative reforms it makes.

On this basis, it clearly deserves our support.

The article referred to follows:

[Reprinted from Harper's magazine, April 1967]

WASHINGTON INSIGHT: CLEAN MONEY FOR CONGRESS

(By Jim Wright)

No facet of American life cries out more loudly for reform than the dingy gray area of political campaigns financing, which casts a lengthening shadow across all else we do in our elective public institutions.

As a veteran of seven successful campaigns for the U.S. House of Representatives and one losing race for the Senate, I've experienced at first hand the skyrocketing cost of politics. It is now, in fact, nearly impossible in most states for men of modest means to seek high elective office—unless they are willing wards of the wealthy.

The price of campaigning has risen so high that it actually imperils the integrity of our political institutions. Big contributors more and more hold the keys to the gates of public service. This is choking off the wellsprings of fresh, new thought and severely limiting the field of choice available to the public. I am convinced, moreover, that the intellectual *quality* of political campaigns is deteriorating as a result.

One curious by-product of big money in politics is the slick, shallow public-relations approach with its nauseating emphasis on "image" at the expense of substance. In the arenas where Lincoln and Douglas once debated great issues, advertising agencies last year hawked candidates like soap flakes.

Nineteen sixty-six was the year of the political singing commercial; easily seven or eight times as much money was spent on 20-second or 50-second spots on TV as on programs permitting any serious discussion of issues. Candidates hired professional pollsters to sample the electorate and offer advice on the most effective color combinations, lettering styles, and photographic poses. The whole business was taking on a patently phony, make-believe veneer.

This situation will not change unless Congress enacts a meaningful body of law to reform the antiquated and unenforceable regulations that are evaded by almost every candidate and ridiculed by the public. In the past decade eighteen different proposals designed to do this have been introduced in Congress. Not one has been acted upon.

Campaign expenditures for federal office generally fall under the purview of an ancient statute known as the Corrupt Practices Act of 1925. This law must have had some meaning in its day. But in 1966 it was about as effective as stuffing popcorn into the mouth of a running fire hose. The law stipulates among other things that a candidate for the House may spend no more than $5,000 in his bid for election, and a candidate for the Senate no more than $25,000. If I told you I had never spent more than $5,000 in a House race. I'd be a hypocrite. And if I actually had spent so little in my first race, I'd never have been elected. The same applies to at least 95 per cent of my colleagues. The huge loophole in the law lies in the fact that a candidate need not report the funds collected and spent in his behalf by a *committee*. The transparent fiction is that this goes on without his knowledge.

No candidate has ever been prosecuted for noncompliance with the Corrupt Practices Act (it carries penalties of two years' imprisonment and a $10,000 fine for willful violation). In times past, revelations of flagrant overspending or unsavory contributions evoked shock and public censure.

But today our very capacity for indignation seems to have withered. We take huge expenditures for granted. In the New York Senate race of 1964, for example, winner Robert F. Kennedy is reported to have spent $1,236,851, and over a million was spent in behalf of loser Kenneth B. Keating.

Last October Republican headquarters in New York announced that $4,330,000 had been spent up to that point in the campaign to reelect Governor Nelson Rockefeller and his running mates.[1] Jesse M. Unruh, Speaker of the California Assembly and a key political figure in the state, says Republicans spent between $5 million and $6 million in electing Ronald Reagan last year. Unruh believes the steadily mounting price of politics is putting pressure on both parties to nominate movie stars and other political neophytes with well-known names and faces. It simply takes too much cash to publicize an unknown, however well qualified.

Why does the pursuit of public office cost so much? Let me itemize out of my own experience in Texas, which is by no means unique. Just one firstclass letter to every family in Texas requires—in production and postage—approximately $300,000. A single billboard in one of our big cities rents for $550 a month. Others can be had for only $75 or $100 a month. But multiply this by the thousands it takes to cover a large state. A 30-minute TV broadcast which I did on eighteen of the fifty television stations in Texas cost me a little over $10,000. The same amount of time, on the same stations, if taken in 20-second spots, would have cost $400,000. The "quicky" spot announcement is by far the most expensive thing on television.

Even races for House seats, with their more limited constituencies, can consume staggering sums. For example, an unsuccessful primary race for a Congressional nomination in North Carolina last year cost approximately $250,000 in mass-media advertising alone.

My Democratic colleague, Dick Ottinger of New York, frankly reported an outlay of $193,000 in his successful bid for office in 1964. He is to be commended for his candor.

But what kind of example do we give to the public for obedience to law? There may be some excuse when the general populace ignores an obviously unworkable and commonly disobeyed ordinance. But what excuse can there be for us who have it directly in our hands to change the law? It is our very profession to make the law, and to make it mean something—if, in fact, we want it to mean something! By refusing either to abide by it or to change it, we present a sad spectacle indeed.

CONVENIENTLY BLIND AND DEAF

An impossible dilemma confronts a candidate who wants both to obey the law and tell the truth. Last summer John J. Hooker, Jr., a Nashville attorney who unsuccessfully sought the Tennessee gubernatorial nomination, promised during his campaign to make a complete public report on his expenditures. He fulfilled the pledge on September 4, showing total spending of $591,296.27.

Political pros in Tennessee were shocked. Certainly it wasn't the first time there had been expenditures in this range; but it was the first time such a public disclosure had been made in the history of the state. Hooker could hardly have affronted tradition more flagrantly had he denounced old folks or come out in favor of General William Tecumseh Sherman.

The legal limit for a statewide primary race in Tennessee is $25,000. Hooker may have rendered himself subject to prosecution, though it is doubtful that one would be pressed. His successful opponent, Buford Ellington, played it safe and traditional. He filed a solemn declaration just a whisker under the legal limit—$24,809.12. A similar figure was rendered, straight-faced, by the manager of former Governor Frank Clement's winning race for the Senate nomination—$24,089.22.

Ellington, questioned by newsmen conceded that, of course, it costs a lot more than $25,000 to run such a race. But he maintained that a candidate was complying with the law if he did not "personally know" of the various expenditures in his behalf. (His own report made no reference to funds devoted to advertising, the inference being that the candidate had traveled throughout

[1] Richard Nixon, perhaps not a wholly unbiased observer, is reported to believe that Rockefeller actually spent close to $14 million in his reelection race.

his state blind to billboards, car stickers, and newspaper ads, and deaf to his own radio and TV commercials.)

Ellington should not, however, be singled out for censure. Pretending not to know of expenditures in one's behalf is an accepted practice. When lawmakers generally flout the law, democracy is in peril. But still greater evils result when lawmakers are subjected to mounting financial pressures.

Just last year a Senate committee examined the ethics of Senator Tom Dodd of Connecticut, who paid off his campaign debts with the proceeds of testimonial dinners at each of which the principal speaker was a Vice President (Lyndon Johnson for the first two, Hubert Humphrey for the third). More than two thousand of Senator Dodd's constituents bought tickets to one or more of these gala affairs, which jointly netted over $100,000.

For a public official, debt is delibitating. It can plague his conscience and divide his energies. It can sorely test his integrity, or sap his courage at the very time he needs it most. Ultimately, if he remains single-minded in his devotion to the public weal and keeps his back resolutely turned upon temptation, debt can drive him, despairing, out of public life. Sometimes its shadow hovers over him for years afterwards.

I know this at first hand. In 1961, I made an unsuccessful race in a special election for the U.S. Senate. After it was over, we figured that we had spent some $270,000. Obviously, it hadn't been enough. But I ended up owing $68,000, mostly for debts which I had not personally authorized. It took me two and a half years to retire the notes.

Consider the case of Democrat Leonard Wolf of Iowa, who served one term in the House. He came to Congress in January 1959 owing $89,000 in campaign debts and business losses incurred while campaigning. He was defeated in 1960 when Nixon carried Iowa for the Republicans. Today, six years after leaving office, Wolf has finally paid off most of the $89,000. When friends urged him to run again in 1966, he understandably said, "No, thanks."

But even this financial disaster seems minor compared with the experience of James E. Turman who conducted an unavailing campaign for Lieutenant Governor of Texas in 1962. He came close, made the runoff, but lost in the second primary. For almost five years, he has been making regular monthly payments from his personal income to retire his campaign debt. And he calculates that, on this schedule, he will not be in the clear until 1981. It will take *nineteen years* to pay for one near-miss at the polls!

Perhaps you're thinking, "That's too bad, but it's his tough luck. A fellow who can't afford it shouldn't take on a campaign of that kind." And perhaps you'd be right. But where does that leave any able young American who genuinely wants to contribute his time and talent to the political life of his country? Unless he has inherited spectacular wealth, it leaves him at the mercy of large contributors, who will expect him in one way or another to serve their interests.

TEN MILLION HANDS TO SHAKE

So far as my own case goes, I've been luckier than most politicians. When I made my first run for Congress I had enough money of my own to pick up the tab personally for half (about $8,000) of the campaign cost. Since the beginning, I've made it an unvarying rule never to accept more than a $100 contribution from any individual. The average over the years has been around $10. This preserves my independence from personal obligation. I wouldn't want it otherwise. A Congressman can get by this way if he's fortunate—as I am—in having a very understanding constituency.

But this formula is impossible for a statewide contest, as I discovered in my 1961 try for the Senate. In that race, two balloons of fantasy exploded in my face. The first was the notion that if I announced my candidacy early, I would frighten off prospective aspirants. Instead, seventy-one would-be candidates threw their hats in the ring, creating the biggest field of entries in the history of Texas politics. If this raised some doubts as to my ability to intimidate opposition, I argue that it should have established me as a *leader of men*, since never before had so many followed the example of one.

My second and more serious fallacy was the assumption that a determined man in good health could make up by prodigious personal effort what he lacked in finances. I would simply campaign harder than anyone else in the race.

In the ensuing four months, I traveled 27,000 miles, made 678 speeches, slept an average of four-and-a-half hours a night and worked off eighteen pounds. During one week, I averaged eleven speeches a day in as many different localities. But it was like trying to siphon off the Gulf of Mexico with an eyedropper. For there were then ten million people in Texas; if I worked sixteen hours a day and wasted no time, it would have taken me some twenty-eight years to talk for one minute with every citizen in the state. I had four months.

The upshot was that I came close, but not close enough. Out of the seventy-two entries, I barely missed second spot which would have put me in the runoff, with John Tower, the sole Republican. Tower subsequently won over airline executive Bill Blakley who had nosed me out of the number two position. Each of these two men had spent on billboard, newspaper, and radio advertising at least three times the amount I'd been able to put together.

I planned to make the race again in 1966 when Senator Tower would be up for reelection. But, as the time drew near, the problem of money again loomed large. I could not bring myself to initiate alliances with those who could provide the wherewithal in big chunks. This is, alas, the accepted way in Texas, and probably in most states. Nor, with a son in college and two daughters almost ready to enter, could I mortgage their futures on another underfinanced race which might leave me owing $100,000 or more and out of a job.

In a last-ditch effort to find a broad base of campaign financing I bought $10,000 worth of television time for one statewide broadcast. I told the audience exactly what it costs to run a statewide campaign in Texas, and said that I would become a candidate for the Senate if 25,000 individual Texans who agreed with my views would participate to the extent of contributing $10 each.

The response was good. I received nearly seven thousand letters—a bona fide expression of grass-roots support. But contributions and precise pledges totaled only $48,828.50—far less than the $250,000 I had considered a minimum base.

I am convinced that I could have won with sufficient public exposure. But to obtain it I would have had either to make a beggar of myself in repeated telecasts, or to meet privately with affluent individuals and organized groups to discuss what I could do for them primarily rather than for the United States. I'm not temperamentally suited for the former rule nor conscientiously fitted for the latter.

So there was nothing to do but return the generous contributions and forget about running for the Senate.

MARTINIS AND LOBBYISTS

My experience is no great tragedy for America. But when the same thing happens all over the country, then the consequences are ominous.

Senator Dodd's testimonial dinners were at least supported by his own constituents. This is not true of the now-familiar Washington cocktail party which is financed by lobbyists.

The Congressional friends of the honoree are generally importuned to attend these gatherings (on free ducats), while blocks of tickets—ranging in price from $50 to $1,000—are bought by various lobbyists. Everybody stands around nibbling hors d'oeuvres and sipping martinis until a whistle blows and a few words are said in behalf of the honored guest. His campaign fund receives the proceeds. One trade-association executive was invited—in an eighteen-month period—to seventy such receptions.

Another money-raising gimmick, employed by the national party headquarters, is the fancy brochure with ads selling for $10,000 to $15,000 a page. The Democrats' latest book is called "Toward an Age of Greatness"; the Republicans' is titled "Congress—The Heartbeat of Government." Eleven of the nation's top twenty-five defense contractors have bought ads in brochures of this kind and they've deducted the price from their taxes as a "business expense."

Many advertisers have been corporations, legally prohibited from contributing to campaigns. But the proceeds go to the national campaign committees which divide them among various Congressional candidates. Other advertisers include companies whose activities are directly regulated by the government, including six airlines (American, Braniff, Continental, Eastern, Pan American, and TWA); three railroads—the Milwaukee Road, Southern Railway System, and Union Pacific; the Tennessee Gas Transmission Company; and various steamship lines. Does anyone believe that these companies—and others throughout the country who more quietly slip multi-thousand-dollar contributions into the individual campaign coffers of their favored candidates—expect no selfish return?

A more subtle lure, for Presidential campaign money, is the chance to visit socially with the President at party functions by joining the President's Club at annual dues of $1,000. Recently, plans were said to be under way to create an "elite" President's Club, with dues of $10,000, the additional bonus being an invitation to the White House. I find it embarrassing that any President should have to engage in such maneuvers. And I deplore the legal vacuum that makes them necessary.

BROADENING THE BASE

President Johnson in his draft bill last year asked Congress to require that *every* gift and *every* expenditure of $100 and more, whether taken or spent by the candidate himself or by one of his "committees," be publicly reported. He also proposed that $5,000 be established as the absolute maximum which any one individual or interest may lawfully contribute to any one campaign. (In my view, $5,000 is still too much; I think the figure should be reduced to around $1,000.) The President's main recommendation was that political contributions of up to $100 be deductible in computing one's income taxes, as are philanthropic gifts. I would like to go even further: I think we should offer a tax *credit*—deductible from the tax itself rather than from reportable income—of contributions up to $25.

This is the indispensable key to any really workable reform. Average Americans, with no axe to grind except good government, must be induced to take up the slack if we are to free American politics from its disgraceful dependence upon the little handful of blue-chip contributors.

To be effective, individual tax deductions and ceilings on individual contributions should be coupled with a practical and legally enforceable upper limit on allowable expend-

itures. Surely there should be *some* limit—high enough to permit each side an adequate campaign of public enlightenment but low enough to take politics out of the commercial marketplace, where today it almost can be said that public office is up for sale to the highest bidder.

I introduced in the 89th Congress and again this year a bill which would limit expenditures for House candidates to not more than $30,000 for a party primary and an additional $30,000 for a general election. (The two figures add up to precisely the amount of a Congressman's salary for a two-year term.) For Senatorial races my bill proposes a ceiling related to the population of the state. It would be calculated by multiplying $30,000 by the number of Congressmen from that state. In Texas, for example, with twenty-three members of the House, a Senate candidate could spend up to $690,000 for a primary and the same amount for a general election. In New Hampshire or New Mexico, with two House seats each, the ceiling would be $60,000. For Maryland, it would be $240,000; in New York and California, a little more than a million dollars. With all parties and all contestants honoring the same law, this would be enough.

I do not pretend to know how much should be allowed for Presidential campaigns. The present unrealistic law purports to limit a party committee to raising and spending no more than $3 million a year. However in 1964, the two major parties reported expenditures of $29 million. Nobody knows how much more went unreported.

In the closing weeks of the 89th Congress, concern over the enormous cost of Presidential campaigns resulted in a legislative surprise—a special amendment to the "Christmas Tree" tax bill.

The new law provides that any taxpayer, by simply placing a check mark in a box which will appear on future income-tax forms, may authorize $1.00 of his taxes to be placed in a Presidential Campaign Fund. He will not be able, however, to direct which party gets his dollar. Proceeds will be divided equally between the major parties. A minor party (one receiving more than five million but less than fifteen million votes in the immediately preceding Presidential election) may have a *pro rata* share based upon the number of votes it got. The law stipulates that the total in dollars placed in this fund may not exceed the total votes cast in the previous Presidential election for all major and minor parties. Using 1964 votes as a base, this would make the maximum more than $70 million.

This plan is at least worth a try. Its weakness, of course, is that it gives the citizen no choice as to which party shall receive his largess, and, since it applies only to Presidential campaigns, it still leaves the candidates for Congress right where they were—at the mercy of the big contributors.

In addition to legislation that would limit Congressional candidates' campaign expenditures, I think it might be worthwhile considering another requirement: that a certain minimum amount of *prime TV time* be made available without charge in 15-minute or 30-minute segments as a *public service* to all candidates for the Senate and House. This has been done abroad, notably in Great Britain, where lavish campaign spending is considered not only bad form but actually hurtful to the cause of the spenders.

In my opinion, the profligate spending and shallow sloganeering that are becoming commonplace in American politics insult the public's intelligence and do the electorate a grave disservice.

Traditionally, Americans have mistrusted the concentration of power in too few hands. We have steadily democratized the ballot. In the space of one generation, we have sounded the death knell to the "white man's primary," passed civil-rights voting laws, swept aside the rotten boroughs of maladjusted districts, and outlawed the poll tax. But of what real effect is all of this if we cannot recruit our elected officials from all levels of our society? Of what value is "one man, one vote" if the real power remains in the hands of the few who provide the money for political campaigns? What real choice does the voter have when only a limited few can afford to get their names on the ballot?

This year Congress will once again consider bills designed to restore decency and sense to political financing. Let us hope that this will be a year of action.

Mr. GILMAN. Mr. Chairman, at long last we have before us an election reform measure for consideration. While imperfect, this measure will nevertheless, lay the groundwork for providing substantial changes in our election law, changes which should help to tighten the controls of campaign contributions and expenditures of candidates for Federal offices, provided that we adopt an open rule to the bill before us, H.R. 16090, the Federal Election Campaign Act Amendments.

Mr. Chairman, the American people have clearly expressed their staunch support for election reform. Having witnessed the debacle of the past 2 years, resulting in instituting proceedings for the impeachment of our President as a result of undesirable, illegal campaign practices, the American public, to whom we are all responsible, has recognized the necessity for campaign reform making its views known to each of us. We now have the responsibility of bringing about such reform of our election laws.

The committee bill we are considering offers several recommendations worthy of consideration, including: a $100 limitation on cash contributions; limiting individual contributions to $1,000 and substantially increasing the penalties for violations of election laws.

However, the committee did not go far enough with its recommendations. In the event that we are successful in adopting an open rule, I intend to support several important amendments.

In September of 1973, I joined in cosponsoring the Clean Elections Act of 1973. During consideration of the bill before us, my colleague from Illinois, Mr. ANDERSON, intends to offer an amendment which, if adopted, will add to the committee bill a major portion of the Clean Elections Act . . . a system of partial public financing of congressional campaigns by matching small contributions with funds appropriated from the "dollar check-off" fund now present in our tax return forms. This amendment will not impose any additional burden on the taxpayer, nor will it force any individual to designate a dollar of his tax moneys for campaign financing. Only those funds which are specifically earmarked by individual citizens in their tax returns will be used to finance, in matching payments, congressional campaigns.

Another questionable provision in the committee bill relates to the enforcement of election laws. While the committee bill establishes a supervisory board for overseeing the enforcement of election laws, the committee proposed that the membership of this board include the Clerk of the House, the Secretary of the Senate, the Comptroller General, with additional members appointed by the House and Senate leadership. Such a proposed board is not sufficiently independent of congressional control to permit a free hand in administering and enforcing the election laws. Accordingly, I intend to support an amendment to be offered by my colleague from Minnesota, Mr. FRENZEL, which provides for a separate and totally independent supervisory board with civil enforcement powers to act as a truly responsive watchdog over election laws.

The adoption of these two amendments would bring us much closer to what is needed to insure the necessary safeguards for our electoral system.

Mr. Chairman, if ever there was a time for a stringent, strict bill regulating campaigning for all Federal elections, this is the time. By adopting a half-hearted measure we will be reneging in our constitutional responsibilities, abdicating the trust our constituencies have placed in us.

Accordingly, Mr. Chairman, I urge my colleagues not only to adopt an open rule on this measure to enable us to fully debate the amendments offered today, but also to vote in support of a strong campaign reform measure so that we can help restore the faith and confidence of the American people in our democratic form of government.

Mr. MATSUNAGA. Mr. Chairman, I rise in support of H.R. 16090, the proposed Federal Election Campaign Act Amendments of 1974.

There is no other measure which the American people today recognize the need for than this one, Mr. Chairman. The events of the last few days have become a discordant reprise of a sad song played secretly before, during and after the 1972 campaign. H.R. 16090 offers us the opportunity to stop the music.

By and large, Mr. Chairman, H.R. 16090 is a thoughtful and far-reaching piece of legislation, notwithstanding the fears expressed by many during the long and difficult months of committee consideration. That is not to say that the bill cannot be strengthened; it can. I intend to support several amendments I believe are crucial if the campaign finance reform bill is to be truly a reform bill. But I believe the chairman of the House Administration Committee, the gentleman from Ohio (Mr. HAYS) and the subcommittee chairman, the gentleman from Pennsylvania (Mr. DENT), and the other committee members, deserve a great deal of credit for the legislation they are presenting to the House today.

At the risk of repeating what some of my colleagues have set forth, I would like briefly to note the major provisions of H.R. 16090:

CONTRIBUTION LIMITS

Contributions by a person to a candidate for Federal office would be limited to $1,000 per election, applied separately to primary and general elections. Contributions by multi-candidate committees would be limited to $5,000 per election. Contributions by any individual in any year to all candidates for Federal

office could not exceed $25,000. Contributions made in currency or cash would not be allowed in excess of $100.

EXPENDITURE LIMITS

Candidates for President would be limited to $10 million in campaign expenditures for primary elections and $20 million for general elections. Senatorial candidates could spend up to $75,000 or 5 cents per voting age population, whichever is greater, in each of the primary and the general elections. House candidates would be limited to $75,000 per election. In all instances, candidates could spend up to 25 percent over and above these limits to meet fundraising expenses. No cash expenditure could exceed $100. No candidate could spend more than $25,000 of his own money or that of his family for any election.

DISCLOSURE

A single 10-day pre-election report would be required, instead of the 15-day and 5-day reports now specified. The postelection report would be due 30 days after the election, rather than January 31 of the following year, as in present law. All receipts and expenditures would have to be reported through a central committee, to avoid fragmenting information and making public scrutiny more difficult.

INDEPENDENT ENFORCEMENT ENTITY

To supervise Federal election laws, the bill would create an independent Board of Supervisory Officers. I was greatly pleased to learn that a compromise amendment will be offered and accepted by the committee to change the composition of the Board so as to insure its independence from congressional control. Enforcement would remain with the Justice Department, but a new Assistant Attorney General would be created to deal with this area of the law.

Mr. Chairman, I am gratified to note that H.R. 16090 contains many provisions which I have been advocating for years, and have attempted to effect through legislation of my own. My most recent bill, H.R. 12268 of this Congress, calls for full public financing of Presidential elections building on the dollar check-off, a principle virtually assured by the committee bill; establishment of an independent Elections Commission to administer the law, toward which the committee bill is a good step; limits on both expenditures and contributions; prohibitions of large cash transactions of any kind; and strengthened reporting requirements.

Of course, a number of amendments are in order under the rule reported by the Rules Committee and adopted earlier this afternoon by the House. Many of the amendments are thoughtful, desirable additions to the bill, and I will support some of them. Particularly important will be the amendment offered regarding partial public financing of congressional campaigns, sponsored by a broad coalition of House Members. It conforms closely to the plan contained in H.R. 7612, the so-called Anderson-Udall bill, which I warmly endorsed at the time I introduced my own bill earlier this year.

One of the areas most fraught with difficulty, Mr. Chairman, is that of limitations on expenditures. Although care must be taken that the limit is not so high as to permit anyone to buy an election, even more care must be taken to avoid setting the limit so low that challengers cannot overcome the name identification advantage and high visibility of incumbents. I understand fully that I am addressing a Chamber full of candidates, only a handful of whom are challengers. But each House Member serves a relatively short time, as these things are measured, and I know that my colleagues will be guided as they consider this matter by their respective views of what is best for the Republic.

Mr. Chairman, a glance at the timetable facing us makes it clear why it is imperative that we act on this legislation without any delay. The awesome task of impeachment lies only days ahead in this House; it may occupy all of September or October, or both, in the other body. Other major legislation—mass transit, foreign aid, housing, veterans' benefits—all await final action. Adjournment will follow not long after, and then we must await the 94th Congress. The closer we come to a Presidential election just 2 years hence, the greater the resistance to changes that might affect one party more than the other.

So the time to act is now, Mr. Chairman. And the proper action is passage of H.R. 16090. I urge my colleagues to do just that, by an overwhelming margin.

Mr. McKAY. Mr. Chairman, I rise in support of the legislation before us today, the Federal Election Campaign Amendments of 1974. I would like to commend the members of the Committee on House Administration for their work on this historic legislation to revise campaign laws and change practices by which candidates for Federal office obtain and expend campaign money.

The committee bill reforms present campaign law by limiting contributions that an individual or a group may make to a candidate for Federal office. It also limits the amount of money that may be spent by congressional or Presidential candidates. And, it places limits on the amount that a candidate may spend from his own pocket. The bill provides public financing from the dollar check-off fund for Presidential general elections and primaries and for national party conventions. There are also provisions for improving reporting requirements.

Mr. Chairman, it is critical that the 93d Congress take action to reform campaign practices. I am in substantial agreement with provisions of this bill. However, I feel that in certain instances it does not go far enough in reforming campaign procedures. There are several amendments before us today which will correct inadequacies in the bill and strengthen it.

I support an amendment before us to provide some public financing of congressional races. This amendment will provide a system of financing in congressional elections that enhances the importance of the small contributor, while lessening the influence of the special interests. The amendment provides safeguards to insure that frivolous candidates do not receive public funds. I can see no justification for reforming the Presidential election process while turning our backs on congressional races.

I also support an amendment to lower the ceiling on allowable group contributions. Under the committee bill a political committee may contribute $5,000 per election, per candidate. Thus, a candidate could receive $5,000 in the primary in September from a special interest group, and another $5,000 for the general election campaign in October, from the same group. A system that allows group contributions of $10,000 to a single candidate will retain the undue influence of special interests in our political process. This ceiling is too high. I support the amendment to reduce the contribution limit for groups to $2,500 per candidate, per election.

I support an amendment to create an independent Board of Supervisory Officers. It is appropriate that the Clerk of the House, the Secretary of the Senate, and the Comptroller General, as employees of the Congress, should have advisory duties only on the Board of Supervisors. The amendment before us goes on to eliminate the veto power of the House Administration Committee and the Senate Committee on Rules and Administration. Only an independent enforcement committee can administer this law with fairness and impartiality. I urge support of this amendment.

Mr. Chairman, we have here an opportunity to give new direction and life to American politics by correcting abuses and bringing reform to the political process. I urge my colleagues to support the bill before us, with these amendments.

Mr. BROWN of California. Mr. Chairman, I rise in support of the general provisions and thrust of H.R. 16090, the Federal Election Campaign Act Amendments of 1974. I also wish to state that I will support two important amendments to this legislation, the first to provide for partial public financing of congressional general elections and the second to revise the Board of Supervisors provision to further insulate the regulators from the regulated.

I do not think it is necessary for me to elaborate on the provisions of this bill, or to explain my reasons for supporting particular provisions, except in a general sense. Others have done an excellent job of explaining the reasons for and the meaning of these proposals.

I would like to explain some of the background that led to my current philosophy on campaign reform. I have had the rather unique experience of conducting a statewide campaign for the U.S. Senate in the most populous State in the Union, California. I have also conducted five campaigns for the House of Representatives, and I am in the middle of my sixth campaign. Due to circumstances beyond my control, I have had to conduct two of those House campaigns as a nonincumbent. The first time was in 1962 when the total election costs were about $80,000, and the last time was in 1972 when the total election costs were about $175,000. Mr. Chairman, I submit that $175,000 is far too much money to spend on a congressional seat in the

House, and while I was fortunate enough to be able to raise these large sums, I believe most candidates would not be so fortunate. During my U.S. Senate campaign I discovered just how difficult it is to reach a larger electorate, and the importance of adequate financing, even when the candidate has a large and dedicated volunteer organization. Money may not have made the difference in that campaign, but the suspicion always remains that it may have.

I speak today as both a victim and a beneficiary of the current election laws. The conclusion that I have reached from these experiences and from the general knowledge that I share with my colleagues about other elections, is that virtually no reform can be so strong that it would result in a system worse than that which we have today. When I consider all of the potential for abuses in the present system, I am amazed that we have done as well as we have with the archaic laws that govern Federal elections.

My own State of California sent shockwaves through the Nation last June when it resoundingly adopted the citizens' initiative on election reform, proposition 9. That law is stricter than H.R. 16090 in some respects, and not as thorough in other respects. This is to be expected. The House bill before us differs from the Senate bill, and each of these bills differs in some respects from what may be considered a logical approach by others interested in campaign reform. I am not discouraged by this variety of legislative remedies to the existing Federal election process. In fact, I am encouraged because the interest shown in this subject will probably result in good, solid permanent election reforms. I do not think that the bill before us today is the final word in election reform either. I would hope that the process is continually reviewed and analyzed and revised until it truly serves the public interest in the maximum. It is with this thought in mind that I support H.R. 16090.

One main provision of campaign reform must be public financing. Numerous proposals have been put forth to guarantee that public financing is fair to all parties concerned. It is a concept that must be carefully thought out. I believe the Anderson-Udall-Conable-Foley amendment to this bill is such a proposal, and I fully support it. Again, I do not believe this provision is the last word in public financing, especially since it ignores primary elections. Nevertheless it is a positive step in restoring integrity and balance to our electoral process.

In conclusion, I wish to reiterate my support for this legislation and repeat my belief that our work should not end with the legislation we begin considering today.

Mr. BROWN of Ohio. Mr. Chairman, since 1972, we have witnessed an accelerating corrosion of the confidence of Americans in our system of electing candidates for public office. We have witnessed an increased skepticism on the part of the American people that the independence of their elected officials has been undermined by large political contributions from either powerful individuals or special interest groups.

It is this lack of confidence and growing skepticism which have led to the legislation we are now considering. The bill before us, by placing a limit of $1,000 on individual contributions to a political candidate and a $5,000 limitation on contributions to a candidate by special interest committees, represents an important step toward reducing the influence gained by special interests through political contributions.

Unfortunately, the bill does not go far enough toward reducing the influence which special interests can have via campaign contributions. The amendment I had hoped to offer—the contributors rights amendment—sought to go one step further. It would have provided that a candidate—or a political committee acting on his behalf—could only accept contributions from individuals, with the sole exception being a contribution of a political party organization. Other organizations would have been able to act as agents of the individual contributor, but the individual would have been permitted to designate to whom the contribution would be given and the agent would have been required to identify the original donor:

It is apparent in Washington that a small number of business, labor, and professional organizations exert influence on the Federal Government far out of proportion to the constituency which they serve.

As of May 31, 1974, according to a widely published survey, political action committees representing business, agriculture, health, labor, and other interest groups held cash on hand of $14.7 million. This is in addition to $2.7 million already given on behalf of 1974 congressional races. That amounts to $40,000 per congressional district to influence political races this year. The total of $17.4 million in special interest group funds which is available for the 1974 congressional races is almost twice the $9.7 million reported as available for the 1972 congressional elections. And the fund raising for this year is far from over.

The way in which these special interest groups are able to exert such a disproportionate influence is through the accumulation of relatively small and anonymous donations from their members. Then, by zeroing in with large campaign contributions on key races in the House and Senate or other marginal elections where the outcome is in doubt at the time of the donation, the power brokers who head the special interest groups are able to keep "friendly ears" in Washington and elsewhere for their special interests. While in theory there is nothing essentially wrong with the expressions of a common viewpoint through a collective campaign donation, in practice there are serious flaws.

To begin with, to say that member contributions are "collected" by these special interest groups is often the wrong characterization. "Forced" is often more correct, whether the special interest group is a labor organization, business, or professional group or "special cause" organization. Often the individual has no choice but to give, no choice as to how much he will give, and no voice in who shall receive his financial support for a political campaign. Decisions as to who receives donations and how much a candidate is to receive are usually made by the power brokers who head the committees. There is often little or no input from the individual donor whether a union member, doctor, or businessman who is the original source of the money.

In essence these people are asked to pour money into the wide mouth of a funnel without any real idea of where the spout comes out. The only thing they know is that "it will help the cause." The political action committee system is often a denial of the individual's basic right to free political self-expression.

All each of us has as a personal political right, after all, is our vote, our voice, our volunteer effort, or our individual financial contribution. Under the present system, the individual's donation is too often corrupted in ways which he would never understand or approve. It makes a mockery of the "informed electorate" concept by encouraging boss-type politics. If funds are to be aggregated for a particular use, it should be the result of a conscious decision on the part of the individual contributor and not the result of pressure tactics from special interest power brokers.

Under the bill before us, contributions which are earmarked must be disclosed. The bill, however, does not prevent an individual from channeling several thousand dollars to a special interest group without designating the recipient of his donation but knowing full well that a substantial part of his donation will end up in the hands of a particular candidate.

The amendment I suggested would have gone one step beyond the earmarking language in the bill and require that all contributions knowingly accepted by a candidate, with the exception of contributions from political parties, be fully identified as to the original individual donor source. This could close a major gap in present law by blocking individual efforts to avoid disclosure and circumvent the law.

By adopting this amendment, Congress would have met its obligation to strengthen the voice of the individual citizen in his government by protecting the sanctity and underscoring the importance of his individual financial contribution to a political candidate or campaign. The individual would have been able to control where his political donation would go and would have been able to know who would be spending it. This amendment would have served to tighten the group's accountability to its members and the politician's accountability to the individuals who are the ultimate support of his election.

Mr. VANIK. Mr. Chairman, today is a welcome day for the membership of this body. Almost 2 years after the most corrupt national political campaign in our history, we are provided the opportunity of making substantial repairs on our battered and abused electoral process. The hour is late—but we must act

now to restore a measure of integrity to American politics.

The fact that we are even considering so comprehensive a measure as the Federal Election Act amendments is testimony to our neglect over the years of one of our basic freedoms—the right to vote. We have allowed our electoral process to be perverted by monied interests seeking special favors. No one needs to be reminded of the litany of sordid events which together have brought us to the brink of a wholesale subversion of the American political system. As public servants, we have no more important task to perform than to restore the basic confidence and faith of our citizens in the vitality, strength, and fairness of our political institutions.

I believe that each individual must make his or her own commitment to restore the integrity of that process. This is the opportunity that lies before us today.

Mr. Chairman, I support the thrust of this legislation. Nonetheless, gaps must be filled. Most important, is the need to establish an impartial board to supervise the administration of the Federal Elections Act. In devising a procedure for the selection of the membership of this Board, Congress must work with extreme caution. After two years of endless stories of dirty political deals, the American people have had their faith shattered. It will not be an easy task to rebuild this faith. For this reason, we must go out of our way to insure that the membership of the Supervisory Board is above reproach. The Supervisory Board will function as the public's eyes and ears—if we are careless in choosing its members, the credibility of our efforts here today will be destroyed.

I intend to support an amendment to strengthen the independence of the Board of Supervisors in the committee bill.

The second major area of weakness in the committee bill is the failure of the legislation to cover adequately the financing of congressional candidates in general election campaigns. This omission strikes to the heart of the integrity of our reform effort itself. If we are not willing to subject ourselves to the same constraints we establish for Presidential candidates, then we have cast a long shadow over our own intentions in drafting this legislation.

The events of the last few months have inexorably thrust the Congress into a more dominant role in the conduct of our national affairs. To assume this additional responsibility, Congress must have the faith and confidence of the electorate. Without this support, the effectiveness of our leadership will quickly erode.

We must recognize that we are entering a new era of congressional leadership. In preparation, we should take steps now to include congressional campaigns under the financing requirements of this legislation. Specifically, I will support the effort to extend matching payments from the checkoff fund for congressional candidates in general elections.

Mr. Chairman, this legislation—with the perfecting amendments I have mentioned—provides us with a good starting point for the restoration of our political system. But if there is one lesson these long months of Watergate have taught us, it is that the institutions of our government require constant vigilance and maintenance. The sustained involvement of a concerned citizenry is the only real guarantee that our Government will perform efficiently, effectively, and fairly.

Mr. CULVER. Mr. Chairman, I wish to voice my strong support for two amendments to H.R. 16090, the Federal Election Campaign Act Amendments of 1974. Though H.R. 16090 goes a long way toward improving Federal campaign practices, it falls short of ending many of the abuses that we have witnessed during the preceding 2 years. I, therefore, urge my colleagues to support two key amendments that will be introduced today, both of which I have cosponsored.

The Frenzel-Fascell amendment would insure strong and effective enforcement of our campaign laws; and the Anderson-Udall amendment would establish public financing of congressional elections by creating a matching payment system for congressional general elections which would be financed out of the "dollar checkoff" fund already provided in H.R. 16090 for Presidential elections.

Prohibitions and limitations are not sufficient by themselves to restore confidence and equity in the electoral process. We must break with the precedent of large donations, and provide incentives to encourage a resurgence of citizen participation in campaigns while at the same time reasonably equalizing the terms of competition between incumbents and challengers.

I, therefore, fully support efforts to amend H.R. 16090 to include a system of matching payments for small contributions to congressional campaigns. The thrust of such a system is not to eliminate private money from campaigns, but to shift the source of funding from the special interests and large contributors to a broad base of citizen participants. With entitlement to a $50 Federal matching payment for each equivalent contribution raised privately, candidates would have a far stronger incentive to turn to the people to finance their campaigns.

There can be no more constructive change in Federal campaign practices than to have our campaign laws aggressively and consistently policed and enforced by an agency with the proper authority. If we are going to have an equitable election law that protects the rights of the general public we must establish an independent administration and enforcement agency.

Unfortunately, H.R. 16090 leaves congressional employees—the Clerk of the House and the Secretary of the Senate—in an enforcement position, and maintains the congressional committee veto of rules and regulations. This situation gives the appearance of a conflict of interest since employees of the House and Senate are charged with identifying and reporting possible violations of the law committed by their employers. Even with the most conscientious and well-intentioned Clerk of the House and Secretary of the Senate, the public is certain to be skeptical and question the objectivity and zeal of their enforcement efforts against persons to whom they owe their jobs.

An independent commission would eliminate the present conflicts of interest, reverse the long history of nonenforcement, and achieve proper integration of the administrative and enforcement mechanisms of the law. Most importantly, a Commission would foster much needed public confidence in the effectiveness and fairness of election laws as well as in the aspirants for public office.

Finally, it must be remembered that we face a broader issue than "Watergate." The corruption that we have seen during the last 2 years is a manifestation of a more serious problem.

The U.S. Constitution lists few eligibility requirements for holding public office. However, the unwritten requirements are staggering. Under present conditions, there are clear handicaps for a person to run for public office in this country unless he or she is independently wealthy or is willing to seek the help of people or organizations of wealth. Watergate happened in part because a small group of unprincipled men had large sums of money—some of it laundered money, secreted in safes and suitcases. Nothing is more corrupting than unlimited money. If absolute power corrupts absolutely, uncontrolled money corrupts uncontrollably.

In 1972, candidates across the country spent $400 million. Significantly, incumbents were able to raise and spend twice as much as their challengers. More than two-thirds of this money was raised, not from a broad range of concerned citizens contributing small amounts of money, but from a very small number of individuals and groups.

One quality should not be pertinent to a candidate's qualification to hold public office, and yet this quality has often become the most critical to his chances of success—that is, the amount of wealth he can command. The democratic quality of choice is inherently diminished where a public election must depend in significant part upon one's ability to raise money.

There is a desperate need to equalize the political influence of all citizens in the United States. We must act to insure that the inequality in the amount of money one has or can command does not disproportionately affect the extent of their political influence.

Carefully designed public subsidization of elections constitutes an attempt to insure that the rights guaranteed by the first amendment are shared equally among the people.

Mr. HARRINGTON. Mr. Chairman, I rise in support of H.R. 16090, the Federal Election Campaign Act Amendments of 1974, as strengthened by the Anderson-Udall, Fascell-Frenzel, and Conte amendments.

By placing limits on campaign expenditures, controlling the runaway costs of elections, and making available

matching public funding, this act will permit candidates without great personal wealth or wealthy friends, and without the advantages we all enjoy as incumbents, to realistically seek public office.

The "seedmoney" requirements should discourage frivilous candidates, but at the same time levels set in the legislation are sufficiently modest that no serious contender should be locked out of running an effective campaign by the monetary demands on candidates.

These provisions are central to the legislation, and have received considerable public attention. They certainly deserve the support of the Congress, but I would also argue that adequate enforcement and public disclosure are equally necessary to cleaning up our electoral process. Designation of a principal campaign committee and the institution of tighter reporting regulations will provide the public with greater access to the financial records of office-seekers. But most importantly the creation of an independent Federal Election Commission will move us closer to the goal of honest campaign financing. Without a strong regulatory agency, even the best legislation could prove worthless.

I would offer only one word of caution to my colleagues—in setting expenditure levels, they must not be set too low. A primary goal of any election should be the dissemination of information to the voters, and certainly that is necessary if a candidate is to have any realistic chance of winning. My experience in Massachusetts gives me a feeling that any ceiling whether it is $75,000 or some other number may in fact be unrealistic in many parts of the country and certainly anything much below a $75,000 figure could leave a challenger in a situation in which he would automatically be overwhelmed by the built-in advantages of an incumbent.

In closing, while the optional public financing of H.R. 16090 may not ultimately be the best approach available, particularly since the red herring issue of public versus private financing may mar future campaigns, this bill at least offer one way of removing the influence of money from our electoral system. What we want are campaigns which are informative, broadbased, and financed with money that does not carry strings or responsibilities leading public officials to violate their public trust. For only when the political arena is open to all candidates, and only then they are freed from the controlling influence of large contributions, will confidence in our electoral process be warranted.

Therefore, Mr. Chairman, I urge my colleagues to vote for this legislation before us today.

Mr. BOLAND. Mr. Chairman, H.R. 16090, the Federal Election Act Amendments of 1974, is a measure whose time has truly come.

A scant 3 years following the enactment of the Federal Elections Campaign Act of 1971, which provided the first reform of election law since 1925, we in this country have witnessed a debacle in election funding and misuse of campaign funds that has revealed to us all too clearly the pressing need for a far more thorough overhaul of our election laws.

The abuses of Watergate are, very simply, traceable in large respect to money.

I am a cosponsor of the original Anderson-Udall bill, H.R. 7980, which first brought this issue to the House. At the time that bill was introduced, none of us could have foreseen how truly necessary it has become.

There were no spending limits at the time of Watergate. There was, as a result, no problem in establishing the slush funds that financed the break-in at the Democratic National Committee offices.

There were no contribution limits either. Thus, it was no problem for officials of the Committee to Re-Elect the President to acquire funds for their various covert and illegal activities.

The cumbersome reporting requirements which each candidate must file, under current law, were not yet in effect when Maurice Stans and other Presidential fund-raisers collected millions in cash and unreported contributions.

Even today, it would be difficult for a citizen, with all of a candidate's reports before him, to determine how much indeed had been contributed to a candidate—and from whom.

One reason for this is that there is no limitation on the number of political committees that a candidate can form—or cause to be formed in support of his candidacy.

During the 1972 Presidential campaign, there were thousands of political campaigns formed. Some of those committees—Democratic and Republican—have yet to straighten out their tangled affairs.

The prospect of a similar state of confusion is imminent with the 1974 congressional races just ahead.

Lastly, the present law does not limit the cash amount of a contribution. It ought to be painfully obvious to anyone who has kept up with the far-flung and nefarious enterprises associated with Watergate corruption that cash offers too facile a medium for unethical and illegal activities.

Its untraceability and easy transferability obviously played a great role in tempting those who originally set up the network of espionage and sabotage in the Nixon campaign apparatus.

I will not say that H.R. 16090 offers a perfect solution to the evils that have beset the campaign process despite the 1971 law. Yet, something has to be done in short order to shore up the gaps which have opened in the wall we had sought to build around the improper influences that can act on candidates and their selection.

The new law that we now consider would take several basic steps toward restraining and greatly reducing the influence of big money and special interest groups.

Five essential reforms have been proposed: Individual and organizational contribution limits, expenditure ceilings for Presidential, senatorial, and congressional races, simplified reporting and expenditures for candidates centered in a single, principal campaign committee, independent supervision of the new law by a board of election supervisors and public financing of Presidential elections.

In the area of limits for individual political contributions, maximum amounts of $1,000 per candidate are allowed for both primary and general elections. An individual aggregate in contributions to all candidates cannot exceed $25,000 per year. There is a similar $25,000 aggregate for families in each calendar year. State political party organizations and multi-candidate committees can contribute up to $5,000 to a candidate per election. The use of middlemen to disguise or evade attribution in contributing funds is also prohibited. No cash contributions in excess of $100 are to be allowed. In addition, no contributions from a foreign national can be accepted by a candidate or his committee.

Expenditure limits in Presidential races on a per candidate basis are $10 million for primary spending and $20 million for the general election. Senate candidates would be allowed to spend $75,000 per election or $.05 per State resident, whichever is greater. Congressional candidates can spend $75,000 in both the primary and general elections. In addition, up to 25 percent more of a candidate's total allowance in senatorial and congressional races can be spent in exempted fundraising efforts. These figures may in the future be raised in concert with rises in the price index from year to year by virtue of an escalation clause in the bill.

A last limitation centers on the independent expenditure by an individual or individuals in support of a candidate.

If unconnected to campaign spending by the candidate or a political committee, these expenses can total an aggregate of $1,000 per individual.

An extremely important feature of the bill is the new recommendations it has for campaign funding disclosure. The number of reports are reduced, but most significantly, all filings must now be made by a principal campaign committee for the candidate.

This committee is responsbile for collecting and collating all the receipts and expenditures of other committees supporting the candidate. This measure not only reduces the mass of paperwork required under present law, it also makes an understandable and comprehensive picture of a candidate's campaign funding possible for the first time.

This reform, alone, is worth the long fight that has finally brought this measure to the floor.

The Board of Supervisors, which would oversee and administer the law, will consist of seven members, the three existing supervisory officers of campaign laws—the Comptroller General, Secretary of the Senate, and Clerk of the House—plus four public members appointed by the House and Senate, on the recommendations of the majority and minority leadership of those bodies.

The Board will supervise the actions of the individual supervisory officers, help insure compliance with the election laws, and formulate overall policy with respect to campaign laws.

It will also give advisory opinions, conduct investigations, and report on an annual basis to the Congress.

The Board will, in conducting its investigations, hold hearings which may result in its referring violations to the Justice Department for prosecution. It can also declare candidates who fail to file their reports ineligible to run again for the office they seek.

The final innovation of the bill before us as a revolutionary one. Public financing of Presidential elections.

Utilizing funds from the dollar check-off fund, funding in order of priority will be provided to pay: Up to $2 million in legitimate political conventions expenses for each party, the entire $20 million limit per Presidential nominee in the general election and Federal matching funds for up to one-half of the overall per candidate limit.

In the last situation, each candidate will have to raise a threshold amount of at least $100,000, of which $5,000 must come from 20 States in $250 denominations or less.

As I have said, this bill offers broad and necessary changes in our election campaign laws.

I will support it for the great strides that it takes toward the restoration of strong positive public confidence in the election process.

In particular, the use of the dollar check-off fund to finance Presidential campaigning offers us a method whereby those citizens who wish to can contribute their tax dollars—at no expense to them—to free national politics from the influence of big money and special interest.

In this vein, I also wish to go on record in wholehearted support of several amendments which will be offered to this bill.

The first and most important amendment, which I have cosponsored, will be introduced by Representative ANDERSON, UDALL, CONABLE, and FOLEY. It also will make use of the dollar check-off fund, but for the financing of congressional and senatorial general elections.

The method employed in providing the financing for these elections involves—like that for Presidential primaries—a mixture of public and private financing. But, unlike the Presidential financing measures, the fundings provided from the checks-off fund will match only very small private contributions, $50 or less.

In addition, no candidate would be eligible for Federal contributions in excess of one-third of the candidates spending limit.

Use of the funds is further limited to certain specified media and other uses which are best calculated to reach the broadest segment of the voters.

Frivolous candidates will be unable to profit by the provisions of the amendment because each candidate must raise at least 10 percent of his spending limit in contributions of $50 or less before he is eligible for matching Federal funds.

This amendment has the great advantage, to my mind, of costing the American public no more than they are themselves willing to contribute to Federal matching funds.

Since, in either case, citizens pay no extra or any less tax, their convictions are their guide.

At present, the dollar check-off fund is growing by large percentages each year. There will be, I am convinced, ample funds available for this matching fund program in congressional races.

It is further, a system that can not help but insure that it is the little guy who makes a matching payment possible. If we are limiting individual qualifying contributions to a $50 maximum, there can be no doubt that a great many people will have to give before any check-off funds are available to the candidate. That is a sort of populist insurance that I feel is pretty hard to beat.

In addition to this amendment, I support two others. One will reduce the per election maximum contribution any group can make to a candidate—and that to be offered by Congressmen FRENZEL and FASCELL, to beef up and fully insure the independence of the Board of Supervisors that will administer this law.

Mr. Chairman, the legislation before us today offers some unique but highly workable answers to the questions in everyone's mind that were created by Watergate. Watergate is with us still—and may be for some time to come, but the sickness from which it was spawned can be cured. People in this country want to believe in their Congressmen. I am convinced that they would welcome the return of stability and confidence in government.

H.R. 16090 presents an opportunity to give those things to them that we may not again be presented with. We have an opportunity to return election politics to the people of this country, to take it from those who would win by purchase.

Populism is a much bandied-about phrase, but it can receive more meaning from what we do here today than any other force in this country. I urge the passage of this bill and the amendments I have endorsed. That result will reap unending benefits to this Nation and to those who made it all possible. We are those people and today is the day of reckoning:

I would like to append to my remarks an editorial that I have clipped from the July 7, 1974, Springfield Republican.

It sets out, to my mind, the very considerable advantages of the Anderson-Udall-Conable-Foley amendment, which the paper so graciously commends me for supporting.

I would like, in my turn, to point out that both for myself and for many other Members of this body, much of the encouragement, the research and the inspiration for this bill and the amendments which will be offered to it are the work of Common Cause, whose dedicated staff has labored unstintingly to advance this most crucial reform.

I would like to add my thanks—and I am sure, that of many others—for their contributions.

The article referred to follows:

MATCHING FUNDS REFORM FACTOR

U.S. Rep. Edward P. Boland, D-Springfield, in taking issue with the House Administration Committee's rejection of public funding for congressional campaigns, supports a sorely needed reform.

Much to his credit, Boland parts company on the issue with those House incumbents who are reluctant to surrender what they regard as an advantage to themselves in keeping funding strictly private.

What the congressman favors, as does Common Cause, is a mixture of small private contributions with some public funds—a limited matching system, in other words.

Public funds would match the House candidates' private contributions up to $50 each—but only up to a level that would be written into the law. Unlimited public funds would not be available to any candidate.

Also, the candidate would have to show a reasonable level of public support by collecting a certain amount—such as $7500—in contributions of no more than $50 each.

Thus serious candidates would qualify, as other candidates are screened out, for the public funding. And he or she would receive matching funds for all private gifts of $50 or less—up to the maximum set by the law.

This proposal, which will be offered during House floor action on campaign law reform, would set the public funding maximum at one-third of whatever overall spending limit is finally legislated.

The matching system would broaden the base of private contributions by encouraging candidates to seek more of these. In turn it would make the candidate more representative of the people.

Conversely, it would make candidates less dependent on, and obligated to, big special-interest contributors. At present, 90 per cent of campaign giving comes from less than one per cent of the population.

Fully as important, the matching funds system would give challengers of incumbents a more equitable stake in the election. A side-effect of that could be more responsible performance in office by an incumbent.

Mrs. HOLT. Mr. Chairman, the House Administration Committee should never have brought the Federal Election Campaign Act to the floor with a modified closed rule that bars major amendments.

This subject is too important to the Nation to be treated as a routine piece of legislation to be shot through this House, and many of us have important objections to provisions of H.R. 16090. Mr. Chairman, after reviewing this bill, I have concluded that it does very little in the way of reform, but actually aggravates conditions that already plague our election system.

For example, the ceilings established for campaign expenditures by candidates for the House of Representatives are much too high. A House candidate would be allowed to spend $75,000 in a primary election and $75,000 in a general election for a total of $150,000. I know of no House election campaign in Maryland in which spending by individual candidates has reached so high. Indeed, the norm would be in the neighborhood of $100,000 for both primary and general elections.

If we are really interested in campaign reform, we will try to reduce campaign spending below the existing norm, or we will not have anything that could be called reform. As presently written, this bill is an open invitation to spend up to the excessively high limits, and to terests to reach those limits.
raise sufficient money from special in-

The legislation also continues the unfair rule that allows labor organizations to contribute to campaigns while corporations are barred from making such

contributions. We should not continue allowing the dues of union workers to be donated by union leaders to candidates who may not be supported by individual members. And we should not continue the practice of stacking the election system against business and for organized labor.

I must also vehemently protest the provisions for public financing of Presidential election campaigns. The effect of such a system is to force taxpayers to support candidates not of their choice, and I believe that would be unconstitutional.

Perhaps it is time for us to go back to some fundamental principles on the use of tax dollars. Many of us have a strong conviction that tax dollars should be used only for essential public services.

Mr. Chairman, bumper stickers, signs, balloons, advertisements, caterers for political rallies, and various gimmicks are not public services by any stretch of the wildest imagination. The provisions for public financing of Presidential campaigns are also blatantly discriminatory against any third political party, and indeed could be said to prevent the rise of any third party. I have the gravest doubts as to the constitutionality of that discrimination.

Mr. Chairman, many of us wanted to have an open rule for this bill so that it could be amended to effect a true reform without violating the constitutional rights of our citizens. The alternative is to vote against this legislation.

Mr. MURTHA. Mr. Chairman, I would like to share with my colleagues some of my thoughts, and the thoughts of my constituents, on the very important subject of televising the impeachment proceedings of the full House.

A great help to me in deciding how to vote on the resolution came from a special poll I conducted in the 12th Congressional District. The poll results gave me not only statistical evidence on public sentiment, but provided an outlet for the expression of individual opinions that helped to clarify the issues in my own mind and convince me of the proper decision.

I support the motion to televise the House debate. Before that debate actually begins, though, I believe it is important for the Representatives, the public, and television personnel to reflect on the significane of the House vote.

Impeachment represents the single most important decision this Congress was granted by the framers of the Constitution. The entire impeachment process has been compared to a trial of a public official from grand jury through verdict; and it is basically a trial. But we must remember it is not only a trial of the person charged, but also represents a test of the Congress, and of the strength of the Constitution itself.

It seems vital to me that the people be given every opportunity to judge the congressional process, the evidence presented, the full debate, and the final verdict. It seems to me the way to insure such a complete examination is to make available the entire procedure—unedited, uninterrupted, and uninterpreted—to the American people.

I have no doubt that given the full information, the intelligence and commonsense of the American people will render a proper verdict, not only on the final outcome, but on the Congress and the impeachment procedure as well.

The final decision this Congress makes will be effective only if it justifies public support. And to insure agreement and support by the public, it becomes essential that the people have access to the same complete set of facts the Congress does.

To test public sentiment on this question, Mr. Chairman, I conducted a special "Instant Poll" of a cross-section of 3,500 persons in the 12th Congressional District. I asked these people whether they favored or opposed the televising of the House impeachment procedure. The results of that poll showed:

In favor of televising; 66.7 percent.

Opposed to televising: 31.8 percent, and

Undecided: 1.5 percent.

It is essential, though to examine some of the many important comments accompanying these results. Particularly, I would like to analyze some very well-considered comments by those opposing televising the procedure. These comments provide important guidelines for all of us involved.

First, many persons argued that cameras should be barred because this is a judicial procedure. Certainly the electronic media are properly excluded from regular trials. But the reasons for this normal exclusion are: First, potential disruption of the trial since most courtrooms are not equipped for television coverage; second, unfair publicity in the community at large which could prejudice future jurors in a retrial; third, possible slander of a defendant or witness; and fourth, the fact that most trials do not directly affect the well-being of the entire community.

While all these are valid concerns in a standard trial, they seem less applicable to the special procedure we face. In this situation, the community-at-large must be the ultimate judge, and we must remember this. There is much less possibility of unfair slander, but we must all remember the rules of fair and ethical judicial behavior. And in this procedure we have a chance to correct what many people believe has already been unfair publicity.

Second, many constituents fear the presence of television cameras would turn the proceedings into a "circus-like" atmosphere with the attention of the Members directed to politics rather than a serious debate of the evidence.

Let me say first that I have great respect for the seriousness of the Members of this Chamber. I do not believe the presence of cameras or TV lights will deter us from our task. I believe the House Members will carefully weigh the evidence. I do not believe we will turn aside the serious judicial nature of this procedure. I believe the dignity of the Judiciary Committee hearings illustrates the conscientiousness of the Members as we approach this debate. Moreover, as I mentioned earlier, if Congress does not conduct itself properly, then we too deserve to be judged by the people.

Third, some individuals in the poll added they were tired of the entire "Watergate" problem and did not want it spread across their televisions for the next few months. I can understand the frustration of individuals over the events of the last year in Government. I can also understand the desire for Government to get on with other critical problems such as the economy.

The fact is, though, that we have been working on many problems including the economy. Outside the glare of front-page attention in the last few weeks we have considered election reform, vital strip-mining legislation and have passed 11 of the 13 regular appropriation bills. Just this week we passed the defense appropriations bill 3½ months earlier than last year. We are all anxious to bring this impeachment inquiry to conclusion, and I am sure the House will proceed with all deliberate speed. Impeachment is only one part of our concern, though, and we have not stopped activity in other vital areas. Moreover, I believe in the long run the impeachment process—once concluded in whatever manner—will help with those problems by reuniting the country and restoring public trust in our institutions and constitutional form of government.

Also, Mr. Chairman, I would like to address a few brief remarks to the television networks. As we all know, there has been considerable private and public criticism of the news media over the past few years. I think everyone would agree that there is nothing more critical to a democracy, than a free, responsible press. The next few months provide the news media—and particularly television—with an opportunity to show their maturity, responsibility, and commitment to democracy by covering the impeachment process with the respect, decency, balance, fairness, and comprehensiveness that this most important story deserves.

A century ago Americans knew little of the daily developments in the presidential impeachment proceeding then being conducted. This year, Americans have an opportunity to look in on history. The news media faces the burden of being the people's daily eyes and ears. They must present the information in the spirit of the free flow of ideas that is fundamental to a democracy. I believe the media are capable of this task. I urge them to prove it with their coverage.

A final word: As far as my own feelings on impeachment are concerned, I enter the debate prepared to listen, and to make a final judgment based on the facts presented. I ask the people of my district—regardless of your present feelings—to join with me in this fair judgment, aided by the on-the-spot coverage of the events, so that history records our people as being willing to listen and render a fair judgment.

Ms. HOLTZMAN. Mr. Chairman, campaign finance reform is long overdue. The abuses in campaign financing have so often been documented in past elections on every level and in both parties that the public has become almost completely cynical about the integrity of the electoral processes.

The Watergate scandals have focused our attention on these problems and have made it doubly necessary to enact corrective legislation.

As a member of the House Judiciary Committee, I witnessed during our impeachment inquiry some of the worst abuses in campaign financing. The availability of enormous sums of money permitted the Committee to Re-elect the President, for example, to finance an elaborate scheme of political intelligence including the break-in at the Democratic National Committee headquarters. The plumbers were financed with campaign funds. The availability of millions of dollars in cash coupled with lax reporting requirements made it possible to engage in illicit activities without fear of disclosure and permitted the illegal collection of substantial contributions from corporations. The ability to accumulate huge war chests of campaign money resulted in the milk deal and ITT scandal.

We must have a nationwide commitment to reforming campaign finance so that the process of getting elected does not—as it sometimes has in the past—become a means of attaching a candidate to special interests rather than to voters. We need to insure that our elected officials will be independent and accountable to the voters who elected them. We need to insure that strict spending limits are adopted so that bloated campaign chests do not become a temptation and incentive for dirty tricks or other illicit activities. We need to insure strict reporting requirements to prevent illegal contributions and illegal expenditures, and we must have an agency that can effectively and independently monitor the campaign financing process.

This particular bill, the Federal Election Campaign Act amendments, contains provisions for achieving these objectives and cleaning up the electoral process and for those reasons I support it.

This bill also contains additional provisions that will bring about other desirable reforms.

First, it permits public funds as well as private funds to be used to finance Presidential campaigns. Funds for public financing will not come from tax revenues but from the dollar checkoff and will thus encourage and depend on voluntary citizen participation. Availability of public financing will hopefully mean that Presidential candidates will not have to turn to special interest groups for contributions and that the office will be accessible to persons who are not wealthy. I would have liked to see such public financing provisions extended to senatorial and congressional races as well.

The bill also permits public financing of Presidential nominating conventions—a reform prompted by the scandal arising from the ITT contributions to the Republican National Convention in 1972 and designed to prevent its recurrence.

The bill also limits the amounts which an individual or group may contribute to any one candidate. The purpose of this provision is to prevent special interests from capturing a candidate.

In all these respects, the bill is an improvement over the present situation. It will help, I believe, to make campaigns more honest.

Nonetheless, the hidden implications and biases of this bill are grave indeed and I have very serious misgivings about it.

Some of the provisions designed to correct the worst abuses may also have the effect of making election to Federal office inaccessible to persons who are not incumbents, not wealthy or mavericks—those, in other words, who are not likely to be supported by big political machines, big business, big unions, big anything.

Let me point out these problems more specifically. First, all candidates for the same office are subject to the same spending limits. Sounds fair enough. But the fact is that on the average, newcomers usually have to spend more money than incumbents in order to win. The incumbent has built-in advantages. He is well-known to the voters. He has access to the frank. He has won an election before. Accordingly, the "even handedness" of campaign spending limits will tend to freeze out newcomers.

The second problem arises from the limitation on contributions by individuals to not more than $1,000 to any candidate. The purpose of this provision is to prevent any candidate from being beholden to particular interests. This sounds laudable. At the same time, however, the bill permits special interest groups and political parties to contribute up to $5,000 to any one candidate. Thus, the bill gives an edge to the kind of candidate who is likely to attract support from political machines or special interest groups. In addition, the bill allows the wealthy candidate to use up to $25,000 in personal funds to finance his campaign. But what about the person who does not have $25,000 and who is either too new or too independent to get $5,000 from special interest groups or political machines? And what about the noncumbent who has the foregoing disabilities and, in addition, is not sufficiently well-known to pick up a significant number of small contributions to get his or her campaign off the ground?

I believe that the clear effect of these provisions is to give an unfair advantage to candidates who have been an "in" with the special interest groups or the political machines, who are wealthy or who are incuments. The nonrich, nonmachine-supported newcomer is going to have a difficult time.

In addition, political parties and established interest groups tend to support moderate, conventional candidates. But American politics needs the mavericks, the outsiders, candidates from the entire political spectrum. The centrist pull encouraged by this bill will make such candidates dependent upon individual contributions, and if they are not wealthy or well-known, they may not be able to obtain the financing to conduct effective campaigns. By excluding the mavericks and those on the extremes of the party spectrum, this bill in the long run may help stultify the political process.

We, as incumbents, would not be adversely affected by the type of limitations contained in this bill. Indeed, for the reasons I have stated, we would probably be helped. But I remember when I ran for Congress. I had no machine support; my family and I were not in a position to give $25,000 to my campaign; I was not as well known as the incumbent. If this bill had been in effect I may not have been able to obtain the initial financing from individuals that I needed to take my campaign to the people.

I do not believe that, in making this long overdue effort to clean up politics, we should also perpetuate the status quo. I fear that the groups and persons who worked hardest for this legislation, in the face of the intolerable campaign financing abuses of recent years, did not adequately consider the antinewcomer anti-independent biases of the bill. They compromised too easily.

I will support this legislation as an important first step, but I will work for—and believe the public must insist on—further reform. We would do a grave disservice to the American people if, in attempting to eliminate the financial abuses of our political system, we exclude those people who can breathe fresh life into it.

Mr. FRENZEL. Mr. Chairman, I yield back the balance of my time.

Mr. HAYS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Under the rule, the bill is considered as having been read for amendment.

The bill is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Election Campaign Act Amendments of 1974".

TITLE I—CRIMINAL CODE AMENDMENTS

LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

SEC. 101. (a) Section 608 of title 18, United States Code, relating to limitations on contributions and expenditures, is amended by redesignating subsections (b) and (c) as subsections (f) and (g), respectively, and by inserting immediately after subsection (a) the following new subsections:

"(b)(1) Except as otherwise provided by paragraphs (2) and (3), no person shall make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed $1,000.

"(2) No political committee (other than a principal campaign committee) shall make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed $5,000. Contributions by the national committee of a political party serving as the principal campaign committee of a candidate for the office of President of the United States shall not exceed the limitation imposed by the preceding sentence with respect to any other candidate for Federal office. For purposes of this paragraph, the term 'political committee' means an organization registered as a political committee under section 303 of the Federal Election Campaign Act of 1971 for a period of not less than 6 months which has received contributions from more than 50 persons and, except for any State political party organization, has made contributions to 5 or more candidates for Federal office.

"(3) No individual shall make contributions aggregating more than $25,000 in any calendar year.

"(4) For purposes of this subsection—

"(A) contributions to a named candidate made to any political committee authorized by such candidate, in writing, to accept

contributions on his behalf shall be considered to be contributions made to such candidate; and

"(B) contributions made to or for the benefit of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be contributions made to or for the benefit of the candidate of such party for election to the office of President of the United States.

"(5) The limitations imposed by paragraph (1) and (2) of this subsection shall apply separately with respect to each election, except that all elections held in any calendar year for the office of President of the United States (except a general election for such office) shall be considered to be one election.

"(6) For purposes of the limitations imposed by this section, all contributions made by a person, either directly or indirectly, on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate. The intermediary or conduit shall report the original source and the intended recipient of such contribution to the appropriate supervisory officer and to the intended recipient.

"(c)(1) No candidate shall make expenditures in excess of—

"(A) $10,000,000, in the case of a candidate for nomination for election to the office of President of the United States;

"(B) $20,000,000, in the case of a candidate for election to the office of President of the United States;

"(C) in the case of any campaign for nomination for election, or for election, by a candidate for the office of Senator, the greater of—

"(i) 5 cents multiplied by the population of the geographical area with respect to which the election is held; or

"(ii) $75,000;

"(D) $75,000, in the case of any campaign for nomination for election, or for election, by a candidate for the office of Representative, Delegate from the District of Columbia, or Resident Commissioner; or

"(E) $15,000, in the case of any campaign for nomination for election, or for election, by a candidate for the office of Delegate from Guam or the Virgin Islands.

"(2) For purposes of this subsection—

"(A) expenditures made by or on behalf of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be expenditures made by or on behalf of the candidate of such party for election to the office of President of the United States;

"(B) expenditures made on behalf of any candidate by a principal campaign committee designated by such candidate under section 302(f)(1) of the Federal Election Campaign Act of 1971 shall be deemed to have been made by such candidate; and

"(C) the population of any geographical area shall be the population according to the most recent decennial census of the United States taken under section 141 of title 13, United States Code.

"(3) The limitations imposed by subparagraphs (C), (D), and (E) of paragraph (1) of this subsection shall apply separately with respect to each election.

"(d)(1) At the beginning of each calendar year (commencing in 1975), as there becomes available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Comptroller General and publish in the Federal Register the per centum difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. Each limitation established by subsection (c) shall be increased by such per centum difference. Each amount so increased shall be the amount in effect for such calendar year.

"(2) For purposes of paragraph (1)—

"(A) the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics; and

"(B) the term 'base period' means the calendar year 1973.

"(e)(1) No person may make any expenditure (other than an expenditure made by or on behalf of a candidate under the provisions of subsection (c)) relative to a clearly identified candidate during a calendar year which, when added to all other expenditures made by such person during the year advocating the election or defeat of such candidate, exceeds $1,000.

"(2) For purposes of paragraph (1), the term 'clearly identified' means—

"(A) the candidate's name appears;

"(B) a photograph or drawing of the candidate appears; or

"(C) the identity of the candidate is apparent by unambiguous reference.".

(b) Section 608(a)(1) of title 18, United States Code, relating to limitations on contributions and expenditures, is amended to read as follows:

"(a)(1) No candidate may make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for nomination for election, or election, to Federal office in excess of $25,000.".

(c)(1) Notwithstanding section 608(a)(1) of title 18, United States Code, relating to limitations on expenditures from personal funds, any individual may satisfy or discharge, out of his personal funds or the personal funds of his immediate family, any debt or obligation which is outstanding on the date of the enactment of this Act and which was incurred by him or on his behalf by any political committee in connection with any campaign ending before the close of December 31, 1972, for election to Federal office.

(2) For purposes of this subsection—

(A) the terms "election", "Federal office", and "political committee" have the meanings given them by section 591 of title 18, United States Code; and

(B) the term "immediate family" has the meaning given it by section 608(a)(2) of title 18, United States Code.

(d)(1) The first paragraph of section 613 of title 18, United States Code, relating to contributions by certain foreign agents, is amended—

(A) by striking out "an agent of a foreign principal" and inserting in lieu thereof "a foreign national"; and

(B) by striking out ", either for or on behalf of such foreign principal or otherwise in his capacity as agent of such foreign principal,".

(2) The second paragraph of such section 613 is amended by striking out "agent of a foreign principal or from such foreign principal" and inserting in lieu thereof "foreign national".

(3) The fourth paragraph of such section 613 is amended to read as follows:

"As used in this section, the term 'foreign national' means—

"(1) a foreign principal, as such term is defined by section 1(b) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(b)), except that the term 'foreign national' shall not include any individual who is a citizen of the United States; or

"(2) an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, as defined by section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)).".

(4)(A) The heading of such section 613 is amended by striking out "agents of foreign principals" and inserting in lieu thereof "foreign nationals".

(B) The table of sections for chapter 29 of title 18, United States Code, is amended by striking out the item relating to section 613 and inserting in lieu thereof the following:

"613. Contributions by foreign nationals.".

(e)(1) Section 608(g) of title 18, United States Code (as so redesignated by subsection (a) of this section), relating to penalty for violating limitations on contributions and expenditures, is amended by striking out "$1,000" and inserting in lieu thereof "$25,000".

(2) The second paragraph of section 610 of title 18, United States Code, relating to penalties for violating prohibitions against contributions or expenditures by national banks, corporations, or labor organizations, is amended—

(A) by striking out "$5,000" and inserting in lieu thereof "$25,000"; and

(B) by striking out "$10,000" and inserting in lieu thereof "$50,000".

(3) Section 611 of title 18, United States Code (as amended by section 103 of this Act), relating to contributions by firms or individuals contracting with the United States, is amended in the first paragraph thereof by striking out "$5,000" and inserting in lieu thereof "$25,000".

(4) The third paragraph of section 613 of title 18, United States Code (as amended by subsection (d) of this section), relating to contributions by foreign nationals, is amended by striking out "$5,000" and inserting in lieu thereof "$25,000".

(f)(1) Chapter 29 of title 18, United States Code, relating to elections and political activities, is amended by adding at the end thereof the following new sections:

"§ 614. Prohibition of contributions in name of another

"(a) No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

"(b) Any person who violates this section shall be fined not more than $25,000 or imprisoned not more than one year, or both.

"§ 615. Limitation on contributions of currency

"(a) No person shall make contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate, exceed $100, with respect to any campaign of such candidate for nomination for election, or election, to Federal office.

"(b) Any person who violates this section shall be fined not more than $25,000 or imprisoned not more than one year, or both.

"§ 616. Acceptance of excessive honorariums

"Whoever, while an elected or appointed officer or employee of any branch of the Federal Government—

"(1) accepts any honorarium of more than $1,000 (excluding amounts accepted for actual travel and subsistence expenses) for any appearance, speech, or article; or

"(2) accepts honorariums (not prohibited by paragraph (1) of this subsection) aggregating more than $10,000 in any calendar year;

shall be fined not less than $1,000 nor more than $5,000.".

(2) Section 591 of title 18, United States Code, relating to definitions, is amended by striking out the matter preceding paragraph (a) and inserting in lieu thereof the following:

"Except as otherwise specifically provided, when used in this section and in sections 597, 599, 600, 602, 608, 610, 611, 614, and 615 of this title—."

(3) The table of sections for chapter 29 of title 18, United States Code, is amended

by adding at the end thereof the following new items:

"614. Prohibition of contributions in name of another.
"615. Limitation on contributions of currency.
"616. Acceptance of excessive honoraria.".

(4) Title III of the Federal Election Campaign Act of 1971 is amended by striking out section 310, relating prohibition of contributions in the name of another.

DEFINITIONS OF POLITICAL COMMITTEE, CONTRIBUTION, EXPENDITURE, AND PRINCIPAL CAMPAIGN COMMITTEE

SEC. 102. (a) Section 591(d) of title 18, United States Code, relating to the definition of political committee, is amended by inserting immediately after $1,000" the following: ", or which commits any act for the purpose of influencing, directly or indirectly, the nomination for election, or election, of any person to Federal office, except that any communication referred to in paragraph (f)(4) of this section which is not included within the definition of the term 'expenditure' shall not be considered such an act".

(b) Section 591(e)(5) of title 18, United States Code, relating to an exception to the definition of contribution, is amended by inserting "(A)" immediately after "include" and by inserting immediately before the semicolon at the end thereof the following: ", (B) the use of real or personal property by an individual owner or lessee in rendering voluntary personal services to any candidate or political committee, including the cost of invitations and food and beverages provided on the individual's premises for candidate related activities, (C) the sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if such charge for use in a candidate's campaign is at least equal to the cost of such food or beverage to the vendor, (D) any unreimbursed purchase or other payment by any individual for travel expenses with respect to the rendering of voluntary personal services by such individual to any candidate or political committee, or (E) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in magazines, or other similar types of general public political advertising (other than newspapers): *Provided*, That the cumulative value of activities by any person on behalf of any candidate under each of clauses (B) or (D) shall not exceed $500 with respect to any election".

(c) Section 591(f) of title 18, United States Code, relating to the definition of expenditure, is amended—

(1) in subparagraph (2) thereof, by striking out "and";

(2) in subparagraph (3) thereof, by inserting "and" immediately after the semicolon; and

(3) by adding at the end thereof the following new subparagraph:

"(4) notwithstanding the foregoing meanings of 'expenditure', such term does not include (A) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate, (B) nonpartisan activity designed to encourage individuals to register to vote or to vote, (C) any communication by any membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office, (D) the use of real or personal property by an individual owner or lessee in rendering voluntary personal services to any candidate or political committee, including the cost of invitations and food and beverages provided on the individual's premises for candidate-related activities, (E) any unreimbursed purchase or other payment by any individual for travel expenses with respect to the rendering of voluntary personal services by such individual to any candidate or political committee, (F) any communication by any person which is not made for the purpose of influencing the nomination for election, or election, of any person to Federal office, (G) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of three or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in magazines or other similar types of general public political advertising (other than newspapers), (H) any costs incurred by a candidate (including his principal campaign committee) in connection with the solicitation of contributions by such candidate, except that this clause shall not apply with respect to costs incurred by a candidate (including his principal campaign committee) in excess of an amount equal to 25 per centum of the expenditure limitation applicable to such candidate under section 608(c) of this title, or (I) any costs incurred by a political committee (as such term is defined by section 608(b)(2) of this title) with respect to the solicitation of contributions to such political committee or to any general political fund controlled by such political committee, except that this clause shall not apply to exempt costs incurred with respect to the solicitation of contributions to any such political committee made through broadcasting stations, newspapers, magazines, outdoor advertising facilities, and other similar types of general public political advertising: *Provided*, That the cumulative value of activities by any person on behalf of any candidate under each of clauses, (D) or (E) shall exceed $500 with respect to any election;".

(d) Section 591 of title 18, United States Code, relating to definitions, is amended—

(1) by striking out "and" at the end of paragraph (g);

(2) by striking out the period at the end of paragraph (h) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new paragraph:

"(i) 'principal campaign committee' means the principal compaign committee designated by a candidate under section 302(f)(1) of the Federal Election Campaign Act of 1971.".

POLITICAL FUNDS OR CORPORATIONS OR LABOR ORGANIZATIONS

SEC. 103. Section 611 of title 18, United States Code, relating to contributions by firms or individuals contracting with the United States, is amended by adding at the end thereof the following new paragraphs:

"This section shall not prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, any separate segregated fund by any corporation or labor organization for the purpose of influencing the nomination for election, or election, of any person to Federal office, unless the provisions of section 610 of this title prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, such fund.

"For purposes of this section, the term 'labor organization' has the meaning given it by section 610 of this title.".

EFFECT ON STATE LAW

SEC. 104. (a) The provisions of chapter 29 of title 18, United States Code, relating to elections and political activities, supersede and preempt any provision of State law with respect to election to Federal office.

(b) For purposes of this section, the terms "election", "Federal office", and "State" have the meanings given them by section 591 of title 18, United States Code.

TITLE II—DISCLOSURE OF FEDERAL CAMPAIGN FUNDS

PRINCIPAL CAMPAIGN COMMITTEE

SEC. 201. Section 302 of the Federal Election Campaign Act of 1971, relating to organization of political committees, is amended by striking out subsection (f) and inserting in lieu thereof the following:

"(f)(1) Each individual who is a candidate for Federal office (other than the office of Vice President of the United States) shall designate a political committee to serve as his principal campaign committee. No political committee may be designated as the principal campaign committee of more than one candidate, except that the candidate for the office of President of the United States nominated by a political party may designate the national committee of such political party as his principal campaign committee.

"(2) Except as otherwise provided in section 608(e) of title 18, United States Code, no political committee other than a principal campaign committee designated by a candidate under paragraph (1) may make expenditures on behalf of such candidate.

"(3) Notwithstanding any other provision of this title, each report or statement of contributions received by a political committee (other than a principal campaign committee) which is required to be filed with a supervisory officer under this title shall be filed instead with the principal campaign committee for the candidate or whose behalf such contributions are accepted.

"(4) It shall be the duty of each principal campaign committee to receive all reports and statements required to be filed with it under paragraph (3) of this subsection and to compile and file such reports and statements, together with its own reports and statements, with the appropriate supervisory officer in accordance with the provisions of this title.

"(5) For purposes of paragraphs (1) and (3) of this subsection, the term 'political committee' does not include any political committee which supports more than one candidate, except for the national committee of a political party designatd by a candidate for the office of President of the United States under paragraph (1) of this subsection.".

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 202. Section 303 of the Federal Election Campaign Act of 1971, relating to registration of political committees and statements, is amended by adding at the end thereof the following new subsection:

"(e) In the case of a political committee which is not a principal campaign committee and which does not support more than one candidate, reports and notifications required under this section to be filed with the supervisory officer shall be filed instead with

the appropriate principal campaign committee.".

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 203. (a) Section 304(a) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended—

(1) by striking out the second and third sentence and inserting in lieu thereof the following:

"The reports referred to in the preceding sentence shall be filed as follows:

"(A) (i) In any calendar year in which an individual is a candidate for Federal office and an election for such Federal office is held in such year, such reports shall be filed not later than the tenth day before the date on which such election is held and shall be complete as of the fifteenth day before the date of such election; except that any such report filed by registered or certified mail must be postmarked not later than the close of the twelfth day before the date of such election.

"(ii) Such reports shall be filed not later than the thirtieth day after the date of such election and shall be complete as of the twentieth day after the date of such election.

"(B) In any other calendar year in which an individual is a candidate for Federal office, such reports shall be filed after December 31 of such calendar year, but not later than January 31 of the following calendar year and shall be complete as of the close of the calendar year with respect to which the report is filed.

"(C) Such reports shall be filed not later than the tenth day following the close of any calendar quarter in which the candidate or political committee concerned received contributions in excess of $1,000, or made expenditures in excess of $1,000, and shall be complete as of the close of such calendar quarter; except that any such report required to be filed after December 31 of any calendar year with respect to which a report is required to be filed under subparagraph (B) shall be filed as provided in such subparagraph.

"(D) When the last day for filing any quarterly report required by subparagraph (C) occurs within 10 days of an election, the filing of such quarterly report shall be waived and superseded by the report required by subparagraph (A)(i).

Any contribution of $1,000 or more received after the fifteenth day, but more than 48 hours, before any election shall be reported within 48 hours after its receipt"; and

(2) by striking out "Each" at the beginning of the first sentence of such section 304(a) and inserting in lieu thereof "(1) Except as provided by paragraph (2), each", and by adding at the end thereof the following new paragraph:

"(2) Each treasurer of a political committee which is not a principal campaign committee and which does not support more than one candidate shall file the reports required under this section with the appropriate principal campaign committee.".

(b)(1) Section 304(b)(8) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by inserting immediately before the semicolon at the end thereof the following: ", together with total receipts less transfers between political committees which support the same candidate and which do not support more than one candidate".

(2) Section 304(b)(11) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by inserting immediately before the semicolon at the end thereof the following: ", together with total expenditures less transfers between political committees which support the same candidate and which do not support more than one candidate".

FORMAL REQUIREMENTS FOR REPORTS AND STATEMENTS

SEC. 204. Section 306 of the Federal Election Campaign Act of 1971, relating to formal requirements respecting reports and statements, is amended by adding at the end thereof the following new subsection:

"(e) If a report or statement required by section 303, 304(a)(1)(A)(ii), 304(a)(1)(B), or 304(a)(1)(C) of this title to be filed by a treasurer of a political committee or by a candidate, or if a report required by section 305 of this title to be filed by any other person, is delivered by registered or certified mail, to the appropriate supervisory officer or principal campaign committee with whom it is required to be filed, the United States postmark stamped on the cover of the envelope or other container in which such report or statement is so mailed shall be deemed to be the date of filing.".

DUTIES OF THE SUPERVISORY OFFICER

SEC. 205. (a)(1) Section 308(a) of the Federal Election Campaign Act of 1971, relating to duties of the supervisory officer, is amended by striking out paragraphs (6), (7), (8), (9) and (10), and by redesignating paragraphs (11), (12), and (13) as paragraphs (8), (9), and (10), respectively, and by inserting immediately after paragraph (5) the following new paragraphs:

"(6) to compile and maintain a cumulative index of reports and statements filed with him, which shall be published in the Federal Register at regular intervals and which shall be available for purchase directly or by mail for a reasonable price;

"(7) to prepare and publish from time to time special reports listing those candidates this title and those candidates for whom such reports were not filed as so required;".

(2) Notwithstanding section 308(a)(7) of the Federal Election Campaign Act of 1971 (relating to an annual report by the supervisory officer), as in effect on the day before the effective date of the amendments made by paragraph (1) of this subsection, no such annual report shall be required with respect to any calendar year beginning after December 31, 1972.

(b)(1) Section 308(a)(10) of the Federal Election Campaign Act of 1971 (as so redesignated by subsection (a) of this section), relating to the prescription of rules and regulations, is amended by inserting before the period at the end thereof the following: ", in accordance with the provisions of subsection (b)".

(2) Section 308 of such Act, relating to duties of the supervisory officer, is amended—

(A) by striking out subsections (b) and (c);

(B) by redesignating subsection (a) as subsection (c); and

(C) by inserting immediately after subsection (a) the following new subsection:

"(b)(1) The supervisory officer, before prescribing any rule or regulation under this section, shall transmit a statement with respect to such rule or regulation to the Committee on Rules and Administration of the Senate or the Committee on House Administration of the House of Representatives, as the case may be, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

"(2) If the committee of the Congress which receives a statement from the supervisory officer under this subsection does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 30 legislative days after receipt of such statement, then the supervisory officer may prescribe such rule or regulation. In the case of any rule or regulation proposed by the Comptroller General of the United States, both the Committee on Rules and Administration of the Senate and the Committee on House Administration of the House of Representatives shall have the power to disapprove such proposed rule or regulation, and the Comptroller General may not prescribe any rule or regulation which has been disapproved by either such committee. No supervisory officer may prescribe any rule or regulation which is disapproved under this paragraph.

"(3) If the supervisory officer proposing to prescribe any rule or regulation under this section is the Secretary of the Senate, he shall transmit such statement to the Committee on Rules and Administration of the Senate. If the supervisory officer is the Clerk of the House of Representatives, he shall transmit such statement to the Committee on House Administration of the House of Representatives. If the supervisory officer is the Comptroller General of the United States, he shall transmit such statement to each such committee.

"(4) For purposes of this subsection, the term 'legislative days' does not include, with respect to statements transmitted to the Committee on Rules and Administration of the Senate, any calendar day on which the Senate is not in session, with respect to statements transmitted to the Committee on House Administration of the House of Representatives, any calendar day on which the House of Representatives is not in session, and with respect to statements transmitted to both such committees, any calendar day on which both Houses of the Congress are not in session.".

DEFINITIONS OF POLITICAL COMMITTEE, CONTRIBUTION, EXPENDITURE, AND SUPERVISORY OFFICER

SEC. 206. (a)(1) Section 301 of the Federal Election Campaign Act of 1971, relating to definitions, is amended by striking out the matter preceding paragraph (a) and inserting in lieu thereof the following:

"SEC. 301. When used in this title and in title IV of this Act—".

(2) Section 401 of the Federal Election Campaign Act of 1971, relating to extension of credit by regulated industries, is amended by striking out "(as such term is defined in section 301(c) of the Federal Election Campaign Act of 1971)".

(3) Section 402 of the Federal Election Campaign Act of 1971, relating to prohibition against use of certain Federal funds for election activities, is amended by striking out the last sentence.

(b) Section 301(d) of the Federal Election Campaign Act of 1971, relating to the definition of political committee, is amended by inserting immediately after "$1,000" the following: ", or which commits any act for the purpose of influencing, directly or indirectly the nomination for election, or election, of any person to Federal office, except that any communication referred to in section 301(f)(4) of this Act which is not included within the definition of the term 'expenditure' shall not be considered such an act".

(c) Section 301(e)(5) of the Federal Election Campaign Act of 1971, relating to an exception to the definition of contribution, is amended by inserting "(A)" immediately after "include" and by inserting immediately before the semicolon at the end thereof the following: ", (B) the use of real or personal property by an individual owner or lessee in rendering voluntary personal services to any candidate or political committee, including the cost of invitations and food and beverages provided on the individual's premises for candidate-related activities, (C) the sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if such charge for use in a candidate's campaign is at least equal to the cost of such food or beverage to the vendor, (D) any unreim-

bursed purchase or other payment by any individual for travel expenses with respect to the rendering of voluntary personal services by such individual to any candidate or political committee, or (E) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in magazines or other similar types of general public political advertising (other than newspapers): *Provided,* That the cumulative value of activities by any person on behalf of any candidate under each of clauses (B) or (D) shall not exceed $500 with respect to any election".

(d) Section 301(f) of the Federal Election Campaign Act of 1971, relating to the definition of expenditure, is amended—

(1) in subparagraph (2) thereof, by striking out "and";

(2) in subparagraph (3) thereof, by inserting "and" immediately after the semicolon; and

(3) by adding at the end thereof the following new subparagraph:

"(4) notwithstanding the foregoing meanings of 'expenditure', such term does not include (A) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate, (B) nonpartisan activity designed to encourage individuals to register to vote or to vote, (C) any communication by any membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office, (D) the use of real or personal property by an individual owner or lessee in rendering voluntary personal services to any candidate or political committee, including the cost of invitations and food and beverages provided on the individual's premises for candidate-related activities, (E) any unreimbursed purchase or other payment by any individual for travel expenses with respect to the rendering of voluntary services by such individual to any candidate or political committee, (F) any communication by any person which is not made for the purpose of influencing the nomination for election, or election, of any person to Federal office, or (G) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in magazines or other similar types of general public political advertising (other than newspapers): *Provided,* That the cumulative value of activities by any person on behalf of any candidate under each of clauses (D) or (E) shall not exceed $500 with respect to any election;".

(e) Section 301(g) of the Federal Election Campaign Act of 1971, relating to the definition of supervisory officer, is amended to read as follows:

"(g) 'supervisory officer' means the Secretary of the Senate with respect to candidates for the Senate, and committees supporting such candidates; the Clerk of the House of Representatives with respect to candidates for Representative, Delegate, and Resident Commissioner, and committees supporting such candidates; and the Comptroller General of the United States with respect to candidates for President and Vice President, and committees supporting such candidates.".

(f) Section 301 of the Federal Election Campaign Act of 1971, relating to definitions, is amended—

(1) by striking out and" at the end of paragraph (h);

(2) by striking out the period at the end of paragraph (i) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(j) 'principal campaign committee' means the principal campaign committee designated by a candidate under section 203(f)(1); and

"(k) 'Board' means the Board of Supervisory Officers established by section 308(a)(1).".

BOARD OF SUPERVISORY OFFICERS

SEC. 207. (a) Title III of the Federal Election Campaign Act of 1971, relating to disclosure of Federal campaign funds, is amended by redesignating section 311 as section 314; by redesignating sections 308 and 309 as sections 311 and 312, respectively; and by inserting immediately after section 307 the following new sections:

"BOARD OF SUPERVISORY OFFICERS

"SEC. 308. (a)(1) There is hereby established the Board of Supervisory Officers, which shall be composed of 7 members as follows:

"(A) the Secretary of the Senate;

"(B) the Clerk of the House of Representatives;

"(C) the Comptroller General of the United States;

"(D) two individuals appointed by the President of the Senate, upon the recommendations of the majority leader of the Senate and the minority leader of the Senate; and

"(E) two individuals appointed by the Speaker of the House of Representatives, upon the recommendations of the majority leader of the House and the minority leader of the House.

Of each class of two members appointed under subparagraphs (D) and (E), not more than one shall be appointed from the same political party. An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term for the member he succeeds. Any vacancy occurring in the membership of the Board shall be filled in the same manner as in the case of the original appointment. Members of the Board appointed under subparagraphs (D) and (E)—

"(i) shall be chosen from among individuals who are not officers or employees in the executive, legislative, or judicial branch of the Government of the United States (including elected and appointed officials);

"(ii) shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment;

"(iii) shall serve for terms of 4 years, except that, of the members first appointed under subparagraph (D), one shall be appointed for a term of 1 year and one shall be appointed for a term of 3 years and, of the members first appointed under subparagraph (E), one shall be appointed for a term of 2 years; and

"(iv) shall receive compensation equivalent to the compensation paid at level IV of the Federal Executive Salary Schedule (5 U.S.C. 5315), prorated on a daily basis for each day spent in the work of the Board, shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from their usual place of residence, in accordance with section 5703(b) of title 5, United States Code.

"(2) Notwithstanding any other provision of law, it shall be the duty of the Board to supervise the administration of, seek to obtain compliance with, and formulate overall policy with respect to, this title, title I of this Act, and section 608, 610, 611, 613, 614, 615, and 616 of title 18, United States Code.

"(b) Members of the Board shall alternate in serving as Chairman of the Board. The term of each Chairman shall be one year.

"(c) All decisions of the Board with respect to the exercise of its duties and powers under the provisions of this title shall be made by majority vote of the members of the Board. A member of the Board may not delegate to any person his vote or any decisionmaking authority or duty vested in the Board by the provisions of this title.

"(d) The Board shall meet at the call of any member of the Board, except that it shall meet at least once each month.

"(e) The Board shall prepare written rules for the conduct of its activities.

"(f)(1) The Board shall have a Staff Director and a General Counsel who shall be appointed by the Board. The Staff Director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315). The General Counsel shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316). With the approval of the Board, the Staff Director may appoint and fix the pay of such additional personnel as he considers desirable. Not less than 30 per centum of the additional personnel appointed by the Staff Director shall be selected as follows:

"(A) one-half from among individuals recommended by the minority leader of the Senate; and

"(B) one-half from among individuals recommended by the minority leader of the House of Representatives.

"(2) With the approval of the Board, the Staff Director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (5 U.S.C. 5332).

"POWERS OF THE BOARD

"SEC. 309. (a) The Board shall have the power—

"(1) to formulate general policy and to review actions of the supervisory officers with respect to the administration of this title, title I of this Act, and sections 608, 610, 611, 613, 614, 615, and 616 of title 18, United States Code;

"(2) to oversee the development of prescribed forms under section 311(a)(1);

"(3) to review rules and regulations prescribed under section 104 of this Act or under this title to assure their consistency with the law and to assure that such rules and regulations are uniform, to the extent practicable;

"(4) to render advisory opinions under section 313;

"(5) to expeditiously conduct investigations and hearings, to encourage voluntary compliance, and to report apparent violations to the appropriate law enforcement authorities;

"(6) to administer oaths or affirmations;

"(7) to require by subpena, signed by the Chairman, the attendance and testimony of witnesses and the production of documentary evidence relevant to any investigation or hearing conducted by the Board under section 311(c); and

"(8) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States.

"(b) Any district court of the United States, within the jurisdiction of which any inquiry is carried on, may, upon petition by

the Board, in case of refusal to obey a subpena of the Board issued under subsection (a)(7), issue an order requiring compliance with such subpena. Any failure to obey the order of such district court may be punished by such district court as a contempt thereof.

"REPORTS

"SEC. 310. The Board shall transmit reports to the President of the United States and to each House of the Congress no later than March 31 of each year. Each such report shall contain a detailed statement with respect to the activities of the Board in carrying out its duties under this title, together with recommendations for such legislative or other action as the Board considers appropriate.".

(b)(1) Section 311(a)(9) of the Federal Election Campaign Act of 1971 (as so redesignated by subsection (a)(1) of this section and by section 205(a)(1) of this Act), relating to duties of the supervisory officer, is amended by striking out "appropriate law enforcement authorities" and inserting in lieu thereof "Board, pursuant to subsection (c)(1)(B)".

(2) Section 311(c)(1) of such Act (as so redesignated by subsection (a)(1) of this section and by section 205(b)(2) of this Act), relating to duties of the supervisory officer, is amended to read as follows:

"(c)(1)(A) Any person who believes a violation of this title, title I of this Act, or section 608, 610, 611, 613, 614, 615, or 616 of title 18, United States Code, has occurred may file a complaint with the Board.

"(B) Any supervisory officer who has reason to believe a violation of this title, title I of this Act, or section 608, 610, 611, 613, 614, 615, or 616 of title 18, United States Code, has occurred shall refer such apparent violation to the Board.

"(C) The Board, upon receiving any complaint under subparagraph (A) or referral under subparagraph (B), or if it has reason to believe that any person has committed a violation of any such provision, shall notify the person involved of such apparent violation and shall—

"(i) report such apparent violation to the Attorney General; or

"(ii) make an investigation of such apparent violation.

"(D) Any investigation under subparagraph (C)(ii) shall be conducted expeditiously and shall include an investigation of reports and statements filed by any complainant with respect to the apparent violation involved, if such complainant is a candidate. Any notification or investigation made under subparagraph (C) shall not be made public by the Board or by any other person without the written consent of the person receiving such notification or the person with respect to whom such investigation is made.

"(E) The Board shall at the request of any person who receives notice of an apparent violation under subparagraph (C), conduct a hearing with respect to such apparent violation.

"(F) If the Board shall determine, after any investigation under subparagraph (C)(ii), that there is reason to believe that there has been an apparent violation of this title, title I of this Act, or section 608, 610, 611, 613, 614, 615, or 616 of title 18, United States Code, the Board shall endeavor to correct any such apparent violation by informal methods of conference, conciliation, and persuasion.

"(G) The Board shall refer apparent violations to the appropriate law enforcement authorities if the Board is unable to correct such apparent violations, or if the Board determines that any such referral is appropriate.

"(H) Whenever in the judgment of the Board, after affording due notice and an opportunity for a hearing, any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this title, title I of this Act, or section 608, 610, 611, 613, 614, 615, or 616 of title 18, United States Code, the Attorney General on behalf of the United States shall institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the person is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, a permanent or temporary injunction, restraining order, or other order shall be granted without bond by such court.".

(3) Section 311 of such Act (as so redesignated by subsection (a)(1) of this section), relating to the duties of the supervisory officer, is amended by adding at the end thereof the following new subsection:

"(d) In any case in which the Board refers an apparent violation to the Attorney General, the Attorney General shall respond by report to the Board with respect to any action taken by the Attorney General regarding such apparent violation. Each such report shall be transmitted no later than 60 days after the date the Board refers any apparent violation, and at the close of every 30-day period thereafter until there is final disposition of such apparent violation. The Board may from time to time prepare and publish reports on the status of such referrals.".

(4) The heading for section 311 of such Act (as so redesignated by subsection (a)(1) of this section) is amended to read as follows:

"DUTIES OF THE SUPERVISORY OFFICER; INVESTIGATIONS BY THE BOARD"

(c) Title III of the Federal Election Campaign Act of 1971, relating to disclosure of Federal campaign funds, is amended by adding at the end thereof the following new sections:

"JUDICIAL REVIEW

"SEC. 315. (a) The Board, the supervisory officers, the national committee of any political party, and any individual eligible to vote in any election for the office of President of the United States are authorized to institute such actions in the appropriate district court of the United States, including actions for declaratory judgment or injunctive relief, as may be appropriate to implement or construe any provision of this title, title I of this Act, or section 608, 610, 611, 613, 614, 615, or 616 of title 18, United States Code. The district court immediately shall certify all questions of constitutionality of this title, title I of this Act, or section 608, 610, 611, 613, 614, 615, or 616 of title 18, United States Code, to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

"(b) Notwithstanding any other provision of law, any decision on a matter certified under subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal shall be brought no later than 20 days after the decision of the court of appeals.

"(c) It shall be the duty of the court of appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under subsection (a).

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 316. Notwithstanding any other provision of law, there are authorized to be appropriated to each of the supervisory officers and to the Board such sums as may be necessary to enable each such supervisory officer and the Board to carry out their duties under this Act.".

ADVISORY OPINIONS

SEC. 208. Title III of the Federal Election Campaign Act of 1971, relating to disclosure of Federal campaign funds, is amended by inserting immediately after section 312 (as so redesignated by section 207(a)(1) of this Act), the following new section:

"ADVISORY OPINIONS

"SEC. 313. (a) Upon written request to the Board by any individual holding Federal office, any candidate for Federal office, or any political committee, the Board shall render an advisory opinion, in writing, within a reasonable time with respect to whether any specific transaction or activity by such individual, candidate, or political committee would constitute a violation of this title, title I of this Act, or section 608, 610, 611, 613, 614, 615, or 616 of title 18, United States Code.

"(b) Notwithstanding any other provision of law, any person with respect to whom an advisory opinion is rendered under subsection (a) who acts in good faith in accordance with the provisions and findings of such advisory opinion shall be presumed to be in compliance with the provision of this title, title I of this Act, or section 608, 610, 611, 613, 614, 615, or 616 of title 18, United States Code, with respect to which such advisory opinion is rendered.

"(c) Any request made under subsection (a) shall be made public by the Board. The Board shall, before rendering an advisory opinion with respect to such request, provide any interested party with an opportunity to transmit written comments to the Board with respect to such request.".

TITLE III—GENERAL PROVISIONS

EFFECT ON STATE LAW

SEC. 301. Section 403 of the Federal Election Campaign Act of 1971, relating to effect on State law, is amended to read as follows:

"EFFECT ON STATE LAW

"SEC. 403. The provisions of this Act, and of rules prescribed under this Act, supersede and preempt any provision of State law with respect to election to Federal office.".

PERIOD OF LIMITATION; ENFORCEMENT

SEC. 302. Title IV of the Federal Election Campaign Act of 1971, relating to general provisions, is amended by redesignating section 406 as section 408 and by inserting immediately after section 405 the following new sections:

"PERIOD OF LIMITATIONS

"SEC. 406. (a) No person shall be prosecuted, tried, or punished for any violation of title I of this Act, title III of this Act, or section 608, 610, 611, 613, 614, 615, or 616 of title 18, United States Code, unless the indictment is found or the information is instituted within 3 years after the date of the violation.

"(b) Notwithstanding any other provision of law—

"(1) the period of limitation referred to in subsection (a) shall apply with respect to violations referred to in such subsection committed before, on, or after the effective date of this section; and

"(2) no person shall be prosecuted, tried, or punished for any act or omission which was a violation of any provision of title I of this Act, title III of this Act, or section 608, 610, 611, or 613 of title 18, United States Code, as in effect on the day before the effective date of the Federal Election Campaign Act Amendments of 1974, if such act or omission does not constitute a violation of any such provision, as amended by the Federal Election Campaign Act Amendments of 1974.

Nothing in this subsection shall affect any proceeding pending in any court of the United States on the effective date of this section.

"ENFORCEMENT

"SEC. 407. (a) In any case in which the Board of Supervisory Officers, after notice and opportunity for a hearing on the record in accordance with section 554 of title 5,

United States Code, makes a finding that a person who, while a candidate for Federal office, failed to file a report required by title III of this Act, and such finding is made before the expiration of the time within which the failure to file such report may be prosecuted as a violation of such title III, such person shall be disqualified from becoming a candidate in any future election for Federal office for a period of time beginning on the date of such finding and ending one year after the expiration of the term of the Federal office for which such person was a candidate.

"(b) Any finding by the Board under subsection (a) shall be subject to judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.".

TITLE IV—AMENDMENTS TO OTHER LAWS; EFFECTIVE DATES

POLITICAL ACTIVITIES BY STATE AND LOCAL OFFICERS AND EMPLOYEES

SEC. 401. (a) Section 1502(a)(3) of title 5, United States Code (relating to influencing elections, taking part in political campaigns, prohibitions, exceptions), is amended to read as follows:

"(3) be a candidate for elective office.".

(b)(1) Section 1503 of title 5, United States Code, relating to nonpartisan political activity, is amended to read as follows:

"§ 1503. Nonpartisan candidacies permitted

"Section 1502(a)(3) of this title does not prohibit any State or local officer or employee from being a candidate in any election if none of the candidates is to be nominated or elected at such election as representing a party any of whose candidates for Presidential elector received votes in the last preceding election at which Presidential electors were selected.".

(2) The table of sections for chapter 15 of title 5, United States Code, is amended by striking out the item relating to section 1503 and inserting in lieu thereof the following new item:

"1503. Nonpartisan candidacies permitted.".

(c) Section 1501 of title 5, United States Code, relating to definitions, is amended—

(1) by striking out paragraph (5);

(2) in paragraph (3) thereof, by inserting "and" immediately after "Federal Reserve System;" and

(3) in paragraph (4) thereof, by striking out "; and" and inserting in lieu thereof a period.

REPEAL OF COMMUNICATIONS MEDIA EXPENDITURE LIMITATIONS

SEC. 402. (a)(1) Title I of the Federal Election Campaign Act of 1971, relating to campaign communications, is amended by striking out section 104 and by redesignating sections 105 and 106 as sections 104 and 105, respectively.

(2) Section 104 of such Act (as so redesignated by paragraph (1) of this subsection), relating to regulations, is amended by striking out ", 103(b), 104(a), and 104(b)" and inserting in lieu thereof "and 103(b)".

(b) Section 102 of the Federal Election Campaign Act of 1971, relating to definitions, is amended by striking out paragraphs (1), (2), (5), and (6), and by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively.

(c) (1) Section 315 of the Communications Act of 1934 (relating to candidates for public office, facilities, rules) is amended by striking out subsections (c), (d), and (e), and by redesignating subsections (f) and (g) as subsections (c) and (d), respectively.

(2) Section 315(c) of such Act (as so redesignated by paragraph (1) of this subsection), relating to definitions, is amended to read as follows:

"(c) For purposes of this section—

"(1) the term 'broadcasting station' includes a community antenna television system; and

"(2) the terms 'licensee' and 'station licensee' when used with respect to a community antenna television system, mean the operator of such system.".

APPROPRIATION TO CAMPAIGN FUND

SEC. 403. Section 9006(a) of the Internal Revenue Code of 1954 (relating to establishment of campaign fund) is amended—

(1) by striking out "as provided by appropriation Acts" and inserting in lieu thereof "from time to time"; and

(2) by adding at the end thereof the following new sentence: "There is appropriated to the fund for each fiscal year, out of amounts in the general fund of the Treasury not otherwise appropriated, an amount equal to the amounts so designated during each fiscal year, which shall remain available to the fund without fiscal year limitation.".

ENTITLEMENTS OF ELIGIBLE CANDIDATES TO PAYMENTS FROM PRESIDENTIAL ELECTION CAMPAIGN FUND

SEC. 404. (a) Subsection (a)(1) of section 9004 of the Internal Revenue Code of 1954 (relating to entitlement of eligible candidates to payments) is amended to read as follows:

"(1) The eligible candidates of each major party in a presidential election shall be entitled to equal payments under section 9006 in an amount which, in the aggregate, shall not exceed $20,000,000.".

(b)(1) Subsection (a)(2)(A) of section 9004 of such Code (relating to entitlement of eligible candidates to payments) is amended by striking out "computed" and inserting in lieu thereof "allowed".

(2) The first sentence of subsection (a)(3) of section 9004 of such Code (relating to entitlement of eligible candidates to payments) is amended by striking out "computed" and inserting in lieu thereof "allowed".

(c)(1) Section 9002(1) of the Internal Revenue Code of 1954 (relating to the definition of "authorized committee") is amended to read as follows:

"(1) The term 'authorized committee' means, with respect to the candidates of a political party for President and Vice President of the United States, the political committee designated under section 302(f)(1) of the Federal Election Campaign Act of 1971 by the candidate of a political party for President of the United States as his principal campaign committee.".

(2) Section 9002(11) of such Code (relating to the definition of "qualified campaign expense") is amended—

(A) in subparagraph (A)(iii) thereof, by striking out "an" and inserting in lieu thereof "the";

(B) in the second sentence thereof, by striking out "an" and inserting in lieu thereof "his"; and

(C) in the third sentence thereof, by striking out "an" and inserting in lieu thereof "the".

(3) Section 9003(b) of such Code (relating to major parties) is amended—

(A) by striking out "committees" each place it appears therein and inserting in lieu thereof at each such place "committee"; and

(B) by striking out "any of" each place it appears therein.

(4) Section 9003(c) of such Code (relating to minor and new parties) is amended by striking out "committees" each place it appears therein and inserting in lieu thereof at each such place "committee".

(5) Section 9004(b) of such Code (relating to limitations) is amended by striking out "committees" each place it appears therein and inserting in lieu thereof at each such place "committee".

(6) Section 9004(c) of such Code (relating to restrictions) is amended by striking out "committees" each place it appears therein and inserting in lieu thereof at each such place "committee".

(7) Section 9007(b)(2) of such Code (relating to repayments) is amended by striking out "committees" and inserting in lieu thereof "committee".

(8) Section 9007(b)(3) of such Code (relating to repayments) is amended by striking out "any" and inserting in lieu thereof "the".

(9) Subsections (a) and (b) of section 9012 of such Code (relating to excess expenses and contributions, respectively), as amended by sections 406(b)(2) and (3) of this Act, are each amended by striking out "any of his authorized committees" each place it appears and inserting in lieu thereof at each such place "his authorized committee".

CERTIFICATION FOR PAYMENT BY COMPTROLLER GENERAL

SEC. 405. (a) Section 9005(a) of the Internal Revenue Code of 1954 (relating to initial certifications for eligibility for payments) is amended to read as follows:

"(a) INITIAL CERTIFICATIONS.—Not later than 10 days after the candidates of a political party for President and Vice President of the United States have met all applicable conditions for eligibility to receive payments under this chapter set forth in section 9003, the Comptroller General shall certify to the Secretary for payment to such eligible candidates under section 9006 payment in full of amounts to which such candidates are entitled under section 9004.".

(b) Section 9003(a) of such Code (relating to general conditions for eligibility for payments) is amended—

(1) by striking out "with respect to which payment is sought" in paragraph (1) and inserting in lieu thereof "of such candidates";

(2) by inserting "and" at the end of paragraph (2);

(3) by striking out ", and" at the end of paragraph (3) and inserting in lieu thereof a period; and

(4) by striking out paragraph (4).

FINANCING OF PRESIDENTIAL NOMINATING CONVENTIONS

SEC. 406. (a) Chapter 95 of subtitle H of the Internal Revenue Code of 1954 (relating to the presidential election campaign fund) is amended by striking out section 9008 (relating to information on proposed expenses) and inserting in lieu thereof the following new section:

"SEC. 9008. PAYMENTS FOR PRESIDENTIAL NOMINATING CONVENTIONS.

"(a) ESTABLISHMENT OF ACCOUNTS.—The Secretary shall maintain in the fund, in addition to any account which he maintains under section 9006(a), a separate account for the national committee of each major party and minor party. The Secretary shall deposit in each such account an amount equal to the amount which each such committee may receive under subsection (b). Such deposits shall be drawn from amounts designated by individuals under section 6096 and shall be made before any transfer is made to any account for any eligible candidate under section 9006(a).

"(b) ENTITLEMENT TO PAYMENTS FROM THE FUND.—

"(1) MAJOR PARTIES.—Subject to the provisions of this section, the national committee of a major party shall be entitled to payments under paragraph (3), with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed $2,000,000.

"(2) MINOR PARTIES.—Subject to the provisions of this section, the national committee of a minor party shall be entitled to payments under paragraph (3), with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed an amount which bears the same ratio to the amount the national committee of a

major party is entitled to receive under paragraph (1) as the number of popular votes received by the candidate for President of the minor party, as such candidate, in the preceding presidential election bears to the average number of popular votes received by the candidates for President of the major parties in the preceding presidential election.

"(3) PAYMENTS.—Upon receipt of certification from the Comptroller General under subsection (g), the Secretary shall make payments from the appropriate account maintained under subsection (a) to the national committee of a major party or minor party which elects to receive its entitlement under this subsection. Such payments shall be available for use by such committee in accordance with the provisions of subsection (c).

"(4) LIMITATION.—Payments to the national committee of a major party or minor party under this subsection from the account designated for such committee shall be limited to the amounts in such account at the time of payment.

"(c) USE OF FUNDS.—No part of any payment made under subsection (b) shall be used to defray the expenses of any candidate or delegate who is participating in any presidential nominating convention. Such payments shall be used only—

"(1) to defray expenses incurred with respect to a presidential nominating convention (including the payment of deposits) by or on behalf of the national committee receiving such payments; or

"(2) to repay loans the proceeds of which were used to defray such expenses, or otherwise to restore funds (other than contributions to defray such expenses received by such committee) used to defray such expenses.

"(d) LIMITATION OF EXPENDITURES.—

"(1) MAJOR PARTIES.—Except as provided by paragraph (3), the national committee of a major party may not make expenditures with respect to a presidential nominating convention which, in the aggregate, exceed the amount of payments to which such committee is entitled under subsection (b)(1).

"(2) MINOR PARTIES.—Except as provided by paragraph (3), the national committee of a minor party may not make expenditures with respect to a presidential nominating convention which, in the aggregate, exceed the amount of the entitlement of the national committee of a major party under subsection (b)(1).

"(3) EXCEPTION.—The Presidential Election Campaign Fund Advisory Board may authorize the national committee of a major party or minor party to make expenditures which, in the aggregate, exceed the limitation established by paragraph (1) or paragraph (2) of this subsection. Such authorization shall be based upon a determination by such Board that, due to extraordinary and unforseen circumstances, such expenditures are necessary to assure the effective operation of the presidential nominating convention by such committee.

"(e) AVAILABILITY OF PAYMENTS.—The national committee of a major party or minor party may receive payments under subsection (b)(3) beginning on July 1 of the calendar year immediately preceding the calendar year in which a presidential nominating convention of the political party involved is held.

"(f) TRANSFER TO THE FUND.—If, after the close of a presidential nominating convention and after the national committee of the political party involved has been paid the amount which it is entitled to receive under this section, there are moneys remaining in the account of such national committee, the Secretary shall transfer the moneys so remaining to the fund.

"(g) CERTIFICATION BY COMPTROLLER GENERAL.—Any major party or minor party may file a statement with the Comptroller General in such form and manner and at such times as he may require, designating the national committee of such party. Such statement shall include the information required by section 303(b) of the Federal Election Campaign Act of 1971, together with such additional information as the Comptroller General may require. Upon receipt of a statement filed under the preceding sentences, the Comptroller General promptly shall verify such statement according to such procedures and criteria as he may establish and shall certify to the Secretary for payment in full to any such committee of amounts to which such committee may be entitled under subsection (b). Such certifications shall be subject to an examination and audit which the Comptroller General shall conduct no later than December 31 of the calendar year in which the presidential nominating convention involved is held.

"(h) REPAYMENTS.—The Comptroller General shall have the same authority to require repayments from the national committee of a major party or minor party as he has with respect to repayments from any eligible candidate under section 9007(b). The provisions of section 9007(c) and section 9007(d) shall apply with respect to any repayment required by the Comptroller General under this subsection.".

(b)(1) Section 9009(a) of such Code (relating to reports) is amended by striking out "and" in paragraph (2) thereof; by striking out the period at the end of paragraph (3) thereof and inserting in lieu thereof "; and"; and by adding at the end thereof the following new paragraphs:

"(4) the expenses incurred by the national committee of a major party or minor party with respect to a presidential nominating convention;

"(5) the amounts certified by him under section 9008(g) for payment to each such committee; and

"(6) the amount of payments, if any, required from such committees under section 9008(h), and the reasons for each such payment.".

(2) The heading for section 9012(a) of such Code (relating to excess campaign expenses) is amended by striking out "CAMPAIGN".

(3) Section 9012(a)(1) of such Code (relating to excess expenses) is amended by adding at the end thereof the following new sentence: "It shall be unlawful for the national committee of a major party or minor party knowingly and willfully to incur expenses with respect to a presidential nominating convention in excess of the expenditure limitation applicable with respect to such committee under section 9008(d), unless the incurring of such expenses is authorized by the Presidential Election Campaign Fund Board under section 9008(d)(3).".

(4) Section 9012(c) of such Code (relating to unlawful use of payments) is amended by redesignating paragraph (2) as paragraph (3) and by inserting immediately after paragraph (1) the following new paragraph:

"(2) It shall be unlawful for the national committee of a major party or minor party which receives any payment under section 9008(b)(3) to use, or authorize the use of, such payment for any purpose other than a purpose authorized by section 9008(c).".

(5) Section 9012(e)(1) of such Code (relating to kickback and illegal payments) is amended by adding at the end thereof the following new sentence: "It shall be unlawful for the national committee of a major party or minor party knowingly and willfully to give or accept any kickback or any illegal payment in connection with any expense incurred by such committee with respect to a presidential nominating convention.".

(6) Section 9012(e)(3) of such Code (relating to kickbacks and illegal payments) is amended by inserting immediately after "their authorized committees" the following: ", or in connection with any expense incurred by the national committee of a major party or minor party with respect to a presidential nominating convention,".

(c) The table of sections for chapter 95 of subtitle H of such Code (relating to the presidential election campaign fund) is amended by striking out the item relating to section 9008 and inserting in lieu thereof the following new item:

"Sec. 9008. Payments for presidential nominating conventions.".

(d) Section 276 of such Code (relating to certain indirect contributions to political parties) is amended by striking out subsection (c) and by redesignating subsection (d) as subsection (c).

TAX RETURNS BY POLITICAL COMMITTEES

SEC. 407. Section 6012(a) of the Internal Revenue Code of 1954 (relating to persons required to make returns of income) is amended by adding at the end thereof the following new sentence: "The Secretary or his delegate shall, by regulation, exempt from the requirement of making returns under this section any political committee (as defined in section 301(a) of the Federal Election Campaign Act of 1971) having no gross income for the taxable year.".

PRESIDENTIAL PRIMARY MATCHING PAYMENT ACCOUNT

SEC. 408. (a) The analysis of subtitles at the beginning of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

"SUBTITLE H. Financing of Presidential election campaigns.".

(b) The analysis of chapters at the beginning of subtitle H of such Code is amended by adding at the end thereof the following:

"CHAPTER 97. Presidential Primary Matching Payment, Account.".

(c) Subtitle H of such Code is amended by adding at the end thereof the following new chapter:

"CHAPTER 97—PRESIDENTIAL PRIMARY MATCHING PAYMENT ACCOUNT

"Sec. 9031. Short title.
"Sec. 9032. Definitions.
"Sec. 9033. Eligibility for payment.
"Sec. 9034. Entitlement of eligible candidates to payments.
"Sec. 9035. Qualified campaign expense limitation.
"Sec. 9036. Certification by Comptroller General.
"Sec. 9037. Payments to eligible candidates.
"Sec. 9038. Examinations and audits; repayments.
"Sec. 9039. Reports to Congress; regulations.
"Sec. 9040. Participation of Comptroller General in judicial proceedings.
"Sec. 9041. Judicial review.
"Sec. 9042. Criminal penalties.

"This chapter may be cited as the 'Presidential Primary Matching Payment Account Act'.

"Sec. 9032. DEFINITIONS.

"For purposes of this chapter—

"(1) The term 'authorized committee' means, with respect to the candidates of a political party for President and Vice President of the United States, the political committee designated under section 302(f)(1) of the Federal Election Campaign Act of 1971 by the candidate of a political party for President of the United States as his principal campaign committee.

"(2) The term 'candidate' means an individual who seeks nomination for election to be President of the United States. For purposes of this paragraph, an individual shall be considered to seek nomination for election if he (A) takes the action necessary under the law of a State to qualify himself

for nomination for election, (B) receives contributions or incurs qualified campaign expenses, or (C) gives his consent for any other person to receive contributions or to incur qualified campaign expenses on his behalf.

"(3) The term 'Comptroller General' means the Comptroller General of the United States.

"(4) Except as provided by section 9034 (a), the term 'contribution'—

"(A) means a gift, subscription, loan, advance, or deposit of money, or anything of value, the payment of which was made on or after the beginning of the calendar year immediately preceding the calendar year of the presidential election with respect to which such gift, subscription, loan, advance, or deposit of money, or anything of value, is made, for the purpose of influencing the result of a primary election,

"(B) means a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose,

"(C) means a transfer of funds between political committees, and

"(D) means the payment by any person other than a candidate, or his authorized committee, of compensation for the personal services of another person who are rendered to the candidate or committee without charge, but

"(E) does not include—

"(i) except as provided in subparagraph (D), the value of personal services rendered to or for the benefit of a candidate by an individual who receives no compensation for rendering such service to or for the benefit of the candidate, or

"(ii) payments under section 9037.

"(5) The term 'matching payment account' means the Presidential Primary Matching Payment Account established under section 9037(a).

"(6) The term 'matching payment period' means the period beginning with the beginning of the calendar year in which a general election for the office of President of the United States will be held and ending on the date on which the national convention of the party whose nomination a candidate seeks nominates its candidate for the office of President of the United States.

"(7) The term 'primary election' means an election, including a runoff election or a nominating convention or caucus held by a political party, for the selection of delegates to a national nominating convention of a political party, or for the expression of a preference for the nomination of persons for election to the office of President of the United States.

"(8) The term 'political committee' means any individual, committee, association, or organization (whether or not incorporated) which accepts contributions or incurs qualified campaign expenses for the purpose of influencing, or attempting to influence, the nomination of any person for election to the office of President of the United States.

"(9) The term 'qualified campaign expense' means a purchase, payment, distribution, loan, advance, deposit, or gift of money or of anything of value—

"(A) incurred by a candidate, or by his authorized committee, in connection with his campaign for nomination for election, and

"(B) neither the incurring nor payment of which constitutes a violation of any law of the United States or of the State in which the expense is incurred or paid.

For purposes of this paragraph, an expense is incurred by a candidate or by an authorized committee if it is incurred by a person specifically authorized in writing by the candidate or committee, as the case may be, to incur such expense on behalf of the candidate or the committee.

"(10) The term 'State' means each State of the United States and the District of Columbia.

"Sec. 9033. Eligibility for Payments.

"(a) Conditions.—To be eligible to receive payments under section 9037, a candidate shall, in writing—

"(1) agree to obtain and furnish to the Comptroller General any evidence he may request of qualified campaign expenses,

"(2) agree to keep and furnish to the Comptroller General any records, books, and other information he may request, and

"(3) agree to an audit and examination by the Comptroller General under section 9038 and to pay any amounts required to be paid under such section.

"(b) Expense Limitation; Declaration of Intent; Minimum Contributions.—To be eligible to receive payments under section 9037, a candidate shall certify to the Comptroller General that—

"(1) the candidate and his authorized committee will not incur qualified campaign expenses in excess of the limitation on such expenses under section 9035,

"(2) the candidate is seeking nomination by a political party for election to the office of President of the United States,

"(3) the candidate has received contributions which, in the aggregate, exceed $5,000 in contributions from residents of each of at least 20 States, and

"(4) the aggregate of contributions received from any person under paragraph (3) does not exceed $250.

"Sec. 9034. Entitlement of Eligible Candidates to Payments.

"(a) In General.—Every candidate who is eligible to receive payments under section 9033 is entitled to payments under section 9037 in an amount equal to the amount of each contribution received by such candidate on or after the beginning of the calendar year immediately preceding the calendar year of the presidential election with respect to which such candidate is seeking nomination, or by his authorized committee, disregarding any amount of contributions from any person to the extent that the total of the amounts contributed by such person on or after the beginning of such preceding calendar year exceeds $250. For purposes of this subsection and section 9033(b), the term 'contribution' means a gift of money made by a written instrument which identifies the person making the contribution by full name and mailing address, but does not include a subscription, loan, advance, or deposit of money, or anything described in subparagraph (B), (C), or (D) of section 9032(4).

"(b) Limitations.—The total amount of payments to which a candidate is entitled under subsection (a) shall not exceed 50 percent of the expenditure limitation established by section 608(c)(1)(A) of title 18, United States Code.

"Sec. 9035. Qualified Campaign Expense Limitation.

"No candidate shall knowingly incur qualified campaign expenses in excess of the expenditure limitation established by section 608(c)(1)(A) of title 18, United States Code.

"Sec. 9036. Certification by Comptroller General.

"(a) Initial Certifications.—Not later than 10 days after a candidate establishes his eligibility under section 9033 to receive payments under section 9037, the Comptroller General shall certify to the Secretary for payment to such candidate under section 9037 payment in full of amounts to which such candidate is entitled under section 9034.

"(b) Finality of Determinations.—Initial certifications by the Comptroller General under subsection (a), and all determinations made by him under this chapter, are final and conclusive, except to the extent that they are subject to examination and audit by the Comptroller General under section 9038 and judicial review under section 9041.

"Sec. 9037. Payments to Eligible Candidates.

"(a) Establishment of Account.—The Secretary shall maintain in the Presidential Election Campaign Fund established by section 9006(a), in addition to any account which he maintains under such section, a separate account to be known as the Presidential Primary Matching Payment Account. The Secretary shall deposit into the matching payment account, for use by the candidate of any political party who is eligible to receive payments under section 9033, the amount available after the Secretary determines that amounts for payments under section 9006(c) and for payments under section 9007(b)(3) are available for such payments.

"(b) Payments From the Matching Payment Account.—Upon receipt of a certification from the Comptroller General under section 9036, but not before the beginning of the matching payment period, the Secretary or his delegate shall promptly transfer the amount certified by the Comptroller General from the matching payment account to the candidate. In making such transfers to candidates of the same political party, the Secretary or his delegate shall seek to achieve an equitable distribution of funds available under subsection (a), and the Secretary or his delegate shall take into account, in seeking to achieve an equitable distribution, the sequence in which such certifications are received. Transfers to candidates of the same political party may not exceed an amount which is equal to 45 percent of the total amount available in the matching payment account, and transfers to any candidate may not exceed an amount which is equal to 25 percent of the total amount available in the matching payment account.

"Sec. 9038. Examinations and Audits; Repayments.

"(a) Examinations and Audits.—After each matching payment period, the Comptroller General shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committee who received payments under section 9037.

"(b) Repayments.—

"(1) If the Comptroller General determines that any portion of the payments made to a candidate from the matching payment account was in excess of the aggregate amount of payments to which such candidate was entitled under section 9034, he shall notify the candidate, and the candidate shall pay to the Secretary or his delegate an amount equal to the amount of excess payments.

"(2) If the Comptroller General determines that any amount of any payment made to a candidate from the matching payment account was used for any purpose other than—

"(A) to defray the qualified campaign expenses with respect to which such payment was made, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses,

he shall notify such candidate of the amount so used, and the candidate shall pay to the Secretary or his delegate an amount equal to such amount.

"(3) Amounts received by a candidate from the matching payment account may be retained for the liquidation of all obligations to pay qualified campaign expenses incurred for a period not exceeding 6 months after the end of the matching payment period. After all obligations have been liquidated, that portion of any unexpended balance remaining in the candidate's accounts which bears the same ratio to the total unexpended balance as the total amount received from the matching payment account bears to the

total of all deposits made into the candidate's accounts shall be promptly repaid to the matching payment account.

"(c) NOTIFICATION.—No notification shall be made by the Comptroller General under subsection (b) with respect to a matching payment period more than 3 years after the end of such period.

"(d) DEPOSIT OF REPAYMENT.—All payments received by the Secretary or his delegate under subsection (b) shall be deposited by him in the matching payment account.

"SEC. 9039. REPORTS TO CONGRESS; REGULATIONS.

"(a) REPORTS.—The Comptroller General shall, as soon as practicable after each matching payment period, submit a full report to the Senate and House of Representatives setting forth—

"(1) the qualified campaign expenses (shown in such detail as the Comptroller General determines necessary) incurred by the candidates of each political party and their authorized committees,

"(2) the amounts certified by him under section 9036 for payment to each eligible candidate, and

"(3) the amount of payments, if any, required from candidates under section 9038, and the reasons for each payment required. Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) REGULATIONS, ETC.—The Comptroller General is authorized to prescribe rules and regulations in accordance with the provisions of subsection (c), to conduct examinations and audits (in addition to the examinations and audits required by section 9038 (a)), to conduct investigations, and to require the keeping and submission of any books, records, and information, which he determines to be necessary to carry out his responsibilities under this chapter.

"(c) REVIEW OF REGULATIONS.—

"(1) The Comptroller General, before prescribing any rule or regulation under subsection (b), shall transmit a statement with respect to such rule or regulation to the Committee on Rules and Administration of the Senate and to the Committee on House Administration of the House of Representatives, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

"(2) If either such committee does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 30 legislative days after receipt of such statement, then the Comptroller General may prescribe such rule or regulation. The Comptroller General may not prescribe any rule or regulation which is disapproved by either such committee under this paragraph.

"(3) For purposes of this subsection, the term 'legislative days' does not include any calendar day on which both Houses of the Congress are not in session.

"SEC. 9040. PARTICIPATION BY COMPTROLLER GENERAL IN JUDICIAL PROCEEDINGS

"(a) APPEARANCE BY COUNSEL.—The Comptroller General is authorized to appear in and defend against any action instituted under this section, either by attorneys employed in his office or by counsel whom he may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation he may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) RECOVERY OF CERTAIN PAYMENTS.—The Comptroller General is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary or his delegate as a result of an examination and audit made pursuant to section 9038.

"(c) INJUNCTIVE RELIEF.—The Comptroller General is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for injunctive relief as is appropriate to implement any provision of this chapter.

"(d) APPEAL.—The Comptroller General is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments, or decrees entered with respect to actions in which he appears pursuant to the authority provided in this section.

"SEC. 9041. JUDICIAL REVIEW

"(a) REVIEW OF AGENCY ACTION BY THE COMPTROLLER GENERAL.—Any agency action by the Comptroller General made under the provisions of this chapter shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within 30 days after the agency action by the Comptroller General for which review is sought.

"(b) REVIEW PROCEDURES.—The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551(13) of title 5, United States Code, by the Comptroller General.

"SEC. 9042. CRIMINAL PENALTIES

"(a) EXCESS CAMPAIGN EXPENSES.—Any person who violates the provisions of section 9035 shall be fined not more than $25,000, or imprisoned not more than 5 years, or both. Any officer or member of any political committee who knowingly consents to any expenditure in violation of the provisions of section 9035 shall be fined not more than $25,000, or imprisoned not more than 5 years, or both.

"(b) UNLAWFUL USE OF PAYMENTS.—

"(1) It is unlawful for any person who receives any payment under section 9037, or to whom any portion of any such payment is transferred, knowingly and willfully to use, or authorize the use of, such payment or such portion for any purpose other than—

"(A) to defray qualified campaign expenses, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

"(c) FALSE STATEMENTS, ETC.—

"(1) It is unlawful for any person knowingly and willfully—

"(A) to furnish any false, fictitious, or fraudulent evidence, books, or information to the Comptroller General under this chapter, or to include in any evidence, books, or information so furnished any misrepresentation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Comptroller General or an examination and audit by the Comptroller General under this chapter, or

"(B) to fail to furnish to the Comptroller General any records, books, or information requested by him for purposes of this chapter.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

(d) KICKBACKS AND ILLEGAL PAYMENTS.—

"(1) It is unlawful for any person knowingly and willfully to give or accept any kickback or any illegal payment in connection with any qualified campaign expense of a candidate, or his authorized committee, who receives payments under section 9037.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

"(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickback or illegal payment in connection with any qualified campaign expense of a candidate or his authorized committee shall pay to the Secretary for deposit in the matching payment account, an amount equal to 125 percent of the kickback or payment received.".

REVIEWS OF REGULATIONS

SEC. 409. (a) Section 9009 of the Internal Revenue Code of 1954 (relating to reports to Congress; regulations) is amended by adding at the end thereof the following new subsection:

"(c) REVIEWS OF REGULATIONS.—

"(1) The Comptroller General, before prescribing any rule or regulation under subsection (b), shall transmit a statement with respect to such rule or regulation to the Committee on Rules and Administration of the Senate and to the Committee on House Administration of the House of Representatives, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

"(2) If either such committee does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 30 legislative days after receipt of such statement, then the Comptroller General may prescribe such rule or regulation. The Comptroller General may not prescribe any rule or regulation which is disapproved by either such committee under this paragraph.

"(3) For purposes of this subsection, the term 'legislative days' does not include any calendar day on which both Houses of the Congress are not in session.".

(b) Section 9009(b) of such Code (relating to regulations, etc.) is amended by inserting "in accordance with the provisions of subsection (c)" immediately after "regulations".

EFFECTIVE DATES

SEC. 410. (a) Except as provided by subsection (b), the foregoing provisions of this Act shall become effective 30 days after the date of the enactment of this Act.

(b) The amendments made by sections 403, 404, 405, 406, 407, 408, and 409 shall apply with respect to taxable years beginning after December 31, 1973.

The CHAIRMAN. No amendments, including any amendment in the nature of a substitute for the bill, are in order to the bill except the following:

In title 1: Germane amendments to subsection 101(a) proposing solely to change the money amounts contained in said subsection, providing they have been printed in the CONGRESSIONAL RECORD at least 1 calendar day before being offered; and the text of the amendment to be offered on page 13, following line 4, inserted in the CONGRESSIONAL RECORD of August 5, 1974, by Mr. BUTLER.

In title 2: Germane amendments to the provisions contained on page 33, line 17, through page 35, line 11, providing they have been printed in the RECORD at least 1 calendar day before being offered; and the amendment printed on page 26619 in the RECORD of August 2, 1974.

In title 4: Germane amendments which have been printed in the RECORD at least 1 calendar day before they are offered, except that sections 401, 402, 407, 409, and 410 shall not be subject to amendment; and the text of the amendment

printed on page 26520 in the CONGRESSIONAL RECORD of August 2, 1974.

Amendments are in order to any portion of the bill if offered by direction of the Committee on House Administration, but said amendments shall not be subject to amendment.

Are there any Committee on House Administration amendments to title I?

COMMITTEE AMENDMENTS

Mr. THOMPSON of New Jersey. Mr. Chairman, I offer three committee amendments to title I of the bill and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments:

On page 13, beginning in line 10, strike out "(B)" and all that follows down to but not including "(C)" in line 15, and insert in lieu thereof the following: "(B) the use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities."

Page 15, beginning in line 10, strike out "(D)" and all that follows down to but not including "(E)" in line 16, and insert in lieu thereof the following: "(D) the use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities."

And on page 13, beginning in line 19, strike out "(D)" and all that follows down through "political committee," in line 23 and insert in lieu thereof the following: "(D) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate,".

Page 15, beginning in line 16, strike out "(E)" and all that follows down through "committee," in line 20, and insert in lieu thereof the following: "(E) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate,".

And on page 14, line 11, insert ", (C)," immediately after "(B)".

Mr. THOMPSON of New Jersey (during the reading). Mr. Chairman, these amendments being simply technical in nature and having been widely circulated among the members of the committee and unanimously agreed to, I ask unanimous consent that further reading of the amendments be dispensed with and I shall undertake to explain them.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Chairman, the amendments to title I, beginning at page 13 are technical amendments relating to exemptions of certain in-kind expenditures and contributions from the spending and contribution limits provided in the bill. The purpose, generally, of these amendments is to further limit the scope of these exceptions. These amendments were fully discussed by the members of our committee and were approved unanimously at our meeting this morning.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, these amendments were adopted in the Committee on House Administration this morning and were accepted unanimously. They relate to the loopholes to which I referred in my minority remarks in the committee report and do satisfy about 95 percent of my objections to the loopholes as they existed in the bill.

I think they really go a long way to make this bill acceptable. I would urge they be accepted and properly passed.

Mr. HAYS. Mr. Chairman, I move to strike the last word.

I do want to say that these amendments were accepted unanimously. I think now that the gentleman from Minnesota (Mr. FRENZEL) has said they satisfy 95 percent of his objections, any time we can satisfy the gentleman from Minnesota (Mr. FRENZEL) 95 percent, we ought to move forward. So I propose to take no more time and urge the adoption of the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New Jersey (Mr. THOMPSON).

The committee amendments were agreed to.

The CHAIRMAN. Are there further committee amendments to title I?

AMENDMENT OFFERED BY MR. DU PONT

Mr. DU PONT. Mr. Chairman, I offer an amendment to title I.

The Clerk read as follows:

Amendment offered by Mr. DU PONT: Page 2, line 16, strike "$5,000" and insert in lieu thereof "$2,500".

Mr. DU PONT. Mr. Chairman, as required by the rule adopted by the House today, my amendment was published at pages 27062 and 27063 of yesterday's RECORD.

Mr. Chairman, this is a very simple amendment. It proposes to reduce from $5,000 to $2,500 the amount of money that a special interest committee can contribute to a candidate.

It is my personal opinion that special interest committees should not be allowed to contribute anything to candidates, but very plainly that is not a viable alternative. I think the very least we can do is bring the special interest group limit somewhat more in line with the other features of the bill.

The bill as reported by the committee has a $1,000 limit, per election, on contributions by any individual person, and then it goes on to set a $5,000 limit for committees. It seems to me that these two figures are substantially out of balance; that it is the individual, who wants to be encouraged, it is the individual we ought to be looking to in order to finance our political campaigns.

I think the reason we have gotten into trouble in our election process, as we have recently seen from the Watergate problem, is that we have had special interest groups—the milk lobby, various business funds, various union groups—giving large amounts of money to political candidates. I think if we get the special interest groups out of politics, we would be a lot better off.

Therefore, I am trying to prevent the evil of large amounts of money coming in, not from people—and people are the ones who should be supporting the candidates—but from special interest groups. I think that my amendment goes a long way toward ending this evil.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. Mr. Chairman, for a point of clarification, does the gentleman's amendment include the respective political party committees, or is it restricted solely to outside groups?

Mr. DU PONT. I would say to the gentleman that my amendment simply changes the figure on line 16 of page 2 from $5,000 to $2,500. Therefore, it affects all committees covered by that subsection. It is my understanding that the subsection does cover political committees.

So, let me stress again the fact that what we ought to be talking about is people, and not organizations.

It is possible to raise a substantial amount of money—more, in fact, than the $75,000 limit imposed by this bill—by using people and by using a limit of $100 per person. I know that is the fact because I have done it. In my campaign in Delaware this year, we had 5,000 contributors. We set a limit of $100, and we raised $80,000.

So, I do not believe we need the special interest groups at all to finance political campaigns. I urge adoption of my amendment.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. DU PONT. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I have not read the text of the gentleman's amendment, but would he tell me if the Republican Congressional Campaign Committee and the Democratic Congressional Campaign Committee, for example, would be included as special interest groups under the terms and language of his amendment?

Mr. DU PONT. Those are not the terms of my amendment, I would say to the gentleman from Illinois. Those are the terms of the bill. My amendment simply changes the figure in the bill; but yes, they would be included. I would very much prefer that political committees, where I do not see any particular problem, were defined differently and were left alone. But, if we have to lower the limit on political committees in order to get the special interest groups out of politics, I would be in favor of it.

Mr. MICHEL. The gentleman may very well have heard my earlier remarks in which I complained about that $5,000 limitation affecting our nationally recognized political committees, so on those grounds I think I would have to oppose the amendment.

Mr. DU PONT. I am certainly sympathetic with the gentleman's problem,

and I would only say that we have to attack his problem because of the way the committee has drawn the bill, and he is an unintentioned casualty of a very good amendment.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would start out by saying to the gentleman from Illinois (Mr. MICHEL) that this does apply to the committee of which he is chairman. There is no question about that. The gentleman from Delaware was very candid, and he said it did apply.

I am not particularly surprised—well, I am a little surprised—that of all people, the gentleman from Delaware would bring up his amendment.

The gentleman from Delaware has access to funds that most other Members in this body would not have access to, and I am not very impressed by the fact that he is limiting the amount of contributions in Delaware, because if one gets anybody by the name of Du Pont or who is related to the Du Ponts contributing $100 bucks, he can raise $1 million. Therefore, this puts a limitation on us poor boys, a pretty severe restriction.

I do not think that this amendment needs much debate. The gentleman from Illinois (Mr. MICHEL) made a pretty eloquent plea about it. He thinks $5,000 is too low for the committees, and there will be an amendment offered later which will help that situation. If he sees fit to support it, that is up to him. Personally, however, I think the committees ought to have the right to contribute whatever funds they can legitimately and honestly get their hands on because I am a great believer in the two-party system.

If we continue to offer amendments and to restrict the rule of the parties and the committees, then we may well find ourselves in the same situation that some of our friends in Europe are in.

I think it is kind of significant to note that there is not a majority government in Western Europe today. The reason many of the European countries are in the trouble they are in is because of the multiparty system and the fact that every government over there is a coalition government. When the people go to vote, they do not know whom to vote against because they do not know who really in the government makes the decisions.

That is one of the strengths of our system.

I oppose the gentleman's amendment basically on the philosophical grounds that it does weaken the two-party system, and I stand for the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. DU PONT).

The amendment was rejected.

The CHAIRMAN. Are there additional eligible amendments to title I?

AMENDMENT OFFERED BY MR. MATHIS OF GEORGIA

Mr. MATHIS of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATHIS of Georgia: Page 4, line 23, strike out "$75,000" and insert in lieu thereof "$42,500".

Mr. MATHIS of Georgia. Mr. Chairman, this is a very simple amendment. It reduces the amount of money that can be spent in any primary, any primary runover, or any general election from $75,000 down to $42,500.

I offered this amendment in committee. It was defeated by the members of the committee, who felt that it was a lower figure than they were willing to accept. I said at that time that I would offer it on the floor in order that all the Members of this House would have an opportunity to express themselves on what I considered to be a very vital issue.

I might point out, as the gentleman from Indiana (Mr. BRADEMAS) said earlier in his statement, that in addition to having the $75,000 spending ceiling, we allow an additional $17,000 to be spent by a candidate or his committee under the guise of fund raising, which makes a grand total of $93,000. If we multiply that by three, which is the primary, the primary runover, and the general election that we have in most States, then we are up to about $280,000 that can be spent by a candidate or his committee in any year.

As I said earlier during general debate, I think it is a farce for us to come in and talk about campaign reform and leave that kind of expenditure ceiling in this bill.

It is a matter of record that in 1972, in all congressional elections, 57 percent of all the candidates who were running—and that was 834—spent less than $42,500, which is the amount in my amendment.

The average amount spent per candidate is, as the gentleman from Pennsylvania said earlier in the debate, $47,801. We would reduce that by $5,000 by my amendment.

Mr. Chairman, I have here a list of the top big money spenders in the 1972 election. I have laid it here on the table, and if the Members want to see some gigantic, stupendous sums that were spent in attempting to win a job that pays $42,500 a year, they can walk by this table and take a look.

For example, a fellow named Brown who ran out of Arizona as a Democrat spent $274,000 in 1972; and the list goes on and on and on.

I think it is utterly ridiculous for us to talk about campaign reform and then leave an expenditure ceiling of $280,000 in this bill.

Mr. Chairman, I urge the Members to support my amendment and let us do something that will truly restore the confidence of the people in the democratic institution of this country, and particularly in this House.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I feel duty bound to defend the committee bill, which was the consensus of a majority of the members of the committee.

I will say to the gentleman from Georgia (Mr. MATHIS) very candidly that never in the 13 times I have run for Congress have I spent $42,500 in any single primary or election. So I have some sympathy for the gentleman's point of view.

However, this matter was discussed up and down and back and forth in the committee. There were members who wanted it lower than this figure. The committee started out with a $60,000 limit. That was debated. We went back and forth and up and down the street and finally came up with the $75,000 figure. I think every Member was conscientious about it, and I have no objection obviously to every Member voting his conscience on this amendment.

Mr. Chairman, what the committee tried to do in the aggregate was to balance off the charge that the lower amount would be an incumbent's figure against an unconscionable amount of a quarter of a million dollars or $150,000, both of which I would consider unconscionable amounts of money.

So while $75,000 may not be the most ideal figure in the world, it is the one that the majority of the members of the committee supported. I feel it was the best judgment we could come up with.

Therefore, I am going to support the committee position, although, as I say, I have never spent that much money and I do not have any intention of ever spending that much money.

Mr. DENT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I thank the gentleman from Georgia for introducing this amendment. I offered it myself and it was defeated in the committee, and now another attempt is made by the gentleman to introduce it here.

I believe any reasonable person will admit that if we establish a base of spending which is equal to our total salary for 2 years, we are spending about all we should be allowed to spend. This is the only job in the whole world where we can shamelessly face the people and say we are going to spend 2½ times our gross salary to win the office.

Somewhere there must be a question in the mind of somebody: What is the attraction in that office? What is the come-on? What is the little gift that you might receive for winning an office that costs you 2½ times more than what you are going to get paid?

I know Members of this Congress—I know them intimately and personally—who actually live on the salaries that they receive in Congress. Can we imagine that, living on the salary that we receive in Congress?

Anybody can take that person on in an election under the limitations we put in here, and defeat him, because he does not have either the money in his own right, or the kind of a district that will raise that kind of money.

I know Members in this Congress who move from a district they cannot win in into a district where this type of a candidate lives, and they have won, and are sitting in this Congress today.

I do not believe that anyone can honestly say that $85,000, twice our total salary, is too little to spend for the office that we seek.

I have an amendment that I will offer at a later time, although I doubt whether it will be allowed, but in any event I would like the opportunity at that time to ex-

plain it. That amendment will not cure everything, but I do believe that if this Congress accepts this amendment it will raise the respect that this Congress should be held in by the people of our Nation.

I have already given to the Members of this House information provided by our staff as to a sampling of the high rollers in this gamble for public office, such figures that I am sure would not be believed. One man spent $216,000, who was licked by a person who spent $215,000. One fellow spent $195,000 beating a man who spent $218,000.

We are not talking about Monte Carlo. We are talking about the House of Representatives of the Congress of the United States. And here we are, and we are not talking about what Watergate taught us; we are not talking about the evils of going out and getting contributions beyond the needs of the office. No, we are talking about increasing those expenditures.

When you talk about $187,500 in my district, you are talking about a gambling game without a limit, it is a no-limit poker game in my district when you talk about this kind of dough.

I say to the Members that you are not fooling the people, although you do in this bill, because we say to the public that there is a spending limit of $75,000 on each election, because if you will go back and check you will find that we have a nice little sweetener in there.

Do you know what that nice little sweetener is—$18,750 a year that we are going to be allowed to spend over and above the $75,000 in order to be able to raise the money to get the $75,000.

I think that on page 12 we should have another amendment to allow us 10 percent on $25,000 so we could raise $25,000 so we could raise the $75,000, because I do not know how we can raise the $18,000 if we do not have any allowance to do it with.

This means that each man and woman in this room can spend $93,750 for a primary, a special runoff, and a general election.

I do not know how you fellows raise your money or where you get it; it is none of my business, but I know one thing: That in 43 years of public life I do not believe that I have spent the total that you are allowing for your next campaign for one Member of this House, and I ran for the U.S. Senate in between times. I do not understand where this money comes from.

The CHAIRMAN. The time of the gentleman has expired.

Mr. THOMPSON of New Jersey. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I regret having to oppose the amendment offered by my distinguished and good friend, the gentleman from Georgia (Mr. MATHIS) but I do so for two reasons:

In the course of the markup of this legislation we started with amounts as high as $125,000 for a primary, and another $125,000 for the general election. The concensus was rather overwhelming that that was indeed excessive. Nevertheless, outside groups were asking for sums infinitely greater than $75,000, which was the concensus of the committee.

Then $90,000 was tried, without success.

Finally it was agreed upon that, lower amounts having been defeated, that $75,000 would be adequate.

Mr. Chairman, I too have run a number of times. In fact, 10 times for Congress, to be exact, and only once did I find it necessary to raise and spend $72,000.

My average is considerably less than this. In my district, indeed in the State of New Jersey, we have no private television. New Jersey, being a very small State, is covered by the New York and Philadelphia stations. I do not find myself able, and never have found myself able, to buy television time. This does not apply, however, to a great many of my colleagues who must rely on the media and television, which in itself is a very expensive process.

I think that this sum is perfectly reasonable. I think that the individual candidate will make a judgment as to how much his constituency believes he should spend or how much he should not and will act accordingly. But at least here we have a real flexibility.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to my friend, the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. I thank the gentleman for yielding.

I want to say that I commend the gentleman's committee on a very fine compromise here. They had some tough choices. In this case they made a very responsible choice.

We have had really two evils that outside groups, I think, have complained about. One was the enormous amount of money that some candidates were spending in congressional elections. The other evil was the so-called insulation of incumbents through low limits that permitted a real conscientious, sincere challenge of an incumbent. Here the gentleman has struck a balance. He has ended the outrage of a half million dollars being spent in House contests. At the same time he has given challengers and incumbents the right amount to spend, an adequate amount to make their case. I think this is a good, sound, and compromising balance, and I would hate to see it upset.

Mr. MATHIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Georgia.

Mr. MATHIS of Georgia. I certainly want to thank the gentleman from Arizona for not endorsing my amendment.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. GUDE. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Maryland.

Mr. GUDE. I thank the gentleman for yielding.

I rise in opposition to the amendment. I do feel this is an antichallenger amendment and we should vote it down. I believe that the committee has struck a good balance in providing a limitation which gives incumbents and challengers equal opportunities for success as far as campaign financing is concerned.

Mr. FRENZEL. I thank the gentleman for his contribution.

Mr. Chairman, the committee has done its best to find a middle ground in candidate expenditures. Like the gentleman from Illinois (Mr. MICHEL) I really think there should be a greater expenditure allowed, because I found that in the very few incumbent races in 1972 where about a dozen challengers beat incumbents, the average expenditure was about $120,000. The average expenditure of all candidates for Congress in the general elections is much less, of course—between $30 and $40,000. Most of those races are perfunctory pro forma races that do not need anything. All the action is in about 40 races. Each district is different. We need the higher limits unless we are going to be guilty of the charge that we are protecting ourselves.

If we accept the amendment offered by the gentleman from Georgia, we will be guilty, in my judgment, of the very strongest kind of incumbent protection. Judged by the basis of the other democracies in the world, the United States ranks in the middle or lower third of expenditures per capita for its election processes. Its average expenses are well below those of the average parliamentary democracy.

It makes no sense to relate our expenditures to our salaries, since most of us do not contribute to our own campaigns. Anyway, under this law we are now passing, the contribution limit will be restricted to $1,000, so there will be no undue influence from any particular individual or group of individuals.

Mr. Chairman, I think it would be a dreadful mistake if we mess up the delicate balance of this bill by accepting the amendment offered by the gentleman from Georgia.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I thank the gentleman for yielding.

I wish to associate myself with the remarks of the gentleman from Minnesota and point out just a couple of other things.

The reason why some candidates spend a great deal more money than the salary involved and the reason why people are willing to put that kind of money and contributions into a race is because the Congress disposes of, not just $42,500 a year per Member, but hundreds of millions of dollars per year per Member. That is why this is an important thing to a great many people who are interested in what happens to their taxes and to the affairs of this country.

We just cannot afford to put ourselves into the position of protecting the in-

cumbent and locking out the challenger. My campaign committee spent twice $42,500 in my first race, and if they had not, I probably would not be here. It took a large amount of media coverage just to acquaint the voters with the fact that I existed and with the issues as I saw them. I was an unknown running against a 20-year incumbent whose name was a household word.

Now that I am here, I am not going to vote to make it next to impossible for other challengers to do the same sort of thing. The possibility of effective challenge helps keep the system open and keep us on our toes.

Mr. FRENZEL. I thank the gentleman. I assure him that some of my best friends are incumbents and I would even let my daughter marry one.

Basically, while the incumbents are good people and deserve to be reelected, let us not let ourselves open to criticism by making it impossible for a challenger to unseat us.

Mr. SEIBERLING. If the gentleman will yield further, I would like to point out one other thing, and a crucial thing, which is that under this bill the amount of money that can be spent by a candidate from his own pocket and the amounts that can be given by a single contributor are limited. That will keep the spending down, and avoids putting an arbitrary ceiling on total expenditures.

Mr. FRENZEL. I thank the gentleman from Ohio.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Pennsylvania, the chairman of the subcommittee (Mr. DENT).

Mr. DENT. Mr. Chairman, all the talk I hear is of incumbents, as if spending is the answer. But our records do not show that. I invite the Members to come to my office and examine them. High spending is not the answer to elections. The key to election is the same old fundamentals, such as the character of the person running, what kind of person he is, what kind of life he lives, what kind of community spirit he exhibits. It is not the total amount of money.

Mr. FRENZEL. I thank the gentleman for his contribution. If the gentleman did support the limitation of in kind contributions I would be more sympathetic.

Mr. GAYDOS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I will not use all the time unless my good friend, the gentleman from Pennsylvania (JOHN DENT) asks me to yield, but I do want to make one point.

It has been admitted repeatedly that this is a compromise. The members of the committee compromised. What did we compromise and because of whom? We compromised because outfits such as Common Cause and, without mentioning them specifically, others pressured the committee and put forth their positions. Everybody had their input except one very vital segment of America, and that is the people of this country; the constituents of the Members and my constituents. They were not consulted.

The amendment is a reasonable amendment. The $42,500 is a good response to taxpayers who raise the question repeatedly, and this is by far the greater percentage of the criticism which has been raised. What is the outcry? Why run for a job that pays $42,500 a year?

Now, I submit for the consideration of this House that the committee has repeatedly admitted that $75,000 is a compromise. I ask the Members to use their good judgment and respond by supporting the realistic amount of $42,500 for each election.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to my colleague, the gentleman from Pennsylvania.

Mr. DENT. The gentleman from Ohio said that he spent twice the $42,500, if he had not, he would not be here.

I thought the gentleman had such sterling character that he would be here if he spent one-third of that amount. If he could spend $15,000 and get elected, would the gentleman say the other fellow would have to spend $175,000 to beat him?

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield further, I would say if a man has been in office for some time, everybody knows who he is. But if they do not know his opponent, John Smith, John Smith has to spend a certain minimum to acquaint the electorate with the simple fact that he exists.

Mr. DENT. The only problem with that is that not one Member of Congress was born an incumbent. We all had to start sometime.

Mr. HAYS. Mr. Chairman, I would like to say, I am just trying to defend the committee amendment, but some of the people speaking for it are almost convincing me not to defend it any more.

Now, my dear friend, the gentleman from Ohio (Mr. SEIBERLING) said he spent that money and that is how he got here. He would have got here if he had stayed home in bed, because his incumbent opponent had ceased to serve the district, and the district knew it.

The gentleman from Ohio (Mr. SEIBERLING) had one other advantage. He had a well-known name. I remember when I was a kid in Ohio there was a sign with a little boy in pajamas holding a candle and it said, "Time to retire. Get a Seiberling."

Mr. SEIBERLING. I have to correct the gentleman. It said, "Time to retire. Get a Fisk."

Mr. HAYS. Anyway, it was a well-known name in Akron.

I might say that one time in my career I had an opponent who said he spent a quarter of a million dollars. That is the year I spent $42,000.

I am going to defend the committee amendment; but just let me say that incumbency is no sure way to stay in office, unless at the same time, unless we continue to serve the needs of our districts and if we do that, we can stay in for $3.95, and if we do not, we could not stay in for $395,000.

The CHAIRMAN. The Chair would like to state a problem, so that the Members will understand the dilemma of the Chair correctly.

The Chair is supposed to recognize Members, taking into account three factors: First, membership on the committee; second, alternation between the two sides of the issue; and, third, alternation between the two sides of the aisle.

The Chair, therefore, is going to inquire of each Member as he initially recognizes him, for what purpose does the gentleman rise, so that the Chair will be aided in being fair in presiding over the debate.

The Chair recognizes the gentleman from Pennsylvania (Mr. GAYDOS) for approximately one-half minute.

Mr. GAYDOS. I thank the Chair.

As a concluding observation for the consideration of my colleagues, since we must have a limitation, I pose the question, what is wrong with the salary pertaining to the office?

The CHAIRMAN. The time of the gentleman has expired.

Mr. KOCH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, on a number of occasions in the course of this debate Members have risen to in some way or other correlate the congressional salary of $42,500 with what they think appropriate to spend in running for office, as though there were anybody in this Chamber who believed that they should run for this office and pay all the expenses of the campaign themselves. I doubt there is a single person who has done that or would advocate it. Indeed, in our legislation we limit what any one of us can pay toward his own campaign, to prevent the rich man from buying the election.

Would anyone suggest that a Member of the other body running for office, who also gets $42,500 should spend $42,500 to run for that office, or that the President who gets $200,000 should run on a campaign budget of $200,000? That simply would make no sense.

Now, what the committee tried to do was this. It sought to make it possible for someone who has not run for office to run and not feel that that person had been shut out simply by virtue of not being able to spend the reasonable sums necessary for the media, for the mailings, for the radio, or for television in that particular district necessary to acquaint voters with his or her positions on issues.

In my own district, on each occasion that I have run, my opponent spent either one and a half, twice as much, and in one case, three times that which I spent. I am proud of the fact that I won without equaling those expenditures, but that does not affect the basic issue.

The basic issue was and is this, especially in my second and third terms: The people in my district knew me. The people in my district did not have to have the mailings and radio and television that my opponents thought were necessary for them to become known. I would feel, if I deprived my opponent of spending a reasonable sum—and I am not now talking about the sums the chairman of the subcommittee referred to when he talked about $150,000, $200,000 and more,

sums that are not in this bill. I am talking of a reasonable sum, which $75,000 is.

Again this bill permits $75,000 to be spent. Another non sequitur has been introduced that someone referred to $17,500 above the $75,000, was referred to. Do the Members know what that money is? Let me tell you: When a Member has a dinner and the cost of the meat and potatoes and stamps for mailing for that dinner comes to x number of dollars, a maximum of 25 percent of whatever the Member has raised may be deducted for expenses. Does that not make sense? I think it does.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. KOCH. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Chairman, I appreciate the gentleman yielding to me. I want to associate myself with his remarks.

As the Members know, in the committee I was the sponsor of the $75,000 amendment. I would like to point out to the members of the committee that we have 435 districts in the United States. There were many figures put forth: $100,000, $125,000, $150,000. I studied all of these figures and thought that I came out with a reasonable figure.

The size of districts are different. Some are concentrated in cities and some have 20 and 40 counties. There is nothing in this law that says a candidate must spend $75,000. If he does not need $75,000 to get elected, he may spend $50,000 or less, but let us not take this on a personal basis per district.

Each Member knows what the needs of his district are. We are trying to cover all of the districts. We are not saying that a candidate must spend $75,000, but we are trying to establish that this is not an incumbency bill, and we are saying to the people who are our opponents, that they can raise $75,000 to spend $75,000 and to run for this high office as a Member of the Congress of the United States.

So, I want to urge my colleagues to vote down the amendment and support the committee.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. KOCH. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, I cannot match the eloquence of my Mediterranean friend from Illinois, but I am delighted to associate myself with his remarks, as well as those of the gentleman from New York (Mr. KOCH), and to oppose this amendment. I see that the gavel is about to fall, and would therefore urge defeat of the amendment.

Mr. HAYS. Mr. Chairman, I would like to make a unanimous-consent request, and would like to explain my reasons for it.

I made a commitment to the leadership that I would try to ask the committee to rise by 5:15 so that the leadership can bring up the television resolution—which may be a moot thing—but they want to bring it up in any case. I was wondering if we could finish debate by sometime around there.

Mr. Chairman, I ask unanimous consent that debate on this amendment close at 5:20.

I do not propose to use any time myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for three-quarters of 1 minute each.

The Chair recognizes the gentleman from New York (Mr. PIKE).

(By unanimous consent, Mrs. MINK yielded her time to Mr. PIKE.)

Mr. PIKE. Mr. Chairman, I have heard so much about the advantages to an incumbent. I want to just tell the Members of my own personal experience. I ran for office the first time, and I spent $7,000. The district happened to be Republican 3-to-1 against me, and I lost by 40,000 votes.

I ran again, and I spent $12,000, and I was elected. It was the same district. It was still 3-to-1 Republican.

People do not vote for incumbents unless they are doing a decent job. They are just as willing to vote against incumbents if they do not think they are doing a decent job.

Nobody in my district says that he voted for Richard Nixon, but says that he voted against GEORGE MCGOVERN.

Mr. Chairman, it is very rarely that I rise in support of an amendment of the gentleman from Georgia or even agree with him philosophically, but the number $42,500 is not there just because it is the salary of a Congressman. It is there because spending $75,000 is just too much money to spend on a congressional campaign.

If I do not need to spend $75,000 in my district, if I can get elected by spending $12,000, and I have never come anywhere near $75,000 in my district, for Heaven's sake, why on Earth should anybody have to spend $75,000?

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON of Missouri. Mr. Chairman, I would like to commend my able friend, the gentleman from Georgia, on his amendment, and I rise in support of it.

I think that the figure of $93,000 for a primary campaign and $93,000 for a general election campaign is an unconscionably high ceiling. I believe that with this type of ceiling, Mr. Chairman, we are opening the door to blatant impropriety and fraud in our elections.

I know that there will be a dramatic increase in campaign spending when we vote public financing, which, though not in this bill at the present time, will surely come. When we have public financing, you can be sure each candidate will utilize the full amount of the ceiling.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. JAMES V. STANTON).

Mr. JAMES V. STANTON. Mr. Chairman, I ran for Congress against a 28-year incumbent, and I spent $38,000, and I beat him. I got 65 percent of the vote in the primary.

If we want a lesson out of Watergate, the lesson ought to be: Cut down the amount of money you spend in a campaign.

I see the leading reformers of this House trying to urge the expenditure of $93,000 in a primary and $93,000 in a general election, and I think that is unconscionable. I do not think the American people want anything other than the reduction of money spent in elections.

Mr. Chairman, I support the amendment offered by the gentleman from Georgia (Mr. MATHIS).

(By unanimous consent, Mr. DENHOLM yielded his time to Mr. DAVIS of South Carolina.)

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina (Mr. DAVIS).

Mr. DAVIS of South Carolina. Mr. Chairman, I rise in support of the amendment.

Mr. MATHIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of South Carolina. I yield to the gentleman from Georgia.

Mr. MATHIS of Georgia. Mr. Chairman, I thank the gentleman from South Carolina, my dear friend, for yielding.

I would like to make one observation as we come to the critical moment of voting on my amendment. That is that none of my so-called liberal reform-minded friends who have risen to oppose this amendment can give me a good reason for their position. That gives me a little cause to pause and wonder about how serious they are about campaign reform.

When these Members go back to their districts and they are stumping among their people this year and they are asked what they did about campaign reform, are they going to tell their people, "I supported a bill that provided for the expenditure of $280,000 by any candidate for Congress in any election year"?

That is simply not campaign reform, I submit.

Mr. Chairman, I thank my friend, the gentleman from South Carolina, for yielding, and I again urge support for my amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. BREAUX).

Mr. BREAUX. Mr. Chairman, I rise in support of the amendment.

I wish to point out that although some Members think this is an incumbent provision, I think that the gentleman from Ohio (Mr. JAMES V. STANTON) is correct when he says that this is plenty of money, that this is enough money.

Mr. Chairman, I urge, again, support for the amendment.

(By unanimous consent, Messrs. HANRAHAN and ANNUNZIO yielded their time to Mr. MICHEL.)

The CHAIRMAN. The Chair recog-

nizes the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, the amendment offered by the gentleman from Georgia (Mr. MATHIS) may very well play well in Albany as it would play well in Peoria, my hometown.

However, I do not think we can take that parochial a view concerning an amendment of this kind. We must look at the effect it would have throughout the balance of the country.

Frankly, if the gentleman would couple his proposal here with one to make fully accountable and reportable every in-kind contribution, then he would be making a real valuable contribution, because in four of the five special elections we held earlier this year there were over $50,000 worth of in-kind unreportable, unaccountable expenditures.

A few weeks ago our friend, SAM YOUNG, who is running against our former colleague, Ab Mikva, up in the suburban district of Chicago challenged Ab to limit his campaign to $100,000. Ab turned him down. Incidentally, there was also another challenge: "Let us not take money from out of State." And Ab turned down this challenge.

The point I am making here, as my good friend, the gentleman from Illinois, has said, is this: It is different in Peoria than it is in the suburban districts of Chicago, New York, or any of the other metropolitan centers of this country.

I personally said at the outset of this debate that I was less than enthusiastic about doing anything with respect to broad, sweeping reform since it is such a difficult job to write this legislation and apply it nationally under different kinds of conditions which do exist throughout this country.

Mr. Chairman, I think the committee is to be commended for taking all of these factors into account and coming up with the figure in this bill, which I personally think is too low, even though I have never spent that much money in my own case. However, I feel I must take a national view, as I think all of us on both sides of the aisle should.

Mr. Chairman, I urge defeat of the amendment offered by the gentleman from Georgia.

Mr. MATHIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Georgia.

Mr. MATHIS of Georgia. Mr. Chairman, I will say to the gentleman that in-kind contributions are covered in this legislation, and the gentleman from Georgia supported those amendments in committee.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I think the point has been well made that what we are dealing with here is a national problem. Many of the Members who have spoken in favor of this amendment reflect their own personal experiences. This is natural. But there are other Members with very different personal experiences. We have to provide a ceiling that is reasonable, that allows challengers in all types of districts throughout the country to make a realistic challenge. That is why this is a national problem, and that is why the committee has proposed a higher figure than had been agreed upon by the committee when the committee considered the last campaign spending regulation bill. The figure reflects a realistic estimate under current circumstances.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. LENT).

Mr. LENT. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Georgia (Mr. MATHIAS).

In the past 2 years, we have seen how big money can corrupt our electoral process. And while some of my colleagues might feel that the spending limit proposed in this amendment is too low, I believe that strong medicine is needed to ensure that the events of the past 2 years are not repeated.

Significantly lower spending limits will have several positive effects. First, they will make candidates conduct campaigns which will put them in constant personal contact with the people. In addition, they will remove the financial barriers which currently stand in the way of the average citizen's ability to run for political office. Most importantly, they will reduce the necessity to accept or become dependent upon money from special interest groups and wealthy contributors.

The average citizen has a great deal of difficulty understanding how candidates can spend $100,000 in 3 months in quest of an office that pays a salary of $42,500 per year. Indeed, it sometimes appears that high political office is for sale, and we must prove to the American people that such is not the case. In 1972, congressional candidates on Long Island spent an average of $45,000 each. For the most part they proved that campaigns can be run on reasonable budgets, and I believe that other candidates throughout the country will find that they, too, can conduct successful campaigns given the same financial restrictions.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska (Mr. THONE).

(By unanimous consent, Mr. THONE yielded his time to Mr. FRENZEL.)

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, the supporters of this amendment seem to assume that we have to spend the $75,000. I have never spent much more than $40,000, nor have my opponents, but there are 435 districts in our country, and they a'l vary.

We have kicked around a lot of different values, some of them indefensible, some of them far too low. I heard in the cloakroom about a colleague running for a statewide office, and he was joking. He lost, and he said that his colleague had committed an unfair campaign practice. I asked him what that was, and he said that his opponent had gone all throughout the State referring to him as "Congressman So-and-So."

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Chairman, there are 435 different congressional districts in the United States, and as we have already observed during the debate, the circumstances under which a campaign is conducted are different in each district.

In my own district, for example, television is very important, because we have three television stations and it is used by most candidates for the House of Representatives. In Cook County, however, it is not used because the cost is prohibitive. That is just one example.

The committee has tried to come up with a reasonable and fair amount and I hope the amendment is rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. FRENZEL).

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I rise in support of the propositions that our Federal election laws are in need of strengthening and what is popularly called reform.

The other body acted early in this Congress on election reform passing a measure in November of last year.

Both that proposal and the proposal we are considering here on the floor recognize the need for reform but they answer that need by injecting the Treasury of the Federal Government into the breech, though in differing degrees.

I have no quarrel with laudable proposals which recognize that moderate Federal support in addition to contributions from the private sector can provide an important and healthy avenue for citizens to participate in the electoral process.

Indeed, a candidate's right to public funds ought to be measured by his ability to obtain grass root support—that includes support from small contributors.

In 1973, I polled the constituents of my district and 1 of the 10 questions I asked was "Should Federal tax dollars be used to finance election campaigns?"

The response that I received was 71.4 percent in the negative. Again, in June of this year, I asked the same question. The response again was overwhelmingly in the negative, 63.1 percent responding "No."

In August, 1973, I introduced my own version of election campaign reform legislation. My bill contains many of the provisions contained in this bill we are now considering. My approach to limiting contributions is, however, designed to make it more attractive to small contributors to participate in the election process. Rather than Federal subsidies, which surely must come from the taxpayer and must be distributed by an

additional layer of Federal bureaucracy with all its attendant expense, I prefer amending the tax laws to increase credit and deduction allowances for limited political contributions thereby encouraging such contributions and preserving freedom of choice in making contributions.

It seems, however, that any proposal amending the tax laws as my bill would do, is inevitably lost in the morass of tax bills piled at the door of the House Ways and Means Committee.

The intent of the 1971 Federal Elections Campaign Act—accountability—is what needs strengthening in my opinion. I shall therefore support the amendments that will be offered by my colleague, Mr. FRENZEL, to establish a more independent administration and enforcement agency. Further, I will support amendments that will be offered by my distinguished colleagues, Messrs. BROWN, BUTLER, DU PONT, MICHEL, ANDERSON, and FRENZEL that would prohibit the pooling of funds and require that contributions be identified as to original donors and that would limit the proliferation of political committees which are designed to circumvent the contribution limitations contained in the bill.

I believe it should be unlawful for any person, other than a candidate, an official national party committee or any official congressional or Senate Campaign Committee to make directly or indirectly contributions or expenditures on behalf of any candidate in any calendar year. One and only one committee should be authorized by a candidate to act for him and in his behalf and that that committee should be held accountable along with the candidate to the independent administration and enforcement agency envisioned by the supporters of the amendment that will be offered.

Because we have experienced flagrant violations of the intent and even the letter of our existing election campaign laws is no reason, to change the good, our time honored system of campaigning for grassroots support, while trying to insure adherence to reasonable standards of decency and integrity. I shall therefore oppose amendments providing for Federal subsidies to congressional candidates.

I commend to my colleagues attention the editorial view of the Christian Science Monitor contained in Tuesday's edition.

One key question to be debated is that of public financing itself. Its supporters (including Common Cause) see it as an effort to reduce the pressure of the pocketbook on candidates, with all the attendant potential for abuse. Its opponents (including a majority of the Senate Watergate committee itself) argue that, in Jefferson's words, "to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors, is sinful and tyrannical." They predict excessive Federal bureaucracy and control in conflict with the First Amendment right of free political expression.

This question deserves the fullest debate. If public financing is accepted, it should apply to all Federal candidates. But it should be recognized that public financing of itself does not necessarily mean political reform. In some European and Asian countries with public financing, there have been problems of unstable coalition governments and influence by special-interest groups representing religions or occupations, for example, rather than money. With or without public financing, campaign reform must extend to party and electoral reform—as well as to that individual integrity without which any legislation must fall short.

Mr. FRENZEL. Mr. Chairman, the statement that was made by the gentleman from Illinois (Mr. ANNUNZIO) really sums up my feelings on this matter. The committee looked into high numbers and looked into low numbers. We tried to accommodate the different circumstances existing in the different districts. In one district it is better to campaign through the mails; in another through television; another in other ways; some direct; some more expensive and some cheaper.

What we tried to do was pick a figure that would not provide our opponent, our challenger, with the right to criticize us for unfairly protecting ourselves.

I think we have found a reasonable figure. In fact, I would like it higher. I think it would be a terrible mistake if we accepted the amendment offered by the gentleman from Georgia (Mr. MATHIAS).

Do not confuse preventing your opponent from having an honest chance with reform. There is no reform in squashing your oppositon before he starts.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. HAYS) to close debate.

Mr. HAYS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. MATHIS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MATHIS of Georgia. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 187, noes 223, not voting 24, as follows:

[Roll No. 459]

AYES—187

Anderson, Calif.	Byron	Dingell
Andrews, N. Dak.	Camp	Dorn
Ashbrook	Carney, Ohio	Dulski
Ashley	Carter	Duncan
Badillo	Chamberlain	Eckhardt
Baker	Chappell	Edwards, Ala.
Bauman	Clancy	Esch
Beard	Clark	Eshleman
Bennett	Clausen, Don H.	Evins, Tenn.
Bevill	Clay	Fisher
Biaggi	Cleveland	Flowers
Bowen	Conlan	Flynt
Bray	Daniels, Dominick V.	Ford
Breaux	Danielson	Fountain
Brinkley	Davis, S.C.	Gaydos
Broomfield	Davis, Wis.	Gettys
Brown, Calif.	Denholm	Gilman
Burke, Fla.	Dent	Ginn
Burlison, Mo.	Devine	Goldwater
Butler	Dickinson	Goodling
		Grasso
		Green, Oreg.
Griffiths	Madigan	Ryan
Gross	Mahon	Sandman
Grover	Martin, Nebr.	Schneebeli
Gubser	Mathis, Ga.	Sebelius
Guyer	Mayne	Shipley
Haley	Melcher	Shoup
Hamilton	Miller	Shriver
Hammer-schmidt	Mills	Shuster
	Mink	Skubitz
Hanley	Mitchell, Md.	Smith, Iowa
Hanrahan	Mollohan	Snyder
Harsha	Montgomery	Spence
Hechler, W. Va.	Moorhead, Calif.	Stanton, J. William
Helstoski	Moorhead, Pa.	Stanton, James V.
Henderson	Morgan	Steed
Hicks	Moss	Steele
Holt	Murphy, Ill.	Steiger, Ariz.
Hosmer	Murtha	Stephens
Huber	Myers	Stubblefield
Hungate	Natcher	Stuckey
Hunt	Nichols	Sullivan
Hutchinson	Nix	Symington
Ichord	Obey	Taylor, Mo.
Jarman	O'Hara	Taylor, N.C.
Johnson, Colo.	Pettis	Thomson, Wis.
Jones, Ala.	Pike	Towell, Nev.
Jones, N.C.	Poage	Traxler
Jones, Tenn.	Powell, Ohio	Ullman
Kastenmeier	Price, Tex.	Vander Veen
Kemp	Quie	Vanik
Ketchum	Quillen	Vigorito
King	Randall	Walsh
Latta	Rangel	Wampler
Leggett	Reuss	Whitten
Lent	Roe	Widnall
Long, Md.	Rogers	Wilson, Bob
Lott	Rooney, Pa.	Winn
Lujan	Roush	Wydler
McClory	Rousselot	Yatron
McEwen	Roybal	Young, Fla.
McKay	Runnels	Young, S.C.
Macdonald	Ruth	
Madden		

NOES—223

Abdnor	de la Garza	Lagomarsino
Abzug	Delaney	Landgrebe
Adams	Dellenback	Lehman
Addabbo	Dellums	Litton
Alexander	Dennis	Long, La.
Anderson, Ill.	Derwinski	Luken
Andrews, N.C.	Donohue	McCloskey
Annunzio	Drinan	McCollister
Archer	du Pont	McCormack
Arends	Edwards, Calif.	McDade
Armstrong	Eilberg	McFall
Aspin	Erlenborn	McKinney
Bafalis	Evans, Colo.	Mallary
Bell	Fascell	Mann
Bergland	Findley	Maraziti
Biester	Fish	Martin, N.C.
Bingham	Flood	Mathias, Calif.
Blackburn	Foley	Matsunaga
Blatnik	Forsythe	Mazzoli
Boggs	Fraser	Meeds
Boland	Frelinghuysen	Metcalfe
Bolling	Frenzel	Mezvinsky
Brademas	Frey	Michel
Breckinridge	Froehlich	Milford
Brooks	Fulton	Minish
Brotzman	Fuqua	Minshall, Ohio
Brown, Mich.	Giaimo	Mitchell, N.Y.
Brown, Ohio	Gibbons	Mizell
Broyhill, N.C.	Gonzalez	Moakley
Broyhill, Va.	Green, Pa.	Nedzi
Buchanan	Gude	Nelsen
Burgener	Gunter	O'Brien
Burke, Calif.	Hanna	O'Neill
Burke, Mass.	Harrington	Owens
Burleson, Tex.	Hastings	Parris
Burton, John	Hawkins	Passman
Burton, Phillip	Hays	Patman
Casey, Tex.	Hébert	Patten
Cederberg	Heckler, Mass.	Pepper
Clawson, Del	Heinz	Perkins
Cochran	Hillis	Peyser
Cohen	Hinshaw	Pickle
Collier	Hogan	Preyer
Collins, Ill.	Holtzman	Price, Ill.
Collins, Tex.	Horton	Pritchard
Conable	Howard	Railsback
Conte	Hudnut	Rees
Conyers	Johnson, Calif.	Regula
Corman	Johnson, Pa.	Reid
Cotter	Jones, Okla.	Riegle
Coughlin	Jordan	Rinaldo
Crane	Karth	Roberts
Cronin	Kazen	Robinson, Va.
Culver	Kluczynski	Robison, N.Y.
Daniel, Dan	Koch	Rodino
Daniel, Robert W., Jr.	Kuykendall	Roncalio, Wyo.
	Kyros	Roncallo, N.Y.

Rose	Studds	Wilson,
Rosenthal	Symms	Charles H.,
Rostenkowski	Talcott	Calif.
Roy	Thompson, N.J.	Wilson,
Ruppe	Thone	Charles, Tex.
St Germain	Thornton	Wolff
Sarasin	Tiernan	Wright
Sarbanes	Treen	Wyatt
Satterfield	Udall	Wylie
Schroeder	Van Deerlin	Wyman
Seiberling	Veysey	Yates
Sikes	Waggonner	Young, Alaska
Sisk	Waldie	Young, Ga.
Smith, N.Y.	Ware	Young, Ill.
Staggers	Whalen	Young, Tex.
Stark	White	Zablocki
Steelman	Whitehurst	Zion
Steiger, Wis.	Wiggins	Zwach
Stratton	Williams	

NOT VOTING—24

Barrett	Hansen, Idaho	Rarick
Brasco	Hansen, Wash.	Rhodes
Carey, N.Y.	Holifield	Rooney, N.Y.
Chisholm	Landrum	Scherle
Davis, Ga.	McSpadden	Slack
Diggs	Mosher	Stokes
Downing	Murphy, N.Y.	Teague
Gray	Podell	Vander Jagt

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. HAYS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 16090) to impose overall limitations on campaign expenditures and political contributions; to provide that each candidate for Federal office shall designate a principal campaign committee; to provide for a single reporting responsibility with respect to receipts and expenditures by certain political committees; to change the times for the filing of reports regarding campaign expenditures and political contributions; to provide for public financing of Presidential nominating conventions and Presidential primary elections; and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. HAYS. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks and include extraneous matter on the bill under discussion today (H.R. 16090).

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

DISCHARGING COMMITTEE ON THE JUDICIARY FROM CONSIDERATION OF S. 2201 AND REFERRING SENATE BILL TO COMMITTEE ON PUBLIC WORKS

Mr. DONOHUE. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from the consideration of the Senate bill (S. 2201) to provide for the settlement of damage claims arising out of certain actions by the United States in opening certain spillways to avoid flooding populated areas, and that it be rereferred to the Committee on Public Works.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TELEVISION AND RADIO BROADCAST OF PROCEEDINGS OF THE HOUSE OF REPRESENTATIVES

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 802 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 802

Whereas clause 33 of rule XI of the Rules of the House of Representatives provides for coverage by television and radio broadcast of committee hearings which are open to the public; and

Whereas there is no provision in said rules for coverage by television and radio broadcast of proceedings in the House Chamber, except that such coverage is prohibited by the ruling of previous Speakers of the House; and

Whereas it is probable that there will be brought to the floor of the House for its consideration the question of the impeachment of the President of the United States; and

Whereas the question of the impeachment of the President is of such historic and national importance as to command the keen interest of every American throughout the Nation; and

Whereas television and radio facilities are available to broadcast throughout the Nation the historic proceedings in the Chamber of the House on the question of the impeachment of the President; and

Whereas it is in the national interest that the historic debate be broadcast by radio and television facilities throughout the Nation: Now, therefore, be it

Resolved, That, notwithstanding any ruling or custom to the contrary, the proceedings in the Chamber of the House of Representatives on any resolution to impeach the President of the United States may be broadcast by radio and television facilities.

SEC. 2. The Speaker of the House of Representatives is authorized to appoint a committee of five members, including the majority and minority leaders, to provide such arrangements as may be necessary in connection with such broadcast.

With the following committee amendment:

Strike out all after the resolving clause and insert:

That, notwithstanding any rule, ruling, or custom to the contrary, the proceedings in the Chamber of the House of Representatives relating to the resolution reported from the Committee on the Judiciary, recommending the impeachment of Richard M. Nixon, President of the United States, may be broadcast by radio and television and may be open to photographic coverage, subject to the provisions of section 2 of this resolution.

SEC. 2. A special committee of four members, composed of the majority and minority leaders of the House, and the majority and minority whips of the House, is hereby authorized to arrange for the coverage made in order by this resolution and to establish such regulations as they may deem necessary and appropriate with respect to such broadcast or photographic coverage: *Provided, however*, That any such arrangements or regulations shall be subject to the final approval of the Speaker; and if the special committee or the Speaker shall determine that the actual coverage is not in conformity with such arrangements and regulations, the Speaker is authorized and directed to terminate or limit such coverage in such manner as may protect the interests of the House of Representatives.

Mr. MADDEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker. House Resolution 802 provides that the proceedings in the Chamber of the House of Representatives relating to the resolution reported from the Committee on the Judiciary, recommending the impeachment of Richard Nixon, President of the United States, may be broadcast by radio and television and may be open to photographic coverage. House Resolution 802 provides for a special committee of four Members, the majority and minority leaders of the House of Representatives and the majority and minority whips of the House of Representatives, to arrange for the radio, television, and photographic coverage. Their arrangements shall be subject to the final approval of the Speaker of the House. If the special committee or the Speaker shall determine that the actual coverage is not in conformity with the promulgated arrangements and regulations, the Speaker is authorized to terminate the coverage in a manner consistent with the interests of the House of Representatives.

On July 22, the Committee on Rules recommended, and the House approved, House Resolution 1107, introduced by the gentleman from Utah (Mr. OWENS) providing for a change in the Rules of the House of Representatives to allow broadcasting of committee meetings. The Committee on the Judiciary's proceedings relating to the impeachment of President Richard Nixon were broadcast and the people of the United States were given an opportunity to view the proceedings in their entirety.

It is now appropriate that under the terms of House Resolution 802 the American people be allowed to observe the House of Representatives consideration of articles of impeachment against Richard Nixon, President of the United States. The praiseworthy manner in which the Committee on the Judiciary conducted its meetings on impeachment is one of the strongest arguments that can be advanced for broadcasting the House debate on impeachment.

The American public and the Members of this body owe a debt of gratitude to the gentleman from Illinois (Mr. YATES), the author of House Resolution 802 and who for the last 6 months has shared his views on this matter of vital importance with the Members of Congress, the media, and the public. He is to be commended for perseverance, persistence, diligence, and good judgment.

Mr. Speaker, broadcasting of the House of Representatives impeachment proceedings will present to the American people the factual charges and arguments in a more complete and totally different perspective than from the printed media. Broadcasting and pho-

tography will complement the coverage by the printed media. The electronic media are part of today's life. It must be allowed to broadcast in its entirety the most important issue of our time—the debate in the Chamber of the House of Representatives concerning the articles of impeachment against Richard Nixon, President of the United States. I respectfully urge the adoption of House Resolution 802.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I will inform my good friend, the chairman of the committee, the gentleman from Indiana (Mr. MADDEN), that I agree with every word he said about this resolution. I support it.

Just let me commend my good friend, the gentleman from Illinois, for his foresight and his good judgment and also his perseverance in seeing to it that this resolution was brought before the Committee on Rules and now before the House for its consideration.

I would just like to mention that the resolution provides for a very good committee composed of 4 members, the majority leader, the minority leader, the majority whip, and the minority whip.

The regulations shall be subject to the final approval of the Speaker, and I am sure that the Speaker will see to it that if and when these proceedings are televised, we will have gavel-to-gavel coverage.

We will have no commentary, and we will have no commercials. I think this is most important.

I, for one, from all reports that we have had on the coverage of the Committee on the Judiciary, would like to commend the networks for their coverage of those proceedings. I think we have received nothing but praise for the way they have handled the coverage.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding.

Is it clearly understood that the arrangements and the regulations promulgated by the special committee of four Members will deal exclusively and only with the television and radio coverage of the House proceedings?

Mr. LATTA. It also takes care of photographic coverage. There is some provision for still cameras, as I understand it, and that is the reason the language appears on page 2, lines 16 and 17: "and may be open to photographic coverage."

Mr. GROSS. Well, is it clearly understood that these arrangements and regulations will apply only to photographic coverage and to television and radio coverage and will not go to regulations governing the Members of the House of Representatives?

Mr. LATTA. Mr. Speaker, that is my understanding.

Mr. GROSS. Mr Speaker, I thank the gentleman.

Mr. MILFORD. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman from Texas.

Mr. MILFORD. Mr. Speaker, I thank the gentleman for yielding.

Do I understand the gentleman to say that there will be a prohibition against commercials during the broadcasting of these proceedings?

Mr. LATTA. That is correct.

Mr. VAN DEERLIN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I will be happy to yield to the gentleman from California.

Mr. VAN DEERLIN. Mr. Speaker, in addition to the ban on commercials, I understood the gentleman from Ohio to say that there would be a ban on commentaries?

Mr. LATTA. Mr. Speaker, let me say to the gentleman from California that they will follow the same procedure that they followed at the time the hearings in the Committee on the Judiciary were being televised.

I think that they restricted themselves very well. We have no complaints, or I at least have no complaints.

Mr. VAN DEERLIN. Mr. Speaker, if the gentleman will yield further, I agree that while the Committee on the Judiciary handled itself in a manner that has reflected credit on the full House, it seemed to me that the network coverage of those proceedings was also of the highest order. The gentleman has cited radio and television coverage of the Committee on the Judiciary as an example of what we seek to achieve. I judge then, that the gentleman would not seek to impose a gag rule against any explanatory efforts by network personnel, in the same manner as was done at the committee hearings.

Mr. LATTA. That is a matter that will be taken up by the committee, and will have the final approval of the Speaker. I am sure that whatever regulations they come up with will meet the approval of the House.

Mr. VAN DEERLIN. The gentleman from Ohio is the only one who said there was going to be a ban on commentaries.

Mr. LATTA. May I just suggest to the gentleman from California that I had reference to the time prior to the Committee on the Judiciary hearings being held. At that time we said we did not want somebody saying that this was Mr. Such-and-So, or this is Mr. So-and-So, and he is going to say such and such, and that we rather interpret his remarks as such and such.

I think—and I am expressing my own personal opinion—that every Member of this House knows what he is attempting to say in the well of the House without somebody telling the American people what he is saying.

Mr. VAN DEERLIN. If the gentleman will yield still further; the gentleman, I am sure, can recognize that in radio coverage of the hearings, where there is no possibility for visual identification or for any announcement on the screen, it is necessary for a radio anchor man to indicate who is speaking when a Member's voice comes in.

The gentleman would not want to reduce that kind of coverage, would he?

Mr. LATTA. Absolutely not.

Mr. VAN DEERLIN. I just think it is important while we are taking this step, to make certain that we are not establishing, as the sense of Congress, that we wish to impose any restrictions over camera coverage, or voice coverage of these proceedings that were not present in the Judiciary Committee broadcasts.

Mr. LATTA. Let me just mention to the gentleman from California that there will be some restrictions on the camera coverage. As I understand, there will be only three cameras, and they will be focused on the tables here, on the well, and on the Chair.

Mr. VAN DEERLIN. Does the gentleman mean that this has been decided upon already?

Mr. LATTA. It was pointed out before the Committee on Rules that that was the understanding. They are not going to be panning the entire Chamber, and they will not be panning the galleries. They will be focused on these tables here, in the well, and on the Chair.

Mr. VAN DEERLIN. Will the gentleman yield still further?

Mr. LATTA. I will be happy to.

Mr. VAN DEERLIN. Mr. Speaker, I would say to the gentleman from Ohio that that is not set forth in the resolution.

Mr. LATTA. I am telling the gentleman what the understanding is.

Mr. VAN DEERLIN. It makes it a little difficult for some of the Members to know what is going on, inasmuch as we appear to be creating a new committee to determine these important details.

Mr. GROSS. Mr. Speaker, if the gentleman will yield, does the gentleman know whether we will have these floodlights on, and that we will have to live with those floodlights on for some 24 hours a day?

Mr. LATTA. The question arose at the time of the hearings before the Committee on the Judiciary being televised as to whether or not the lights would be on high for them, or on dim. If you want to appear in color you will have to have the bright lights.

Mr. GROSS. I do not care to appear in living color.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, with respect to the question that was raised by the gentleman from California, I spoke to the Speaker a few moments ago, and the regulations respecting the televising will be worked out between the broadcasting companies and the committee that is to be appointed under this resolution.

The primary coverage as pointed out by the gentleman from Ohio will be in the well and on the committee table. But the Speaker has indicated that will not be the total coverage; that in order to have the same kind of coverage that we had during the Committee on the Judiciary proceedings, it left the Speaker momentarily out. But the fact remains that the committee is going to insist upon no coverage of Members of the House which will demean them or demean the conduct of the House.

Mr. VAN DEERLIN. Mr. Speaker, will the gentleman yield for one final comment?

Mr. LATTA. I yield to the gentleman from California.

Mr. VAN DEERLIN. I thank the gentleman for yielding.

Whether this House is demeaned or not depends a great deal more on the Members of the House than it does on the network coverage of the House. I would surely express the hope that we will continue to place faith in the advice given by Thomas Jefferson that if he had a choice between a free press and government—one without the other—he would have no hesitation in choosing the free press.

Mr. MADDEN. Mr. Speaker, I yield 5 minutes to the author of the resolution, the gentleman from Illinois (Mr. YATES).

Mr. YATES. I thank the gentleman for yielding.

Mr. Speaker, I want only to say that I want to pay my tribute to the members of the Committee on the Judiciary for having conducted themselves as superbly as they did. There were many in the House who feared that before the television cameras Members of the House who were on that committee would resort to histrionics or demagogic behavior. I think that the members of the committee proved that there is a high quality of representation in this House, and that before the television cameras they projected their eloquence, they projected their intelligence, and they projected their conduct throughout the country. Theirs was the highest quality of representation.

Mr. ROSENTHAL. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. ROSENTHAL. I appreciate the gentleman's yielding.

I wonder if the gentleman would want to speculate on what chances he thinks there are that these proceedings would in fact come into being, and that there will be a televising?

Mr. YATES. I will tell the gentleman what the Speaker said. He said we cannot act on the basis of rumor, and that if we have to proceed with this debate, it is going to take place.

Mr. ROSENTHAL. This resolution would only cover these particular events?

Mr. YATES. That is correct, I will say to the gentleman.

I will say to the House that this will be a historic first. Never before have the proceedings of the House, beyond the proceedings of opening day up to the time of the swearing in of Members, ever been broadcast.

Mr. Speaker, I feel that the debate on this resolution, if such debate takes place, will be of the same high quality that marked the debate in the House in the proceedings before the Committee on the Judiciary.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

I certainly agree with the comments that he makes about the gravity of the situation, how serious it is, how the Members ought to have a chance to be involved, how the people of America ought to have the opportunity to see firsthand what we are doing and how we are doing it.

I will say to the gentleman that I intend to support this resolution, but I also intend to see that the Members of the House participate in this, and that they will be here whether it is televised or not. I just want to put them on notice that should we reach the point during these very, very important debates where there is not a quorum present, I intend to use the rules of the House to guarantee that a quorum does remain present.

Mr. YATES. That is the gentleman's privilege, may I say to the gentleman.

Mr. Speaker, I yield back the balance of my time.

Mr. MADDEN. Mr. Speaker, I might recommend that the leaders on both sides of the aisle might, at the beginning of each House session, inform the millions of people who will be listening in that the work of the Members of Congress consists of many duties including attending committee meetings and also office work.

About 80 percent of a Congressman's time is confined to detail work apart from his presence in the House Chamber.

Mr. LATTA. Mr. Speaker, the question has come up here and I hope after we pass this resolution and the committee has been formed they will decide against having any photographic equipment in the Speaker's Lounge. The question has come up whether or not as the Members leave the Chamber and then go out into the Speaker's Lounge there will be photographic equipment. Certainly the committee and the Speaker can take care of this problem.

GENERAL LEAVE

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 802.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. MADDEN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. LANDGREBE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 385, nays 25, not voting 24, as follows:

[Roll No. 460]

YEAS—385

Abdnor	Anderson, Ill.	Armstrong
Abzug	Andrews, N.C.	Ashbrook
Adams	Andrews, N. Dak.	Ashley
Addabbo	Annunzio	Badillo
Alexander	Archer	Bafalis
Anderson, Calif.	Arends	Baker
Beard	Ford	Mayne
Bell	Forsythe	Mazzoli
Bennett	Fountain	Meeds
Bergland	Fraser	Melcher
Bevill	Frelinghuysen	Metcalfe
Biaggi	Frenzel	Mezvinsky
Biester	Frey	Michel
Bingham	Froehlich	Milford
Blackburn	Fulton	Miller
Blatnik	Fuqua	Mills
Boggs	Gaydos	Minish
Boland	Gettys	Mink
Bolling	Giaimo	Minshall, Ohio
Bowen	Gibbons	Mitchell, Md.
Brademas	Gilman	Mitchell, N.Y.
Bray	Ginn	Mizell
Breaux	Goldwater	Moakley
Breckinridge	Gonzalez	Mollohan
Brinkley	Grasso	Moorhead, Calif.
Brooks	Green, Oreg.	Moorhead, Pa.
Broomfield	Green, Pa.	Morgan
Brotzman	Griffiths	Mosher
Brown, Calif.	Grover	Moss
Brown, Mich.	Gubser	Murphy, Ill.
Brown, Ohio	Gude	Murtha
Broyhill, N.C.	Gunter	Myers
Broyhill, Va.	Guyer	Natcher
Buchanan	Haley	Nedzi
Burgener	Hamilton	Nelsen
Burke, Calif.	Hammer-schmidt	Nix
Burke, Fla.	Hanley	Obey
Burke, Mass.	Hanna	O'Brien
Burleson, Tex.	Hanrahan	O'Hara
Burlison, Mo.	Harrington	O'Neill
Burton, John	Hastings	Owens
Burton, Phillip	Hawkins	Parris
Butler	Hays	Patman
Byron	Hechler, W. Va.	Patten
Camp	Heckler, Mass.	Pepper
Carney, Ohio	Heinz	Perkins
Carter	Helstoski	Pettis
Casey, Tex.	Hicks	Peyser
Cederberg	Hillis	Pickle
Chamberlain	Hinshaw	Pike
Chappell	Hogan	Powell, Ohio
Clancy	Holt	Preyer
Clark	Holtzman	Price, Ill.
Clausen, Don H.	Horton	Price, Tex.
Clawson, Del	Hosmer	Pritchard
Clay	Howard	Quie
Cleveland	Huber	Quillen
Cochran	Hudnut	Railsback
Cohen	Hungate	Randall
Collier	Hunt	Rangel
Collins, Ill.	Jarman	Rees
Conable	Johnson, Calif.	Regula
Conlan	Johnson, Colo.	Reid
Conte	Johnson, Pa.	Reuss
Conyers	Jones, Ala.	Riegle
Corman	Jones, N.C.	Rinaldo
Cotter	Jones, Okla.	Roberts
Coughlin	Jones, Tenn.	Robinson, Va.
Crane	Jordan	Robison, N.Y.
Cronin	Karth	Rodino
Culver	Kastenmeier	Roe
Daniel, Dan	Kazen	Rogers
Daniel, Robert W., Jr.	Kemp	Roncalio, Wyo.
	Ketchum	Roncalio, N.Y.
Daniels, Dominick V.	King	Rooney, Pa.
	Kluczynski	Rose
Danielson	Koch	Rosenthal
Davis, S.C.	Kyros	Rostenkowski
Davis, Wis.	Lagomarsino	Roush
de la Garza	Landrum	Rousselot
Delaney	Latta	Roy
Dellenback	Leggett	Roybal
Dellums	Lehman	Runnels
Denholm	Lent	Ruppe
Dent	Litton	Ruth
Derwinski	Long, La.	Ryan
Devine	Long, Md.	St Germain
Dingell	Lujan	Sandman
Donohue	Luken	Sarasin
Dorn	McClory	Sarbanes
Drinan	McCloskey	Satterfield
Dulski	McCollister	Schneebeli
Duncan	McCormack	Schroeder
du Pont	McDade	Sebelius
Eckhardt	McEwen	Seiberling
Edwards, Ala.	McFall	Shipley
Edwards, Calif.	McKay	Shoup
Eilberg	McKinney	Shriver
Erlenborn	Macdonald	Sikes
Esch	Madden	Sisk
Eshleman	Madigan	Slack
Evans, Colo.	Mahon	Smith, Iowa
Evins, Tenn.	Mallary	Smith, N.Y.
Fascell	Mann	Snyder
Findley	Maraziti	Spence
Fish	Martin, Nebr.	Staggers
Flood	Martin, N.C.	Stanton, J. William
Flowers	Mathias, Calif.	Stanton, James V.
Flynt	Mathis, Ga.	
Foley	Matsunaga	

Stark	Towell, Nev.	Winn
Steed	Traxler	Wolff
Steele	Treen	Wright
Steelman	Udall	Wyatt
Steiger, Wis.	Ullman	Wydler
Stephens	Van Deerlin	Wylie
Stratton	Vander Veen	Wyman
Stubblefield	Vanik	Yates
Stuckey	Veysey	Yatron
Studds	Vigorito	Young, Alaska
Sullivan	Waldie	Young, Fla.
Symington	Walsh	Young, Ga.
Symms	Wampler	Young, Ill.
Talcott	Ware	Young, S.C.
Taylor, N.C.	Whalen	Young, Tex.
Thompson, N.J.	White	Zablocki
Thomson, Wis.	Whitehurst	Zion
Thone	Widnall	Zwach
Thornton	Williams	
Tiernan	Wilson, Bob	

NAYS—25

Collins, Tex.	Hutchinson	Skubitz
Dennis	Ichord	Steiger, Ariz.
Dickinson	Landgrebe	Taylor, Mo.
Fisher	Lott	Waggonner
Goodling	Montgomery	Whitten
Gross	Nichols	Wiggins
Harsha	Passman	Wilson,
Hébert	Poage	Charles, Tex.
Henderson	Shuster	

NOT VOTING—24

Aspin	Hansen, Idaho	Rooney, N.Y.
Barrett	Hansen, Wash.	Scherle
Brasco	Holifield	Stokes
Carey, N.Y.	Kuykendall	Teague
Chisholm	McSpadden	Vander Jagt
Davis, Ga.	Murphy, N.Y.	Wilson,
Diggs	Podell	Charles H.,
Downing	Rarick	Calif.
Gray	Rhodes	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Murphy of New York with Mr. Aspin.

Mr. Teague with Mr. Barrett.

Mr. Rooney of New York with Mr. McSpadden.

Mr. Gray with Mr. Rarick.

Mr. Davis of Georgia with Mr. Vander Jagt.

Mrs. Chisholm with Mrs. Hansen of Washington.

Mr. Carey of New York with Mr. Hansen of Idaho.

Mr. Diggs with Mr. Holifield.

Mr. Downing with Mr. Kuykendall.

Mr. Podell with Mr. Stokes.

Mr. Charles H. Wilson of California with Mr. Scherle.

The result of the vote was announced as above recorded.

The preamble was stricken.

A motion to reconsider was laid on the table.

HISC'S DUAL FILING SYSTEM

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, I should like to bring to the attention of our colleagues a matter related to the functioning of the House Internal Security Committee. On February 1, 1974, at the request of Nat Hentoff, a well-known author and columnist for the Village Voice, I wrote to Chairman RICHARD H. ICHORD requesting that he furnish me Mr. Hentoff's file kept by the committee for transmittal to him. In due course, on February 12, I received a letter and enclosure containing, as the chairman put it, "information found in a search of committee indices concerning Mr. Nat Hentoff" and forwarded that material on to him.

I had occasion to see Mr. Hentoff, who was a participant with me in a seminar conducted by the Roscoe Pound American Trial Lawyers Foundation in Cambridge, Mass., June 7–8, 1974, on the subject of the right to privacy. He told me that he had been informed that HISC maintains two sets of dossiers on those that the committee considers to be of political interest, with one set being available upon request to the subject of the data file and the other not.

On July 3, I wrote to Chairman ICHORD bringing this information to his attention and asking whether it was accurate. I also asked that if in fact two sets of files were maintained on Mr. Hentoff, the information in the undisclosed file be provided for transmittal to Mr. Hentoff.

On July 18, I received a response from Chairman ICHORD in which he confirmed the existence of the two files and denied access to Mr. Hentoff or to me on his behalf, to the second file.

I bring this matter to the attention of our colleagues because I suspect that most of them like myself, were unaware of the separate filing systems maintained by the committee. And I believe the disclosure demonstrates the need to implement either the Hansen report which would place the function of internal security within the jurisdiction of the Judiciary Committee or the Bolling report which would place it within the Government Operations Committee.

The correspondence follows:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., February 1, 1974.

RICHARD H. ICHORD,
Chairman, Internal Security Committee, Washington, D.C.

DEAR MR. CHAIRMAN: I have been requested by Nat Hentoff, who has had some dealings with your Committee, to obtain access for him to the file on him maintained by your Committee. Would you permit him to see his file or alternatively, if you would not do so, allow me to view the file and report its contents to him. I believe that contents of the files maintained by your Committee should be available for inspection by the respective individual on whom the file is maintained, to, at the very least, make certain that errors are corrected and explanations where necessarily provided.

If I understood you correctly when we discussed the files of the Committee, sometime ago, they contain no independent inquiry on the part of the Committee, but consist of a collection of news clippings and other public documents concerning the particular individual. If that is so, what harm could there be in providing Mr. Hentoff and anyone else similarly affected with access to these "biographical materials"?

I would appreciate your advising me as to whether access could be arranged, and if not, why not.

All the best.

Sincerely,

EDWARD I. KOCH.

COMMITTEE ON INTERNAL SECURITY,
Washington, D.C., February 12, 1974.

Hon. EDWARD I. KOCH,
U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN KOCH: In response to your letter of February 1, 1974, I have enclosed information found in a search of Committee indices concerning Mr. Nat Hentoff.

Sincerely yours,

RICHARD H. ICHORD,
Chairman.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., February 22, 1974.

Hon. RICHARD H. ICHORD,
Chairman, Committee on Internal Security, Washington, D.C.

DEAR MR. CHAIRMAN: I want to acknowledge with thanks your letter of February 12th and the enclosure.

Sincerely,

EDWARD I. KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 3, 1974.

Hon. RICHARD H. ICHORD,
Chairman, Internal Security Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: You will recall your providing, at my request, the HISC file on Nat Hentoff, a writer for the Village Voice and a constituent of mine.

Mr. Hentoff now advised me that he has ascertained that HISC "has two sets of dossiers on everyone they consider to be of sufficient political interest to maintain a file on;" one set being the information you furnished to me; the other set having as Mr. Hentoff put it, "a lot more 'raw' information to use the argot of the secret police, and thereby a lot more damaging information—unchecked, unverified."

I am writing to you to ask whether Mr. Hentoff's information on the two sets of files is accurate; and if in fact two sets do exist, I would appreciate your providing me with the undisclosed file including all the raw, unverified data contained therein for examination by Mr. Hentoff. Since it concerns him, I believe he should be made aware of it. You will recall that on a prior occasion you advised me that the HISC files merely contain information culled from public sources such as newspapers. If there has been a change in the procedure, or if I did not understand you clearly on the nature of these files, I would be most obliged if you would provide me with what, in fact, the HISC files consist of.

Sincerely,

EDWARD I. KOCH.

COMMITTEE ON INTERNAL SECURITY,
Washington, D.C., July 18, 1974.

Hon. EDWARD I. KOCH,
House Office Building, Washington, D.C.

DEAR ED: This is in response to your letter of July 3, received July 8.

I do recall providing you with a report of information found in a search of committee indices regarding Nat Hentoff, and I recall further that in the village Voice of March 7, 1974, Mr. Hentoff stated that you had "persuaded" me to send it to you. As you know, no persuasion was necessary. You made your request routinely, and we responded routinely and promptly.

Mr. Hentoff's column was filled with inaccuracies and misleading statements, and I have no reason to think that he would do otherwise with any further information which we might be able to furnish concerning him. However, that is not why I must deny his request, through you, for additional information.

The committee does maintain two types of files. One type is sometimes referred to as the "public" files. This does not mean that the public is free to browse among them. It simply means that these files consist of material from public sources. Such material could be found independently by any good researcher, and there is nothing secret about it, either in its content or in our methods of obtaining and processing it. In response to written requests from Members, the committee's reference service prepares reports based upon information in these public sources.

Like any other investigative body, this committee necessarily has files which contain lead material and confidential information. Material in these "investigative" files is not used for general reference purposes, and it is available only to key staff members—for investigative purposes, and as a basis for determining the need for hearings. I hardly think I need to point out that, because of the nature of these files, it is essential to maintain their confidentiality, and to prevent misuse of any information therein, by strictly denying access to all persons except the few key people who have immediate responsibility for investigations and hearings. Mr. Hentoff would have you and the public believe that this "raw" material is freely disseminated. This is not the case; moreover, neither I nor other members of the committee have direct access to these files.

Being an investigative committee, we necessarily record information regarding individuals, because the organizations whose activities we are concerned with are made up of individuals; however, the purpose of our investigations is to discover the facts regarding subversive organizations, to serve as a basis for legislation, rather than to assemble "dossiers" on individuals. In fact, whatever reports are compiled on individuals usually result from requests, such as yours in February, from Members of Congress who desire such information. Under normal procedure, it is only then that a folder is set up on the individual, as a repository for the Member's letter and the ensuing report of our findings.

I personally do not know what information, if any, relating to Mr. Hentoff may be in the investigative files of the committee. Disregarding Mr. Hentoff's penchant for publishing information from and about the committee, along with this inevitable diatribe, I believe you will understand the untenable position the committee would be placed in were I to set a precedent of releasing confidential information, even for private use.

If you have not had occasion to do so, you may be interested in reading the enclosed extract from "Cannon's Procedure in the House of Representatives" concerning committee papers. As you will note, the right of a committee to preserve secrecy of papers and proceedings has been sustained by Federal court.

Sincerely,

RICHARD H. ICHORD,
Chairman.

CANNON'S PROCEDURE IN THE HOUSE OF REPRESENTATIVES

(By Clarence Cannon)

COMMITTEE PAPERS

Each committee shall keep complete records of committee actions including votes on any question on which record vote is demanded (§ 735; 61 Stat. 367).

Noncurrent "records of Congress" are transferred to National Archives at end of session (§ 932; 61 Stat. 367).

The files of a committee are under the jurisdiction of the chairman subject to the direction of the committee. No officer or employee shall permit access to committee papers or furnish copy of papers in the committee files without authorization (III, 2663). Clerks may not produce committee records, even in response to legal process, except on formal authorization by the committee (VIII, 2496). Committees sometimes make their clerks custodians of their papers, allowing access even to their own members by express permission of the committee only (IV, 4577, 4578). Right of committee to preserve secrecy of papers and proceedings sustained by Federal court (Union v. General Electric, 127 F.S. 134, November 18, 1954). Official stenographers furnish transcripts of testimony before committees only on written authorization of the chairman of the committee (VIII, 3459).

Bills and papers referred to a committee are delivered to the clerk of the committee in the committee room (§ 403), and the House has investigated delay in the transmission of a paper to a committee (VI, 371).

The papers and files of a subcommittee are in the exclusive custody of the subcommittee and access thereto may not be demanded by a member of the committee who is not a member of the subcommittee pending its report to the committee en banc (IV, 4577).

On final adjournment of Congress, clerks of committees are required to deliver to the Clerk of the House bills and other papers referred to the committee during the Congress (V, 7260).

JULY 29, 1974.

NAT HENTOFF,
25 Fifth Avenue,
New York, N.Y.

DEAR NAT: Enclosed is a copy of the letter that I have received from Chairman Ichord and my response sent to all Members of his Committee. With your permission, I would like to put the entire correspondence in the CONGRESSIONAL RECORD Wednesday, August 7.

Sincerely,

EDWARD I. KOCH.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., July 30, 1974.

DEAR COLLEAGUE: I would like to bring to your attention a situation concerning your Committee and the records which it keeps which I believe to be important. First some background. At the request of Nat Hentoff, a noted author and writer for the Village Voice, I requested of Chairman Richard Ichord the information contained in the files of your Committee concerning Mr. Hentoff. Material was sent to me by the Chairman with his letter of July 18 and I transmitted that material to Mr. Hentoff.

Subsequently, Mr. Hentoff informed me that he had learned that the Committee maintained two files, one semi-public and the other secret. I wrote to Chairman Ichord on July 3 in which I advised him of Mr. Hentoff's allegation concerning the two files and the request that if two files existed he provide me with the information in the undisclosed file on Mr. Hentoff, again at his request.

I received a response from Chairman Ichord dated July 18 in which he advised me that there are indeed two files, one available to Members, based upon information from public sources. He went on to say however, that there is a second "investigative" file available only to key staff members. In that letter he says, ". . . neither I nor other Members of the Committee have direct access to these files."

I am writing to ascertain whether you concur in the maintenance of such files—indeed whether the existence of the second file system is known to you. And further whether you would not consider supporting a change in your Committee procedures so as to make these two files available to the subject of the dossier upon his request. The House Internal Security Committee is not intended to be a law enforcement agency. The information contained in its files is intended as the Chairman himself puts it, "to serve as a basis for legislation, rather than to assemble 'dossiers' on individuals."

A copy of the correspondence that I have had with the Chairman follows. I would appreciate having your comments on this matter.

Sincerely,

EDWARD I. KOCH.

1972 BANKING AND CURRENCY COMMITTEE INVESTIGATION INTO THE WATERGATE AFFAIR

The SPEAKER pro tempore (Mr. MCFALL). Under a previous order of the House, the gentleman from Texas, Mr. PATMAN, is recognized for 60 minutes.

Mr. PATMAN. Mr. Speaker, decisions of the Judiciary Committee have once again called attention to the inquiries conducted by the Banking and Currency Committee into various aspects of the Watergate case during the summer and fall of 1972.

Much new information about the efforts to stop this investigation and to "screw it up," as the President describes it, has come to light in the release of the tapes of White House conversations on September 15 between the President, H. R. Haldeman, and John Dean. This tape establishes the deep concern which the White House had about this ongoing inquiry and outlines a variety of steps which the White House planned to set in motion to prevent the investigation from proceeding.

Mr. Speaker, it is reasonable to assume that additional information and evidence on these activities will be forthcoming as additional tapes and transcripts are released and as testimony is presented in various trials.

Some opponents of article one, as proposed by the Judiciary Committee, have attacked the Banking and Currency Committee investigation as a "political fishing expedition." Others have, incorrectly, contended that no inquiry took place, only a stated intention by the chairman to conduct an investigation. There have been other attacks, but the fact is that no meaningful investigation has been attempted at any point in this case without bitter opposition developing. Wherever these investigations have come up, whether in the Banking Committee, the Senate Watergate Committee, or the Judiciary Committee, outlandish attacks have been leveled. And by now I suspect that the Congress and the public are able to place these verbal excesses in context.

Since these questions have come up, I feel that it is important that the record be kept straight. However, it is my intention to leave the basic evidence and documentation of this particular area to the House Judiciary Committee when it brings its impeachment articles to the floor. They have done a magnificent job of developing the evidence to date and it is not my intention to interfere or to move into their arena in any way.

But, addressing my remarks to what did happen in the Banking and Currency Committee in 1972, let me state to the House that our efforts had broad-based support in the committee—albeit, in the end, not a majority—let me also state that the preliminary inquiries and reports which were conducted under the rules of the committee were beneficial and contributed substantially to the development of the facts at that time. I regret greatly, and I know this is shared by a great number of members of the commitee, that we could not do more and I still feel that there are many areas

which the committee should look into after the current impeachment questions are cleared away.

Mr. Speaker, I also want to emphasize that this effort was not limited to the chairman of the committee but was a joint undertaking by a number of members of the committee who felt that we should look into major issues clearly under the jurisdiction of the committee—issues very closely related to banking and financial matters which the committee had looked into in the past. During the summer of 1972, these issues were discussed informally among many members of the committee and Representatives HENRY REUSS and HENRY GONZALEZ were particularly emphatic about the need of the committee to take a look at the use of foreign bank accounts in the furtherance of the schemes of the Committee to Re-Elect the President.

As early as June 22—shortly after the breakin at the Democratic headquarters at the Watergate—I wrote to Dr. Arthur Burns, Chairman of the Federal Reserve Board, in an attempt to secure as much information as possible on the currency which was found on the burglars. As the House knows, the banks are required to maintain certain records of currency transactions and the Federal Reserve Board has the means of tracing the bills issued by its District banks. Unfortunately, the Federal Reserve Board Chairman declined the request which went forth from both myself and Senator PROXMIRE and this avenue of inquiry was cut off.

However, our interest in this case expanded as information came to light later in the summer that huge sums of money had apparently entered the country from a Mexican banking institution and that these drafts had been negotiated through at least four separate commercial banks in the United States. It became readily apparent that the money had traveled through the banking systems of both Mexico and the United States with the ultimate receipts—or at least part of it—ending up in the bank account of Bernard Barker, who has since been convicted as one of the burglars in Watergate.

With mounting reports of widespread use of the banking systems in the United States and Mexico and the transfer of huge blocs of currency, the need for at least a preliminary inquiry into the issues became more apparent. This was particularly true in view of the fact that the Banking and Currency Committee, in 1968, 1969, and 1970, had spent a great deal of time investigating the transfer of United States capital to bank accounts in other nations and growing law enforcement problems associated with these massive exports of currency.

This 3-year effort, which was carried on with the assistance of Robert Morgenthau, then U.S. attorney for the Southern District of New York, culminated in the passage of legislation which became Public Law 91-508—the so-called Foreign Bank Secrecy Act.

In mid-August, Representative REUSS expressed further concern about various aspects involving the export of capital and the Foreign Bank Secrecy Act and on August 17, I instructed the staff of the Banking and Currency Committee to review the entire question and to make a report to me on the feasibility of conducting a full-scale investigation. To carry out this preliminary inquiry, I instructed the staff to conduct limited interviews of some of the principals in the case and to gather whatever documents were available concerning areas under the jurisdiction of the committee. It was my feeling that such preliminary information would give the committee guidance on what, if any, areas demanded a full-scale investigation.

In carrying out my instructions under the rules of the committee, the staff availed themselves of information gathered by the General Accounting Office in its investigation of campaign law violations alleged against the Committee to Re-Elect the President and its subsidiaries. In addition, the staff interviewed a number of persons including those in the district attorney's office in Miami, Fla.; banking officials in Florida who had knowledge of the transfer of funds in that State; Maurice Stans, the chairman of the Finance Committee to Re-Elect the President; officials of the Pennzoil Co. of Houston, Tex., who received and transported large sums of funds to the Finance Committee to Re-Elect the President including the Mexican bank drafts and attorneys for officials of the Texas and Southwest divisions of fundraising efforts being carried on in behalf of the President. These preliminary inquiries raised serious questions clearly under the jurisdiction of the committee. It also revealed apparent conflicts between different officials in the campaign organization as to the raising of funds, particularly those involved in the Mexican bank drafts.

In addition to the $89,000 from Mexico, investigators had discovered another $25,000 in the Bernard Barker bank account which appeared to have been the proceeds of a $25,000 cashiers check drawn on the First Bank and Trust Co. of Boca Raton, Fla., and payable to Kenneth H. Dahlberg, who was then the chairman of the Minnesota Finance Committee to Re-Elect the President. It was later learned that this money was in reality a contribution that had originally been made in cash by Dwayne Andreas, a Minneapolis, Minn., businessman and banker.

The next month, Mr. Andreas applied to the Comptroller of the Currency for a new national bank charter in the Minneapolis area. Mr. Dahlberg was also on the same application for the charter and the charter was later granted by the comptroller in what appeared to be unusually quick time. This matter was looked into extensively by the staff during this preliminary inquiry.

Mr. Speaker, this report along with a subsequent report revealed much new information about the campaign operations and made it all the more clear why full-scale investigations were needed. Mr. Speaker, I want to place in the RECORD at this point two news articles, one written by Bob Woodward and Carl Bernstein of the Washington Post and a second by Dick Barnes and H. L. Schwartz III of the Associated Press concerning this first preliminary report:

[From the Washington Post, Sept. 13, 1972]

REPORT CRITICAL OF STANS—SECRET FUND SHIFT KNOWN; PROBE LIKELY

(By Bob Woodward and Carl Bernstein)

Maurice H. Stans, the finance chairman of President Nixon's re-election campaign, personally approved the secret—and perhaps illegal—transfer of campaign funds through Mexico, according to a confidential report by the House Banking and Currency Committee staff.

The 58-page report also asserts that Stans changed his story about the Mexican funds during the course of interviews and correspondence with Committee investigators.

At first, says the report, Stans, former Secretary of Commerce, denied having knowledge about the transfer of some $100,000 in campaign funds through Mexican banks, and then later admitted that he had been told of the transfer.

On the basis of the Banking and Currency Committee report, which is highly critical throughout of the Nixon campaign's bookkeeping, Committee Chairman Wright Patman (D-Tex.) announced last night that he will ask his Committee to conduct full public hearings into Republican campaign funds linked to the Watergate bugging case.

The report also says that Texas fundraisers took $700,000 to Washington in an oil executive's suitcase on April 5, just two days before the stricter campaign disclosure law took effect.

The report says the $700,000 was carried to the headquarters of the Committee for the Re-election of the President by Roy Winchester, vice president of public relations for the Pennzoil United Corp.

Included were four Mexican checks totaling $89,000, which has been traced to the Miami bank account of one of the five men arrested inside Democratic National headquarters at the Watergate here on July 17.

In addition, the suitcase contained $11,000 in cash from Mexico. Most of the remaining $600,000 was raised in Texas, the report said.

A copy of the report, compiled by the House Committee staff over the last four weeks, was obtained yesterday by The Washington Post.

In a highly critical section of the report titled "The shifting positions of Maurice Stans," the report says that Stans "repeatedly' denied any knowledge of the transfer of campaign funds through Mexico.

These denials took place in an interview with staff members on Aug. 30, according to the report.

However, the report says that William Liedtke, president of Pennzoil and chief Southwest fund-raiser for Mr. Nixon, told the staff investigators that he got approval for the Mexican transaction on April 3.

The transaction "had been cleared by Stans," the report says.

"Faced with the obvious conflicts between the Stans and Liedtke versions and with growing reports of more than $89,000 crossing the Mexican-Texas border," Patman then wrote Stans on Aug. 31, the report says.

Stans, former Secretary of Commerce, replied on Sept. 5, saying that he now recalled that on April 3 he had been "informed by our Texas chairman (Robert H. Allen) of a possible contribution of $100,000 in U.S. funds in Mexico."

The report also charges that "it is difficult to reconcile" Stans' statements with President Nixon's assertions at an Aug. 29 press conference when the President said:

"We have cooperated completely. We have indicated that we want all the facts brought out . . . We want the air cleared. We want it cleared as soon as possible."

Spokesmen for the Nixon re-election committee have repeatedly denied that any more

than $89,000 of their campaign contributions moved through Mexico.

Last night, a Committee spokesman said that Stans has not yet seen the Banking Committee report and thus could offer no immediate comment.

The report also says that a bank charter was granted by the Federal Reserve Board "in an unusually rapid time—88 day" to a syndicate headed by Dwayne Andreas, the Minnesota investor whose $25,000 contribution to the Nixon campaign also was eventually deposited in the bank account of one of the Watergate suspects.

The Banking and Currency Committee staff determined that the bank charter was issued with unusual speed, "particularly considering the fact that the shopping center in which the bank is to be located has not been constructed and apparently the bank could not be ready for banking operations until 1974 or 1975.

Because of the unusual haste in granting the charter, the report says, the matter should be investigated by the Committee.

In a covering letter with the report, Rep. Patman said: "It appears that the Committee to Re-Elect the President and its allied groups are willing to go to any lengths to conceal the identity and the origins of these checks.

"We do not know whether these funds were raised in the United States or Mexico and we do not know whether they are the type of funds which could be legally contributed to or received by a political committee," Patman said.

"Indications are that $100,000 came out of Mexico in one chunk and it is reasonable to question whether or not additional sums traveled these same routes," he said.

The report says the money that moved through Mexico would represent illegal contributions if the funds came from foreign nationals, who are banned from contributing to U.S. campaigns. However, the Committee said it was unable to determine who the money came from because Stans and other Nixon committee officials refused to disclose the source.

Last night, Patman said in a telephone interview that he was disappointed that a copy of the staff report had leaked out.

Patman said he will request his Committee to open full public hearings.

He said that he will also ask the Committee to subpoena Stans and John N. Mitchell, the head of the Nixon committee until July 1.

"I feel that most (Committee) members will vote for the subpoenas because they will feel it is their duty," Patman said.

"This should be regarded as a preliminary report based on limited inquiries undertaken by the staff under my instructions," Patman said. "It is not intended as an A to Z answer to the complex questions raised concerning the Watergate case."

Meanwhile, U.S. District Court Judge Charles R. Richey said yesterday that he is seriously considering dismissing the Democratic Party's Watergate bugging suit because the lawyers for the Democrats missed a filing deadline.

Although Harold Ungar, one of the Democrat's lawyers, argued in a hearing before Richey yesterday that missing the deadline was a minor matter in the civil suit, Richey said that he considered the issue "a very serious matter."

The focus of the discussion was a motion filed Aug. 31 by Henry Rothblatt, attorney for the five men charged in connection with the June 17 break-in at the Democratic National Committee headquarters in the Watergate office building.

Rothblatt's motion asked the suit to be dismissed on the grounds that Lawrence F. O'Brien, named as the principal plaintiff in the suit, no longer was chairman of the Democratic National Committee and had suffered no personal loss or damage as a result of the break-in.

The motion also challenged O'Brien's representation on behalf of all registered Democratic voters across the country.

Lawyers for the Democrats were given until Sept. 11 to respond to the motion. Rather than responding, Ungar attempted Monday to file an amended version of the suit, adding new defendants, additional details and attempting to meet some of the shortcomings of the original suit pointed out in Rothblatt's motion.

The U.S. District Court clerk refused to accept the amended version without an order from Richey permitting it. The amended version, along with the request for Richey's permission to file it was filed yesterday with the clerk—one day after the deadline.

During yesterday's hearing, Richey cited a rule of the District Court that if a party to a case fails to file an answer to a motion "within the prescribed time, the court may treat the motion as conceded." Rothblatt argued that since the Democrats failed to respond to his motion to dismiss, they had conceded.

In the meantime, Edward Bennett Williams, one of the Democrats' lawyers, took the ninth deposition in the suit yesterday from Hugh W. Sloan Jr., former treasurer of the Committee for the Re-election of the President.

Lawyers for both sides were given until Sept. 18 to file briefs with Richey on whether the suit should be dismissed or not. Richey promised a ruling by Sept. 20.

MEXICO "BUGGING" MONEY RUSHED FROM TEXAS

(By Dick Barnes and H. L. Schwartz III)

WASHINGTON.—Money from Mexico linked to the Watergate affair was part of $700,000 in secret Nixon campaign gifts stuffed into a suitcase and rushed to Washington in an oil company plane last spring, according to a confidential House staff report.

The document, distributed Tuesday night to members of the House Banking Committee, also said a Southwestern fund raiser for the President's campaign had contradicted denials of involvement with the Mexican transactions by chief Nixon fund raiser Maurice H. Stans.

Committee investigators said they were unable to determine if the money—$100,000 in all—actually came from Mexicans or from U.S. citizens living in that country.

But they said that on the surface it appeared the money was from foreign nationals and, if that is true, accepting it is a violation of U.S. banking laws.

The 58-page report, compiled during the past several weeks, both adds to the bizzare developments in the Democratic headquarters bugging case and vividly describes last-minute efforts by Nixon fund raisers to beat the April deadline of a new elections law requiring full disclosure of campaign donors.

Despite a stern warning by committee Chairman Wright Patman, D-Tex., against releasing the report to newsmen, a copy was obtained by columnist Jack Anderson who made it available to The Associated Press.

Sen. George McGovern has seized on the bugging case and the question of an anonymous $10 million contributed to Nixon before the new law took effect April 7, making them a major issue in his campaign for president.

A new disclosure in the report is that a total of $100,000 came from Mexico. Previously it was known that $89,000 linked to the Watergate affair was made up of four checks drawn on a Mexican bank.

Patman told committee members in a covering letter:

"The $89,000 of Mexican bank checks which went into the Republican campaign and then into the account of Bernard Barker, one of the suspects in the Watergate burglary, raises tremendous questions for the committee.

"It appears that the Committee to Re-Elect the President and its allied groups are willing to go to any lengths to conceal the identity and the origins of these checks."

It has previously been learned that the four checks drawn on the Mexican bank passed through the hands of Stans and other Nixon committee officials, then wound up in Barker's Miami bank account.

But the report provides the first account to challenge the original contention of Stans and he knew nothing about transfer of the funds which came from or passed through Mexico.

Patman's investigators said they questioned Stans Aug. 30 and that he denied knowledge of the transfer of any campaign funds to Mexico. If funds were transferred, Stans said, these were decisions of contributors seeking anonymity. In that interview, he did not mention his conversation with Liedtke, the investigators said, despite numerous opportunities.

The report gives this account:

In late March and early April, a group of Nixon fund raisers in Texas, headed by William Liedtke, president of the Pennzoil Corp., were collecting contributions in the Southwest.

Liedtke told committee investigators he was approached by Robert Allen, president of Gulf Resources and Chemical Co., in Houston and Texas fund-raising chairman for Nixon, who told Liedtke he could "raise United States money in Mexico" for the campaign.

Liedtke told investigators he talked by telephone April 3 with Stans to find out if there were any legal problems with obtaining such funds from Mexico.

Liedtke said Stans told him he would check. That afternoon on the following morning, Stans told Liedtke it was "okay to bring the money to Washington," Liedtke told the investigators.

Liedtke then told Allen that Stans had cleared the plan to obtain money through Mexico.

On April 5, a messenger brought a large pouch to Liedtke's Pennzoil office in Houston and opened it in the presence of Liedtke and Roy Winchester, a Pennzoil vice president.

The agent deposited four checks totaling $89,000 from Banco International of Mexico City and 110 one-hundred dollar bills on Liedtke's desk. The checks were made out to Manuel Ogarrio Daguerre, a Mexican attorney who represented Allen's company in Mexico. Winchester said they were endorsed.

The agent asked for a receipt but didn't get one. Winchester and Liedtke told investigators that "in the fund-raising business you don't deal in receipts."

Soon after the agent left, the cash and checks were packed in a suitcase with other funds collected by the fund raisers. Winchester said the suitcase held about $150,000 in cash and $550,000 in checks and negotiable stock certificates.

Late that afternoon, less than 36 hours before the new federal law would go into effect, the Pennzoil officials, said the report, "gathered up the $700,000 and took it to the Houston Airport to a waiting Pennzoil Company plane. Accompanying this bundle of Republican contributions were Winchester and another Pennzoil employe, Peter Mark, described by Liedtke as 'young and strong' and whose job it was to ride 'shotgun' on the funds."

Arriving in Washington late that night, Winchester and Mark went to the Nixon finance committee offices near the White House and turned the money over to Hugh W. Solan Jr., then committee treasurer.

Prodded by a Patman letter, Stans wrote the committee Sept. 5 that he recalled being

"informed by our Texas chairman of a possible contribution of $100,000 in U.S. funds in Mexico."

The report said he also changed his figure on Mexican money from $89,000 to $100,000 between Aug. 30 and Sept. 5.

The report says Liedtke's statements "would appear to indicate participation by Stans in events involving the Mexican transactions, and it would appear difficult for Stans to have obtained legal opinions without knowledge of some details of the planned transactions."

The report says Stans told investigators he did not believe the $89,000 in checks actually were contributions by the Mexico City lawyer but money from others.

The investigators, however, said they could find no records to show whose money it was—and that Stans said at one point there were no circumstances under which the names would be released and later that he didn't know the identities.

Noting the Mexico City lawyer's endorsements on the checks and the absence of donors' names, the report raised the question of whether the contribution was from a Mexican national, and thus illegal.

The committee had asked Stans to testify at a hearing this Thursday, but he refused.

In another bugging case development Tuesday, a federal judge delayed until Sept. 20 a ruling on technical questions involved in a civil suit brought by Democrats against the bugging suspects and others. Meanwhile he suspended the taking of depositions by both sides.

After these discoveries by the staff, I sought the voluntary cooperation of Maurice Stans, as the chief fund-raising agent for the President and asked that he testify before the committee along with Phillip S. Hughes, who headed up the elections unit of the General Accounting Office. However, Mr. Stans refused this request and it quickly became apparent that the committee would need subpena power if it were to proceed with an investigation.

Many members of our committee and, judging from our mail, large numbers of the American people, wanted answers to the questions that had been raised by the committee report and by the continuing revelations coming forth from a variety of quarters. And as the Washington Post on October 3, 1972 said—the day that I sought a vote in the Banking and Currency Committee on subpenas:

> . . . That is why the decision taken today by Mr. Patman's committee is, in its own way, a critical test of how far we have gone in this process of corrosive disillusionment, how free we still are, how responsible we are capable of being. It was Mr. Patman's committee staff, after all, which looked into the Watergate matter and first raised in a formal way a number of real questions about the conduct and character of Mr. Nixon's re-election campaign. We have subsequently asked many of those questions here in these columns and we will not go over that ground again today. It is enough for now to note that the questions are of great magnitude, and that they go to the heart of our governmental processes.

As this House knows, these questions were not answered in 1972, but were left to fester as the coverup grew. The vote in the committee was 20 to 15 against carrying on a full-scale investigation and issuing subpenas.

Mr. Speaker, I want to place in the RECORD my statement to the committee on that date as well as the list of persons and institutions we attempted to subpena and my closing statement:

OPENING STATEMENT OF CHAIRMAN WRIGHT PATMAN, HOUSE BANKING AND CURRENCY COMMITTEE, TUESDAY, OCTOBER 3, 1972

This morning the Committee will decide whether to meet its responsibility to investigate those aspects of the Watergate case that fall under the jurisdiction which has been assigned us by the House of Representatives.

It is clear that both the domestic and foreign banking systems were widely utilized to transfer and conceal large campaign contributions which have become involved in the Watergate affair.

We know that at least $100,000 was exported and/or imported from Mexico and that at least $89,000 of Mexican checks went through the Finance Committee to Re-Elect the President and ended up in the Miami bank account of Bernard Barker, one of the persons indicted in the Watergate burglary.

We also know that another $25,000 contribution which involved two applicants for a Federal bank charter—Dwayne Andreas and Kenneth Dahlberg—also passed through the Finance Committee to Re-Elect the President and on to the same bank account in Miami. We also know that this particular bank charter was granted by the Comptroller of the Currency under what appear to be unusual procedures.

This Committee, of course, sounded the alarm nearly four years ago about the growing use of foreign bank channels—and the international transfers of cash—to further tax evasion, drug traffic, stock manipulation and other criminal activities in the United States. We had bi-partisan support in investigating these cases and the Foreign Bank Secrecy Act passed this Committee on a 35 to 0 vote and went through the House on an unanimous vote.

It would now seem strange if this Committee were to ignore the international transfer and concealment of massive campaign contributions which may have been used to finance the greatest political espionage case in the history of the United States. Surely our concern is no less simply because this particular use of foreign bank accounts may have involved leading political figures.

This is a serious case—one which goes right to the heart of our system of Government. The charges and allegations have touched high levels of our Government, reaching right into the White House and involving former members of President Nixon's Cabinet.

In light of the seriousness of these charges—and their reflection on the integrity of our Governmental and political processes—it is reasonable to expect these officials to come forward with the facts. Many of them have issued carefully worded denials through their attorneys and through the Republican campaign apparatus, and I would think that these gentlemen would welcome an opportunity to present the facts in an open forum.

In fact, the President of the United States—Richard Nixon—on August 20 conducted a nationally-televised press conference to explain the Watergate affair, and at that time he called for an airing of the facts. I quote:

"What really hurts in matters of this sort is not the fact that they occur, because overzealous people in campaigns do things that are wrong. What really hurts is if you try to cover it up. . . . We have indicated that we want all the facts brought out . . . This kind of activity, as I have often indicated, has no place whatever in our political process. We want the air cleared. We want it cleared as soon as possible."

The hearings we are asking for in this Committee would do exactly what the President told the American public he wanted done—"clear the air."

But, since the President's televised statement, his campaign functionaries have done everything possible to prevent this Committee from proceeding. The President's own finance chairman, Maurice Stans, refused to appear voluntarily in an open session of this Committee, and others connected with the campaign have done everything possible to avoid questions about the case. It is obvious that there will be no "clearing of the air" unless this Committee issues subpoenas and conducts open hearings.

Faced with the obvious contradictions of the President's August 29 press conference, some—including the President's Justice Department—have claimed in recent days that the opposition to the hearings is based solely on a concern for the rights of the seven indicted by the Federal Grand Jury on September 15. Concern for the defendants' rights is proper, and I am not going to criticize newly-found converts to the cause of civil liberities.

The tracing of the wanderings of these campaign monies through foreign countries and back into the United States; the investigation of a "quickie" bank charter; the determination of how the banking systems were used to conceal these massive transfers of funds; and the other financial aspects do not directly involve the charges in the indictments against the seven defendants.

The grand jury, for its own reasons, chose to deal only with the questions concerning the break-in at the Watergate and the immediate eavesdropping aspects of the case. As the Members of this Committee know, the grand jury did not deal with the broader questions involving the finances and there is no reason why these hearings cannot be conducted without prejudicing the rights of any of these defendants. It is my intention to conduct them—and I am sure this is the intention of all Members of the Committee—in a careful manner to avoid impinging of the criminal cases already underway.

The Delaney case and other cases which have been cited in the attempt to block this investigation simply do not apply to the kind of situation that is before the Committee today and I have attached a memorandum to my statement outlining why this is clearly so.

This last-minute concern being expressed about the defendants' rights is, in my opinion, nothing more than a smokescreen to hide the real reasons why some people do not want these hearings to proceed.

Somewhere along the line I hope we will hear some voices raised about the rights of the American people to know the facts—the full facts—about this sordid case. Some people will shout "politics" and I want to remind them that we do have a political process by which we select our leaders in this nation. It is a proud process—an integral part of our entire system and it should be preserved.

The people have a fundamental right to select their leaders—their President—unhindered by criminal subversion of the political process. Totalitarian governments often engage in the harassment of opposition political parties through espionage and other means, but this has no place in our system.

It has been suggested that the Committee should wait and conduct these investigations at some later date. All of us are aware of the stories which have appeared in the Washington Post in recent days describing the hurried efforts to destroy records and to obstruct those seeking the facts.

If these hearings are delayed until after the election and until these political committees are dissolved and their personnel scattered, the American people will never have the facts. We either act now or we simply come up with meaningless shreds of paper and a long list of witnesses who can no longer be found.

But there are other more important facts to consider about the timing of these hearings. In a national election the American people—the voters—are the jury and it is proper—and essential—that the jury have the facts before it renders its verdict. The people who are opposing immediate hearings seem to be saying "let the jury render its verdict first and then we will tell them what actually happened."

The issues here today are not complicated. The Members of this Committee will either vote to give the American people the facts—all the facts—about this political espionage or they will shut the door—possibly for all times—on this sorry affair.

RESOLUTION

Resolved, That the Committee on Banking and Currency authorizes the Chairman to use all necessary and proper means within the Rules of the House of Representatives and the rules of the Committee on Banking and Currency, including the use of subpoena power, to compel the attendance of the witnesses specified in section 2 and the production by such witnesses of all books, records, minutes, memoranda, correspondence and other related documents and materials which will enable the Committee to fully investigate the extent to which—

(1) financial institutions and foreign financial arrangements were used in providing or facilitating the collection of funds for the Committee to Re-Elect the President or any affiliate fundraising entities;

(2) contributions to the Finance Committee to Re-Elect the President were involved in the application for, or granting of, a charter of any institution governed or regulated or under legislation which is within the jurisdiction of this Committee;

(3) any such funds were involved in the commission of illegal acts, if any; and

(4) the import or export of foreign or domestic monies were used in the funding of the Finance Committee to Re-Elect the President;

in order to determine whether legislative proposals, the subject matter of which is in the jurisdiction of this Committee, should be initiated. The use of subpoena power shall be authorized to obtain only such books, records, minutes, memoranda, correspondence and other pertinent documents and materials and the attendance and testimony of witnesses from the Committee to Re-Elect the President, its officers, officials, and directors, both past and present, as well as from all parties to such funding and financial transactions mentioned above, only so long as they are relevant to the transactions, and from institutions, within the jurisdiction of this Committee.

SEC. 2. Subpoenas under this resolution shall issue to—

(1) Robert Allen;

(2) American Telephone & Telegraph Company and all Federal and State licensed telephone companies, including:

Chesapeake & Potomac Telephone Company of Washington

Chesapeake & Potomac Telephone Company of Maryland

Chesapeake & Potomac Telephone Company of Virginia

Southwestern Bell Telephone Company of Houston, Texas

Southern Bell Telephone Company of Miami, Florida;

(3) Dwayne Andreas;

(4) Alfred Baldwin;

(5) Paul Barrick;

(6) Records relating to the Mexican transfer of campaign funds in the possession of appropriate Federal Reserve Banks and the Internal Revenue Service;

(7) John Caulifield;

(8) Arden Chambers;

(9) Maury Chotiner;

(10) Chase Manhattan Bank;

(11) Continental Illinois Bank and Trust Company of Chicago;

(12) Kenneth H. Dahlberg;

(13) John Dean;

(14) Edward Failar;

(15) Finance Committee to Re-Elect the President and other committees related thereto;

(16) Financial institutions which have in the past or in the present maintained accounts for the Finance Committee to Re-Elect the President or related committees, including:

National Savings and Trust Company of Washington

First National Bank of Washington

Riggs National Bank

American Security and Trust Company;

(17) First City National Bank of Houston;

(18) First National Bank Building, 1701 Pennsylvania Avenue, N.W.;

(19) First National City Bank of New York;

(20) Harry Fleming;

(21) Sally Harmony;

(22) Gulf Resources and Chemical Corporation and all its subsidiaries;

(23) Frederick La Rue;

(24) Clark MacGregor;

(25) Jeb Stuart Magruder;

(26) Robert C. Mardian;

(27) John N. Mitchell;

(28) Robert Odle;

(29) Herbert L. Porter;

(30) Ectore Reynaldo;

(31) Republic National Bank of Miami;

(32) Hugh W. Sloan;

(33) Maurice H. Stans;

(34) The Bank of America;

(35) William Timmons;

(36) The Watergate Hotel, 2600 Virginia Avenue, N.W., Washington, D.C.;

(37) Watergate Office Building, 600 New Hampshire Avenue, N.W., Washington, D.C.;

(38) Watergate East Apartments, 2500 Virginia Avenue, N.W., Washington, D.C.;

(39) Watergate South Apartments, 700 New Hampshire Avenue, N.W., Washington, D.C.;

(40) Watergate West Apartments, 2700 Virginia Avenue, N.W., Washington, D.C.

SEC. 3. The Chairman of this Committee is authorized to take all necessary and proper action, as provided under H. Res. 114, adopted by the House March 2, 1971, and in his capacity as Chairman, to implement the provisions of this resolution and facilitate such investigation.

STATEMENT OF CHAIRMAN WRIGHT PATMAN, HOUSE BANKING AND CURRENCY COMMITTEE FOLLOWING COMMITTEE VOTE ON WATERGATE, TUESDAY, OCTOBER 3, 1972

The vote here this morning is a disappointment for all Americans . . . a disappointment for everyone except those with a self-interest in concealing the facts.

But this is just one inning in a battle to lay these facts before the American people. The battle is far from over and all the White House pressure in the world won't prevent the facts from coming out.

The American people—in my opinion—will not tolerate this massive cover-up. They will not tolerate a President using his political party to raise funds for political espionage. The American people are a powerful jury, and I predict they will weigh this cover-up very carefully in the coming weeks.

This concealment of the facts—as voted by the Committee this morning—was engineered by the White House and by the same people who engineered the laundering of funds in Mexico and the other transactions which have come to light in connection with this Watergate affair.

If the American people demand it, I am convinced that this Administration, the President and his Republican Party are going to have to make the facts available. The people have rights and they have a right to have their political processes protected and not subverted.

I predict that the facts will come out, and when they do I am convinced they will reveal why the White House was so anxious to kill the Committee's investigation. The public will fully understand why this pressure was mounted.

Mr. Speaker, I am confident that this investigation, if it had been carried forward, would have uncovered much of the Watergate facts and would have prevented the massive cover-up efforts which took place in the ensuing months. This colloquy between Sam Dash and John Dean during the hearings of the Senate Watergate Committee are instructive:

Mr. DASH. "Now, if all those witnesses had been called by the Patman committee at the time those hearings were going to be held and had answered according to the subpena, what in fact was the concern of the White House."

Mr. DEAN. "Well, if those hearings had been held, there is a good chance these hearings would not be held today, because I think that would have unraveled the coverup."[1]

After additional evidence was uncovered by the Washington Post indicating even more widespread activities, I again called a committee meeting and sought voluntary testimony from four witnesses: John Mitchell, John Dean, Maurice Stans and Clark MacGregor. John Dean refused to come on the grounds that the President had invoked "executive privilege" and the other three declined on advice of counsel. However, the Members attending that meeting on October 12—the second meeting—agreed that the staff should continue to attempt to collect information on this case. A second staff report was issued on October 31 and it revealed new information about the movement of the Mexican money and revealed for the first time that the campaign had also received money from Luxembourg.

This second report also dealt extensively with efforts to discover the movement of currency in the campaign and detailed the activities of Walter T. Duncan, who at that time was the largest single contributor to the Finance Committee to Re-Elect the President. This second report also discussed extensively the manner in which the accounts had been maintained at the Finance Committee to Re-Elect the President and with various banks, as well as payments to a variety of White House personnel and expenditures involving the activities of James McCord and Alfred Baldwin. The report also revealed apparent attempts

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[1] "Presidential Campaign Activities of 1972, Senate Resolution 60," Hearings before the Select Committee on Presidential Campaign Activities of the U.S. Senate, 93d Cong., 1st session; "Watergate and Related Activities: Phase I, Watergate Investigations," Book 4, Page 1566, June 29, 1973.

to monitor bank accounts of Members of Congress.

Mr. Speaker, I place in the RECORD a copy of a Los Angeles Times article concerning this report:

REPORT LINKS FOREIGN ACCOUNT TO NIXON FUND: HOUSE BANKING STUDY DISCLOSES $30,000 CLEARED THROUGH LUXEMBOURG INSTITUTION

(By Robert L. Jackson)

WASHINGTON.—President Nixon's campaign organization received at least $30,000 through a secret bank account in Luxembourg last spring, the House Banking and Currency Committee said Tuesday.

A staff study on the break-in at and alleged bugging of Democratic headquarters last June, released by committee Chairman Wright Patman (D-Tex.), called it "reasonable to assume that the total amount (from foreign bank accounts) is substantially higher."

Committee investigators, in an earlier report Sept. 12, detailed how $100,000 was channeled through Mexico to the Committee for the Reelection of the President. These funds, part of which wound up in the Miami bank account of one of the bugging suspects, were from a donor or donors who wished to remain anonymous, authorities said.

The new study said that bank debit memorandums and copies of transfers involving Washington and Philadelphia banks "show that President Nixon's campaign received at least $30,000 through the Banque Internationale a Luxembourg in late March and early April."

TEN MILLION DOLLARS EARLIER

The Nixon committee has acknowledged receiving about $10 million in campaign gifts before April 7, the date a new federal election disclosure law took effect, GOP officials have declined to disclose the names of these donors on ground they were not yet covered by the new law.

A spokesman for the Nixon committee called the congressional report "a vicious document" and "a dishonest collection of innuendo" aimed at shoring up the presidential candidacy of Democratic Sen. George S. McGovern.

The spokesman said he could not answer specific points raised in the report "until we have read it in its entirety."

The Patman committee did not identify the U.S. banks involved in the Luxembourg transfers, nor did it allege that the funds were connected with the bugging attempt at Democratic national headquarters in the Watergate complex.

"The Committee to Reelect the President has successfully hidden the names of the donors of these additional foreign checks," the report said.

"As a result, we do not know the circumstances under which funds reached the United States, but in light of the revelations involving the Mexican transfers this is obviously fertile ground for investigation."

Patman did not say what law he believed was violated by the Luxembourg bank transfers. He has previously emphasized, however, that it is a federal violation for a foreign national to contribute to a U.S. presidential campaign. And he has said that the Nixon committee has not identified the sources of funds coming from the Mexican bank accounts.

Patman, who twice sought in vain to obtain majority approval of his committee for subpoena power and full hearings on the Watergate case, said in a covering letter that he would again push for a full probe of these banking transactions after Congress reconvenes next January.

The banking committee study, in which investigations for the General Accounting Office assisted, charged that GOP financial records were marked by "inaccuracies, omissions and improper recording of receipts."

In addition, the report said, "The evidence . . . indicates possible violations of federal laws and regulations involving bank record-keeping."

Among "discrepancies" in the Nixon committee records or the ledgers of its banks, according to the report:

—A balance of $2 million in GOP funds at one bank last April 7, "whereas the books of the reelect committee showed a balance of $2.8 million."

—Crediting a $305,000 contribution from Texas rancher W. T. Duncan, although Duncan's gift was a promissory note worth only $294,799 when the Nixon committee sold it to a Washington bank.

—Depositing $250,447 "to an account of a nonexistent political committee."

The Patman committee said it believes the Nixon campaign actually collected $15 million to $20 million from unidentified donors before April 7, rather than the $10 million acknowledged by Republican officials.

NO SUBSTANTIATION

In addition, the report charges—but fails to substantiate—Hugh W. Sloan Jr., former Nixon campaign treasurer, once considered a plan "to monitor the personal bank accounts of public officials."

The report quotes an unidentified Democratic friend of Sloan's as saying Sloan "told me that he had a call . . . from someone who indicated they could monitor the deposits of Democratic senators and congressmen to learn of any illegal campaign financing that might go through personal accounts."

Sloan refused to talk to congressional investigators, and the banking committee—without subpoena power—could not compel his testimony, the report said.

THE RURAL TELEPHONE USER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT), is recognized for 5 minutes.

Mr. TALCOTT. Mr. Speaker, I view with deep concern the trend in the communications industry for independent companies to develop and sell equipment for selective interconnection to the Bell System. The end result of this practice may well be the abandonment of the traditional pricing system for telephone service.

For years the telephone companies have provided service to the individual homeowner at a rate that was below the actual cost of the service. They were able to provide this "subsidy" because the commercial service provided to the large business users provided a sufficiently high profit margin to help support the home phone service.

The public utility theory for telephone service was akin to the postal service. Services so basic as telephone and mail should be provided for almost all citizens at approximately similar prices regardless of where in America they happen to live or operate a business.

In recent years we have seen the proliferation of competing services provided by outside companies for interconnection to telephone company lines and equipment. The telephone company subscribers believe that there are two distinct dangers to be considered. The first is that these companies are "skimming the cream" from the big city high volume business subscribers. The ultimate result must be an increase in rates to the residential, rural, low volume subscribers. So far neither the Bell System nor the governments have a complete economic study of this development, but they can point to the experience of South Central Bell. That company contends that the $5.90 per month which residential subscribers pay for local service would nearly double if it were not for augmenting revenue from higher profit business services.

Such a large increase in telephone rates in our State or area could cause undue economic hardship on all residential telephone users, but it would fall heaviest on those who can least afford it, and who also most need their telephones. The aged and the shutins, particularly in rural areas, count on the telephone for keeping in touch and for summoning help in emergencies. Many live on fixed incomes, and if their rates were doubled many would be forced to give up telephone service entirely. Increased rates would also bear unfairly on those with low incomes who have come to depend upon having a telephone available.

In our part of the country homes are much more widely separated than in the big cities and the phone company has to run and maintain longer lines from the roads to individual houses. Our towns tend to be smaller, and do not represent large telephone marketing areas. We receive, and are grateful for the excellent service, at reasonable rates, from the Pacific Telephone & Telegraph Co. We know that this is made possible, at least in part, by the large business uses in places like San Francisco and Los Angeles. We believe that this system has worked well in the past and should not be abandoned without the Government and the subscribers knowing the full economic and social impact. We feel that the entrance into the market by these new companies who are only interested in servicing the large and profitable commercial accounts will force the telephone companies to completely revise their rate schedules. The loss of the large commercial accounts, and the accompanying profits, will force the telephone companies to turn to the residential subscriber and the small businessman for the revenues to support the entire system. The economic impact, as well as the social impact, of such a change could easily be disasterous.

Mr. Speaker, I and other members of our Appropriations Subcommittee have urged the FCC to investigate this entire situation thoroughly and make a full economic impact study. We feel that before any decisions are made which will significantly affect rate structures, a comprehensive economic study should be completed and the results made public. Only then can we see the true cost to the consumer of this new "selective" competition in this area.

PANAMA CANAL: JUGULAR VEIN OF INTEROCEANIC COMMERCE AND HEMISPHERIC SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, among the organizations in the United States that feature debates on national policy questions of prime importance is the International Platform Association of Cleveland, Ohio, of which Ted Mack is president and Dan Tyler Moore is director general and board chairman. At its 1974 annual convention in Washington, D.C., at the Sheraton Park Hotel, its afternoon session on August 1 was devoted to a debate on this timely subject: "Should the United States surrender sovereignty over the Canal Zone to the Republic of Panama?"

The participants in the discussion were the Honorable Aquilino Boyd, former Minister of Foreign Affairs of Panama and now that country's Ambassador to the United Nations Organization in New York, for the affirmative side and myself for the negative, with George Crile, of Harper's magazine of Washington, D.C., presiding. The audience was largely of a public opinion-forming character but included leaders in Government service as well as in other fields from various parts of the Nation.

In his opening remarks Mr. Crile summarized the background of the two speakers as regards the canal question. It is quite interesting that Ambassador Boyd in January 1959, was a leader in the Panamarian National Assembly that, on January 12 of that year, officially branded me as the "Republic of Panama's No. 1 Gratuitous Enemy" (H. Doc. No. 474, 89th Cong., pp. 100 and 103). That action was the result of my strong defense in the Congress of the treaty-based rights, power, and authority of the United States over the Canal Zone and canal. In spite of the 1959 action by Mr. Boyd I was glad to share the platform with him.

As part of my preparation for the debate, I compiled from the best sources available a comprehensive paper summarizing essential facts of the interoceanic canal problem, and how to meet it. The solution offered was directed toward two main objectives: First, retention by the United States of its undiluted sovereignty over the Canal Zone; and second, the major modernization of the existing Panama Canal according to the time-tested Terminal Lake-Third Locks plan, which was developed in the Panama Canal organization as a result of World War II experience and won the approval of the President as a postwar project.

Some 31 identical resolutions reaffirming U.S. sovereign control over the Canal Zone have been introduced in both the House and Senate with strong nonpartisan support in each body. Identical bills for the major modernization of the existing canal are also pending in both Houses of the Congress, with the wide support from many civic, fraternal, and patriotic organizations, important maritime interests including the Panama Canal Pilots Association, and the national organization of the AFL–CIO.

In these general connections, attention is invited to the address by Senator STROM THURMOND on "Panama Canal—A New Look," in the CONGRESSIONAL RECORD of August 1, 1974, pages 26250–26255, especially the 1973 memorial to the Congress from the Committee for Continued U.S. Control of the Panama Canal and the 1973 resolution of the Panama Canal Pilots Association on major modernization that he quoted.

Although it was not possible to deliver all of my prepared address at the August 1 debate because of lack of time, I shall include its entire text along with the texts of the indicated Canal Zone sovereignty resolutions and bills for major canal modernization as parts of my remarks.

PANAMA CANAL: JUGULAR VEIN OF INTEROCEANIC COMMERCE AND HEMISPHERIC SECURITY

(Address by Hon. DANIEL J. FLOOD of Pennsylvania before the International Platform Association in the Sheraton Park Hotel, Washington, D.C., August 1, 1974)

Mr. Chairman, members of the International Platform Association, distinguished guests, ladies and gentlemen:

The Panama Canal annually transits some 15,000 vessels from about 55 countries. About 70 percent of its traffic either originates or terminates in United States ports. Such facts, in a realistic sense, establish it as the jugular vein of interoceanic commerce and hemispheric security.

Among the gravely vital issues now before the Congress are: 1. The threat to continued undiluted sovereign control by the United States over the U.S. owned Canal Zone; and 2. the completion of the suspended major modernization of the existing Canal. All other Canal questions, however important, including the vaunted old idea of a "sea-level" canal, are irrelevant and should not be permitted to confuse. (Ho. Rept. No. 92–1629, p. 36.)

For proper understanding, it is essential to know certain elemental facts in canal history:

First, in 1901, in a treaty with Great Britain, the United States made the long range commitment to construct and operate an isthmian canal under the rules governing the operation of the Suez Canal.

Second, in 1902, the Congress authorized the President to acquire by treaty the "perpetual control" of a canal zone, as well as the purchase of all property in it, for the construction of the canal and its "perpetual" operation.

Third, in 1903, after the secession of Panama from Colombia, the United States, in a treaty with Panama, acquired a grant "in perpetuity" of sovereign rights, power and authority over the indispensably necessary protective frame of the canal zone for $10,000,000. In the same treaty, our country assumed the annual obligation for payment to Panama of the Panama Railroad annuity from $250,000, previously paid by that company to Colombia. This annuity, justifiably adjusted in the 1936 treaty and gratuitously increased in the 1955 treaty, is not a "rental" for the use of the canal zone as so often misstated in the press and reference books but only the augmented annuity of the railroad, the entire stock of which was purchased by the United States for canal purposes.

Fourth, after acquiring sovereign control over the canal zone, the United States obtained title to all privately owned land and property in it by purchase from individual owners, making the zone our most expensive territorial acquisition, estimated in 1973 to have cost $161,938,571. This sum is more than the combined costs of all our other territorial acquisitions. (Cong. Record, vol. 119, pt. 14, pp. 18431–2.)

Fifth, during the decade, 1904–1914, the United States constructed the canal in what was the pest hole of the world and a land of endemic revolution, transforming the zone and surrounding areas into models of tropical health and sanitation that won world acclaim, and serving as a force for political stability.

Sixth, under a 1914 treaty with Colombia ratified in 1922, the United States paid that country $25,000,000 and gave it valuable transit rights in the use of both the canal and railroad. In return, Colombia, the sovereign of the isthmus prior to November 3, 1903, recognized the title to both the canal and railroad as vested "entirely and absolutely" in the United States.

Seventh, in 1950, the Congress, in the Panama Canal Reorganization Act, specifically provided that the levy of tolls is subject to the terms of the three previously mentioned treaties.

Eighth, from 1904 through June 30, 1971, the total investment of U.S. taxpayers in the canal enterprise, including its defense, was $5,695,745,000.

Ninth, the validity of the title of the United States to the Canal Zone has been recognized by the U.S. Supreme Court (*Wilson* vs. *Shaw*, 204 U.S. 24, 1907, at 31–3.)

From all of the above, the evidence is conclusive that the United States is not a squatter resting on the banks of the Panama Canal but its lawful owner with full sovereign rights, power and authority and no amount of demagoguery or sophistry can alter the essential facts. Moreover, article IV, section 3, clause 2 of the U.S. Constitution vests the power to dispose of territory and other property of the United States solely in the Congress, which includes the House of Representatives as well as the Senate.

I believe that the domestic impact of the possible closing of the Panama Canal cannot be overlooked. This is especially true in light of the impact on world commerce and various national economies which have occurred as a result of the periodic closings of the Suez Canal. If the Panama Canal were closed to American shipping, it would obviously complicate the transfer of military vessels from the Atlantic to the Pacific and vice-versa. But it would also have great impact on our domestic way of life.

The American merchant marine, which is badly in need of modernization, would be placed under immense strain if it were required to transport cargo around the continent of South America. Cargoes would be reduced, fuel consumption would be increased, and the cost of transporting these cargoes would be significantly increased. Within the Continental United States, our trucking industry and rail freight industries would be called upon to bear an additional burden. This would have a major impact on our environment, on highway congestion, and on domestic energy consumption. All of these factors could contribute to higher costs and thus aggravate the current inflation. (Congressional Record, vol. 120, pt. 13, pp. 17298–9.)

As foreseen by those who formulated the historic canal policies, the canal zone and canal form part of the coast line of the United States. Thus, its continued efficient operation and protection are just as vital to interoceanic commerce and hemispheric security as are the safe navigation and defense of the Chesapeake and San Francisco Bays.

In recent years, the U.S. Department of State has been infiltrated by elements hostile to continued U.S. sovereign control over the Panama Canal. Its record has been one of misrepresentation and falsification in the waging of campaigns so often illustrated by that agency's repeated efforts to dismember the canal enterprise by piecemeal erosions.

For example, there is the case of the Panama Railroad in which the State Department attempted to liquidate that important rail link and actually succeeded in giving away its freight yards and passenger stations in Panama City and Colon.

The Congress stepped into the situation and, after an independent investigation, saved the main line. Now, you have a railroad without its designed terminals. Can you imagine anything more stupid?

It was, therefore, no surprise to informed Members of the Congress when Communist Party General Secretary, Leonid I. Brezhnev, and U.S. Secretary of State, Henry A. Kissinger, early this year visited the Caribbean about the same time, the first to Cuba and the latter to Panama.

In a joint statement on February 7, 1974, from Havana, the U.S.S.R. supported the Cuban demand for the "unconditional removal" of the American Guantanamo Naval Base. (CONGRESSIONAL RECORD, Vol. 120, pt. 12, pp. 16316–16318.) In a second joint statement on February 7, Secretary Kissinger and Panamanian Foreign Minister Juan A. Tack, without advance authorization by the Congress, announced their approval of an 8-point "agreement on principles" to govern the negotiation of a new Panama Canal Treaty. (CONGRESSIONAL RECORD, Vol. 120, pt. 3, p. 2998.)

Stripped of its ambiguities, contradictions and fallacies, this Kissinger-Tack diplomatic trick is a blue-print for an abject surrender of U.S. treaty-based sovereign rights, power, and authority over our most strategic waterway, which, if not blocked, is certain to open a Pandora's box of difficulties. The resulting problems would involve the treaty rights of Great Britain and Colombia as well as the interests of maritime nations that use the canal and have to pay tolls. Some of these countries are already delving into the situation and will undoubtedly take steps to protect their interests.

In an address before the center for Inter-American relations at New York on March 19, 1974, Ambassador-at-Large Ellsworth Bunker, Chief Negotiator for the Panama Canal Treaty, explained the rationale of administration policy in the canal negotiations. His statement of concern was consonant with the joint statement of principles initialed by Secretary of State Kissinger at Panama on February 7, 1974. (*Strategic Review*, summer 1974, P.G.)

Ambassador Bunker asserted that the consent of the Panamanian people to the U.S. presence in the Canal Zone had been reduced to unacceptable levels. He believes that successful operation of the canal by the United States requires a higher level of acceptance by Panama, and that this acceptance can be negotiated. He thinks it necessary to that end to revise the objectionable provisions of the 1903 Treaty which conveyed the Canal Zone to the United States.

Ambassador Bunker accepts at face value the allegations of the Torrijos Government of Panama that the Canal Zone constitutes an intolerable division of Panama by a foreign sovereignty exercising full powers in the Zone, that the condition was imposed seventy years ago but is now archaic, that the United States can operate and defend the Canal while the Canal Zone territory is returned to the full jurisdiction of Panama, and that a treaty to accomplish the change will restore cooperation between the United States and the Republic of Panama.

The Bunker analysis did not note the quality of the government of Panama, representing the usurpation of power by the commander of the national guard and displacement of the elected president of the republic. It did not note that the regime is closely alined with the Castro government in Cuba and with other left-wing forces in Latin America hostile to the United States. It did not explain that the decline of acceptance of the U.S. presence by Panama is the product of mob manipulation by forces determined to compel U.S. withdrawal from the Canal Zone.

In sum, the Bunker thesis treats the inspired attacks of Marxist-Leninist radicals as the voice of the people. It assumes that these attacks on the U.S. Canal Zone can be moderated with benefit to canal operations by giving the zone territory back to Panama. But these premises lack credibility. The apparent aim of the government of Panama is not to improve relation with the United States but to take the canal. While we agree that cordial relations with Panama are desirable, we do not believe the State Department prescription represents a prudent approach to that relationship.

As to the appeal so often made to North American idealism and generosity to "return" the Canal Zone to Panama, what are the facts? That country prior to November 3, 1903, was a part of Colombia, from which it seceded. It did this only after years of frustrated waiting for Colombia to arrange for constructing that canal at the Panama site.

When Isthmian leaders saw the long hoped for project endangered by the threatened construction of the Isthmian Canal at Nicaragua, Panama declared its independence and the United States then made the treaty with Panama instead of Colombia.

When construction started in 1904, the jubilation of the Panamanian people was practically unanimous. Their extensive employment and other income from Canal Zone sources now totals about $187,490,000 annually, giving Panama the highest per capita income in Central America.

What is the basis for Panamanian demands for the "return" of the Canal Zone to Panama? Its jurisdiction over the territory was brief—from November 3, 1903, to February 26, 1904, a period of three months and 23 days. If the Zone is to be given to any country it should be Colombia; but the Congress would be just adamant in opposing such proposal as it is to giving it to Panama.

The President of the United States, in a mistaken gesture of friendship on advice of the State Department, on September 14, 1960, after the adjournment of the Congress and in disregard of a resolution adopted by the House of Representatives by a vote of 382 to 12 in opposition to the display of the Panama flag in the Zone, directed that it be flown at one place as "visual evidence" of Panama's "titular sovereignty" over it.

Instead of improving relations with Panama this action served to widen the breach in our judicial structure caused by the 1936 and 1955 treaties, with the predicted results that turbulent political elements in Panama would interpret such display as admission by the United States of full Panamanian sovereignty. Today, Panama flags are flying from one end of the zone to the other equal with those of the United States, even on such vital structures as the locks, thus serving to prolong agitation for full Panamanian control.

Most certainly, these flags should be removed. For the flag has only one meaning and that is sovereignty. The only flag that should fly in the zone is that of the United States.

What is meant by "titular sovereignty?" This term has a long history going back to Secretary of State Hay and Secretary of War Taft, who, in unfortunate uses of language recognized that by the terms of the 1903 treaty Panama retains a "titular sovereignty" over the Canal Zone.

Actually, no such phrase can be found in that treaty. Neither a Secretary of State nor any other Government official had the authority then or at any time to imply any curtailment whatsoever of the total sovereign rights, power, and authority of the United States in the Canal Zone as defined in the 1903 treaty. Any abridgement involving the disposal of territory or other property of the United States without prior authorization by both Houses of the Congress is not valid.

At best, "titular sovereignty" can only mean a reversionary interest on the part of Panama in the sole event that the United States should abandon the Canal or fail to meet its treaty obligations for its "perpetual" operation. Despite my repeated requests, the State Department has failed to define the term "titular sovereignty" which failure has added to the public confusion affecting the question of Canal Zone control.

As previously stated, there are only two basic issues regarding the Panama Canal: 1. Continued undiluted U.S. sovereignty over the Canal Zone; and 2. The major modernization of the existing canal. All other matters, however important, including the extensively propagandized sea level proposal are asserted to be irrelevant. (H. Rept. No. 92–1629, p. 36.) They only serve to delay and confuse the proper solution, with resulting inconvenience to the users of the canal and those who operate it.

As to whether the United States should surrender its sovereignty over the Canal Zone to Panama, there is no doubt as to how our people stand. Following a national TV debate on this question on March 15 1973 over the advocate program, more than 12,000 viewers reported, with 86 percent of them against any surrender. In recent months, my own correspondence from 48 of the United States and abroad, including Panama itself, is almost unanimously opposed.

As said on other occasions, I can think of no better way to bring about another time-wasting confrontation with the Congress than to send to it a treaty calling for the surrender to Panama of U.S. Canal Zone territory. In such event, the Congress, in the exercise of its constitutional responsibility (U.S. Constitution, Act. IV, Sec. 3, Clause 2) will dispose of any pact of intended subservience where it belongs—in the waste basket.

The U.S. policy of exclusive sovereign control over the Canal Zone and canal is based upon realities, including treaties with Great Britain, Panama and Colombia. For the United States to assume the obligation of operating and defending the canal after surrender of sovereignty over its protective frame of the Canal Zone would place our government in the position of having grave responsibility without requisite authority, which is unthinkable.

I suggest that to enter such negotiations today is a serious abandonment of U.S. authority and responsibility. To confide this crucial waterway to the nominal control of a small country which is ill-qualified to administer or defend it is an act of great power irresponsibility. If Great Britain had, in 1951, asserted the world interest in Suez and committed military forces to defend that interest, the canal would not have been closed but would today be a lively artery of commerce bringing great tributory benefit to the people of Egypt. Our people do not wish to have a Suez situation at Panama.

The operation of the Canal by the United States on an extraterritorial basis, as has been proposed, in a land of endless intrigue and turmoil, could only result in endless conflicts and recriminations.

In additional, it would remove an "island" of stability in the isthmus that has often served as a haven of refuge for Panamanian leaders seeking to escape assassination. One of the most recent users of the Canal Zone as an asylum was Señora Torrijos, the wife of Panama's chief of government, during an attempt to depose her husband while he was out of his country. Most certainly, the Congress will never appropriate huge funds for any major canal project in an area that the United States does not control.

The give-aways contemplated in the previously mentioned "agreement on principles" for negotiation of a new canal treaty were not authorized by the Congress. They are obvious attempted usurpations of power that must be put down.

Recent State Department attitudes as regards the sovereignty issue can have no reasonable interpretation as an honest effort to ease tensions. Its officials know that Dictator Torrijon has publicly proclaimed his esteem for the Red regime in Cuba, expressed his admiration for the Soviets, and openly threatened violence against the Canal Zone. This is the strong man of the pro-Soviet defacto government of Panama to which self-proclaimed liberals in the State Department seek to surrender U.S. sovereignty over the zone; and this, without even stipulating any terms for Panama to pay for the billions spent by the U.S. taxpayers on the canal enterprise and its defense.

As for the major modernization of the existing canal, this work was authorized in 1939 under existing treaty provisions and hailed as the largest single engineering project in the world. Started in 1940, it was suspended in 1942 because of more urgent war needs after expending more than $76,000,000, mainly for huge excavations at Gatun and Miraflores for larger locks, which are usable. When to this sum are added $95,000,000 spent on enlarging Gaillard Cut from 300 to 500 feet, the total already applied toward major modernization of the canal is more than $171,000,000.

During World War II there was developed in the Panama Canal organization, as a result of war experience, the first comprehensive solution of the canal operational problems derived from demonstrated needs, known as the terminal lake-third locks plan, which won the approval of President Franklin D. Roosevelt as a postwar project. Most significantly, this plan does not require a new treaty with Panama, which is a paramount consideration (*Cong. Record*. July 24, 1939, p. 9834).

Legislation for it, now pending in both Senate and House, has strong support among Panama Canal pilots, who know canal operational needs at first hand, important shipping interests, engineers, ecologists, navigators, leading patriotic, civic, fraternal, and labor groups, including the national organizations of the A.F.L.–C.I.O. moreover, the plan will preserve the fresh water barrier between the oceans thus preventing the infestations of the Atlantic Ocean with the poisonous Pacific sea snake and voracious crown of thorns starfish.

When this long overdue work is resumed, its economic and other advantages to the isthmus and interoceanic commerce will be so obvious that current agitations should vanish like a tropical fog in the morning sun. In addition it could be the occasion for helping Panama by building a bridge over the Atlantic end of the canal to correspond with that across the Pacific end at Balboa and aiding in the relocation or extension of the Panama free zone in Colon to Panamanian territory east of the U.S. Canal Zone.

Historically, the Caribbean has long been a focal area of conflict because its location is strategic. Today, Soviet power has Cuba. Soviet submarines cruise regularly in nearby waters, and a main Soviet objective is directed toward wresting control of the Panama Canal from the United States making it a pawn in international power politics. Thus, the real issue in the Canal Zone sovereignty question is not United States control versus Panamanian but continued undiluted U.S. sovereignty over the zone versus U.S.S.R. control; and these are the issues that should be recognized in the Congress and the nation. Their importance is shown by the introduction in both the Senate and House of strongly supported resolutions in opposition to any surrender. In addition, the legislatures of the states, acting in their highest sovereign capacities, have started to adopt resolutions calling upon their delegations in the Congress to oppose the projected give-away. Recent examples are Virginia, South Carolina, and Maryland.

The elements in the country and State Department that most loudly advocate surrender of the Canal Zone to Panama are precisely those that urged U.S. support for Communist Mao Tse-Tung in China with the claim that he was only a mild "agrarian reformer" and later urged the installation of Fidel Castro in Cuba while ridiculing evidence that he was a red revolutionary.

What is needed now is prompt action in the Congress on pending measures concerning sovereignty and modernization. This will quickly clear up the present confused atmosphere as regards U.S. control over the Canal Zone and lead to resumption of work on the needed increase of capacity and operational improvements. When completed, the latter will provide—at least cost—the best canal for the transit of vessels—practicable of achievement and greatly increase its concentrational capabilities for our naval forces. This will be of increasing importance as the numbers of our naval vessels go down toward their pre-World War II level.

Thus to get on with our great responsibility and obligation to enlarge the Panama Canal and improve its operations, we must be uncompromisingly emphatic in declaring that our answer to any proposed abrogation or curtailment of complete U.S. sovereign control over the Canal Zone is a resounding no; and we shall say it again, again, and again—no!

The United States has dallied too long over futile hopes of accommodating ideological hostility. We can have the respect of our neighbors only when we show a proper regard for our own rights and interests and a steadfastness in providing the service to world commerce which we have undertaken in Panama. (*Strategic Review*, Spring 1974, pp. 42–3.)

As our Latin neighbors are governed by reasonable men, it does not impose too heavy a burden on United States diplomacy to ask that it sustain the reasonable premise that U.S. sovereignty in the Canal Zone is essential to the continuing operation of the canal. The interests of all our neighbors, including Panama, and of more distant countries are thereby best served.

Secretary of State Charles Evans Hughes had this in mind when on December 15, 1923 the Panamanian Ambassador raised the issue of sovereignty. The Secretary informed the Ambassador that, "Our country would never recede from the position which it had taken in the note of Secretary Hay in 1904. This Government could not, and would not, enter into any discussion affecting its full right to deal with the Canal Zone and to the exclusion of any sovereign rights or authority on the part of Panama. . . . It was an absolute futility for the Panamanian Government to expect any American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of these rights which the United States had acquired under the Treaty of 1903."

Secretary of State Hughes recognized that the acquired U.S. sovereignty was essential to operation of the canal and must endure as long as the canal endures. His policy is the right policy today, as it was then.

The United States came to this strategic part of the world not for gold or conquest, as the conquistadores had come before them. The United States came only to do a job where others had failed. The French had tried to build another Suez with little understanding that the problem was entirely different. They left behind a record of bankruptcy and failure. The United States, with the vigor of a rising young nation that had just finished spanning its twin coasts with railroad track, had the vision and the genius to put together the diplomatic engineering financial and organizational resources necessary to overcome all obstacles.

In short the United States had made the Panama Canal with its protective frame of the Canal Zone a symbol of its achievement. It is part of the great heritage of our Nation. It is representative of the "can-do" psychology that sustains our national consciousness and underpins the national morale. It is a lifeline of trade and of national security.

If we hand over this territory in response to unreasonable demands at Panama and the clamor of our Marxist enemies we will pass a watershed in our history. One more turning point will mark the decline of a great Nation.

H. RES. 804

Whereas United States diplomatic representatives are presently engaged in negotiations with representatives of the de facto Revolutionary Government of Panama, under a declared purpose to surrender to Panama, now or on some future date, United States sovereign rights and treaty obligations, as defined below, to maintain, operate, protect, and otherwise govern the United States-owned canal and its protective frame of the Canal Zone, herein designated as the "canal" and the "zone", respectively, situated within the Isthmus of Panama; and

Whereas title to and ownership of the Canal Zone, under the right "in perpetuity" to exercise sovereign control thereof, were vested absolutely in the United States and recognized to have been so vested in certain solemnly ratified treaties by the United States with Great Britain, Panama, and Columbia, to wit:

(1) The Hay-Pauncefote Treaty of 1901 between the United States and Great Britain, under which the United States adopted the principles of the Convention of Constantinople of 1888 as the rules for operation, regulation, and management of the canal; and

(2) The Hay-Bunau-Varilla Treaty of 1903 between the Republic of Panama and the United States, by the terms of which the Republic of Panama granted full sovereign rights, power, and authority in perpetuity to the United States over the zone for the construction, maintenance, operation, sanitation, and protection of the canal to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority; and

(3) The Thomson-Urrutia Treaty of April 6, 1914, proclaimed March 30, 1922, between

the Republic of Colombia and the United States, under which the Republic of Colombia recognized that the title to the canal and the Panama Railroad is vested "entirely and absolutely" in the United States which treaty granted important rights in the use of the canal and railroads to Colombia; and

Whereas the United States, in addition to having so acquired title to and ownership of the Canal Zone, purchased all privately owned land and property in the zone, from individual owners, making the zone the most costly United States territorial possession; and

Whereas the United States since 1903 has continuously occupied and exercised sovereign control over the zone, constructed the canal, and, since 1914, for a period of sixty years, operated the canal in a highly efficient manner without interruption, under the terms of the above-mentioned treaties thereby honoring their obligations, at reasonable toll rates to the ships of all nations without discrimination; and

Whereas from 1904 through June 30, 1971, the United States made a total investment in the canal, including defense, at a cost to the taxpayers of the United States of over $5,695,745,000; and

Whereas Panama has, under the terms of the 1903 treaty and the 1936 and 1955 revisions thereof, been adequately compensated for the rights it granted to the United States, in such significantly beneficial manner that said compensation and correlated benefits has constituted the major portion of the economy of Panama giving it the highest per capita income in all of Central America; and

Whereas the canal is of vital and imperative importance to hemispheric defense and to the security of the United States and Panama; and

Whereas approximately 70 per centum of canal traffic either originates or terminates in United States ports, making the continued operation of the canal by the United States vital to its economy; and

Whereas the present negotiations, and a recently disclosed statement of "principles of agreement" by our treaty negotiator, Ambassador Ellsworth Bunker, and Panamanian Foreign Minister Juan Tack, Panama treaty negotiator constitute a clear and present danger to hemispheric security and the successful operation of the canal by the United States under its treaty obligations; and

Whereas the present treaty negotiations are being conducted by our diplomatic representatives under a cloak of unwarranted secrecy, thus withholding from our people and their representatives in Congress information vital to the security of the United States and its legitimate aconomic development; and

Whereas the United States House of Representatives, on February 2, 1960, adopted House Concurrent Resolution 459, Eighty-sixth Congress, reaffirming the sovereignty of the United States over the zone territory by the overwhelming vote of three hundred and eighty-two to twelve, thus demonstrating the firm determination of our people that the United States maintain its indispensable sovereignty and jurisdiction over the canal and the zone; and

Whereas under article IV, section 3, clause 2 of the United States Constitution, the power to dispose of territory or other property of the United States is specifically vested in the Congress, which includes the House of Representatives: Now, therefore, be it

Resolved, That is it the sense of the House of Representatives that:

(1) The Government of the United States should maintain and protect its sovereign rights and jurisdiction over the canal and zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any of these sovereign rights, power, authority, jurisdiction, territory, or property that are indispensably necessary for the protection and security of the United States and the entire Western Hemisphere; and

(2) That there be no relinquishment or surrender of any presently vested United States sovereign right, power, or authority or property, tangible or intangible, except by treaty authorized by the Congress and duly ratified by the United States; and

(3) That there be no recession to Panama, or other divestiture of any United States-owned property, tangible or intangible, without prior authorization by the Congress (House and Senate), as provided in article IV, section 3, clause 2 of the United States Constitution.

H.R. 1517

A bill to provide for the increase of capacity and the improvement of operations of the Panama Canal, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Panama Canal Modernization Act".

SEC. 2. (a) The Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed to prosecute the work necessary to increase the capacity and improve the operations of the Panama Canal through the adaptation of the Third Locks project set forth in the report of the Governor of the Panama Canal, dated February 24, 1939 (House Document Numbered 210, Seventy-sixth Congress), and authorized to be undertaken by the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), with usable lock dimensions of one hundred and forty feet by one thousand two hundred feet by not less than forty-five feet, and including the following: elimination of the Pedro Miguel Locks, and consolidation of all Pacific locks near Agua Dulce in new lock structures to correspond with the locks capacity at Gatun, raise the summit water level to its optimum height of approximately ninety-two feet, and provide a summit-level lake anchorage at the Pacific end of the canal, together with such appurtenant structures, works, and facilities, and enlargements or improvements of existing channels, structures, works, and facilities, as may be deemed necessary, at an estimated total cost not to exceed $950,000,000, which is hereby authorized to be appropriated for this purpose: *Provided, however*, That the initial appropriation for the fiscal year 1974 shall not exceed $45,000,000.

(b) The provisions of the second sentence and the second paragraph of the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), shall apply with respect to the work authorized by subsection (a) of this section. As used in such Act, the terms "Governor of the Panama Canal", "Secretary of War", and "Panama Railroad Company" shall be held and considered to refer to the "Governor of the Canal Zone", "Secretary of the Army", and "Panama Canal Company", respectively, for the purposes of this Act.

(c) In carrying out the purposes of this Act, the Governor of the Canal Zone may act and exercise his authority as President of the Panama Canal Company and may utilize the services and facilities of that company.

SEC. 3. (a) There is hereby established a board, to be known as the "Panama Canal Advisory and Inspection Board" (hereinafter referred to as the "Board").

(b) The Board shall be composed of five members who are citizens of the United States of America. Members of the Board shall be appointed by the President, by and with the advice and consent of the Senate, as follows:

(1) one member from private life, experienced and skilled in private business (including engineering);

(2) two members from private life, experienced and skilled in the science of engineering;

(3) one member who is a commissioned officer of the Corps of Engineers, United States Army (retired); and

(4) one member who is a commissioned officer of the line, United States Navy (retired).

(c) The President shall designate as Chairman of the Board one of the members experienced and skilled in the science of engineering.

(d) The President shall fill each vacancy on the Board in the same manner as the original appointment.

(e) The Board shall cease to exist on that date designated by the President as the date on which its work under this Act is completed.

(f) The Chairman of the Board shall be paid basic pay at the rate provided for level II of the Executive Schedule in section 5313 of title 5, United States Code. The other members of the Board appointed from private life shall be paid basic pay at a per annum rate which is $500 less than the rate of basic pay of the Chairman. The members of the Board who are retired officers of the United States Army and the United States Navy each shall be paid at a rate of basic pay which, when added to his pay as a retired officer, will establish his total rate of pay from the United States at a per annum rate which is $500 less than the rate of basic pay of the Chairman.

(g) The Board shall appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, a Secretary and such other personnel as may be necessary to carry out its functions and activities and shall fix their rates of basic pay in accordance with chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. The Secretary and other personnel of the Board shall serve at the pleasure of the Board.

SEC. 4. (a) The Board is authorized and directed to study and review all plans and designs for the Third Locks project referred to in section 2(a) of this Act, to make on-the-site studies and inspections of the Third Locks project, and to obtain current information on all phases of planning and construction with respect to such project. The Governor of the Canal Zone shall furnish and make available to the Board at all times current information with respect to such plans, designs, and construction. No construction work shall be commenced at any stage of the Third Locks project unless the changes and modifications of such plans and designs, have been submitted by the Governor of the Canal Zone to, and have had the prior approval of, the Board. The Board shall report promptly to the Governor of the Canal Zone the results of its studies and reviews of all plans and designs, including changes and modifications thereof, which have been submitted to the Board by the Governor of the Canal Zone, together with its approval or disapproval thereof, or its recommendations for changes or modifications thereof, and its reasons therefor.

(b) The Board shall submit to the President and to the Congress an annual report covering its activities and functions under this Act and the progress of the work on the Third Locks project and may submit, in its discretion, interim reports to the President

and to the Congress with respect to these matters.

SEC. 5. For the purpose of conducting all studies, reviews, inquiries, and investigations deemed necessary by the Board in carrying out its functions and activities under this Act, the Board is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Board is given power to designate and authorize any member, or other personnel, of the Board, to administer oaths and affirmations, subpena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Board may deem relevant or material to the performance of the functions and activities of the Board. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 6. In carrying out its functions and activities under this Act, the Board is authorized to obtain the services of experts and consultants or organizations thereof in accordance with section 3109 of title 5, United States Code, at rates not in excess of $200 per diem.

SEC. 7. Upon request of the Board, the head of any department, agency, or establishment in the executive branch of the Federal Government is authorized to detail, on a reimbursable or nonreimbursable basis, for such period or periods as may be agreed upon by the Board and the head of the department, agency, or establishment concerned, any of the personnel of such department, agency, or establishment to assist the Board in carrying out its functions and activities under this Act.

SEC. 8. The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

SEC. 9. The Administrator of General Services or the President of the Panama Canal Company, or both, shall provide, on a reimbursable basis, such administrative support services for the Board as the Board may request.

SEC. 10. The Board may make expenditures for travel and subsistence expenses of members and personnel of the Board in accordance with chapter 57 of title 5, United States Code, for rent of quarters at the seat of government and in the Canal Zone, and for such printing and binding as the Board deems necessary to carry out effectively its functions and activities under this Act.

SEC. 11. All expenses of the Board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Board or by such other member or employee of the Board as the Chairman may designate.

SEC. 12. There are hereby authorized to be appropriated to the Board each fiscal year such sums as may be necessary to carry out its functions and activities under this Act.

SEC. 13. Any provision of the Act of August 11, 1939 (54 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), or of any other statute, inconsistent with any provision of this Act is superseded, for the purposes of this Act, to the extent of such inconsistency.

MILITARY JUSTICE SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. DAVIS) is recognized for 15 minutes.

Mr. DAVIS of South Carolina. Mr. Speaker, some days ago, my colleague, Congresswoman SCHROEDER, of Colorado, acclaimed the nomination of Justice William Erickson of her home State to the U.S. Court of Military Appeals. Justice Erickson is indeed an eminent jurist; his nomination honors him and honors the court on which he will serve.

She also used the occasion, however, to lambaste the military justice system with a number of timeworn and tired criticisms which paint the system as a medieval anachronism which denies our servicemen and women the fair and equitable treatment guaranteed citizens of this Nation by the Constitution. I believe her comments in this regard were unfair. They were unfair to Justice Erickson's predecessors and colleagues now on the bench of the Court of Military Appeals—learned and dedicated members of the legal profession who have fashioned a framework for a speedy and truly equitable criminal justice system for the military through their judicial decisions.

Her remarks were unfair to the Congress, which has enacted the Uniform Code of Military Justice and the Military Justice Act of 1968 to deal with criticisms which had been leveled at military justice in the past—criticisms which before these landmark enactments were often justified. And her remarks were unfair to the thousands of citizens in the military—military commanders, military lawyers, and the common soldier—who have worked to make the system fair, just, and effective.

The Founding Fathers recognized the wisdom and necessity of providing a system of military justice separate and apart from the civilian criminal courts. The Supreme Court recently had occasion to recognize and reaffirm this truth. The justices held that—

[T]he military is, by necessity, a specialized society separate from civilian society. We have also recognized that the military has, again by necessity, developed laws and traditions of its own during its long history. The differences between the military and civilian communities result from the fact that, "it is the primary business of armies and navies to fight or be ready to fight wars should the occasion arise . . .

[The Uniform Code of Military Justice] cannot be equated to a civilian criminal code. It regulates aspects of the conduct of members of the military which in the civilian sphere are left unregulated. . . .

[Note the] relationship of the Government to members of the Military. It is not only that of law-giver to citizen, but also that of employer to employee. Indeed, unlike the civilian situation, the Government is often employer, landlord, provisioner and lawgiver rolled into one. That relationship also reflects the different purposes of the two communities.

This is why there is a separate military justice system. This is why the military courts are not integrated into the Federal judiciary. Military life is different from civilian life. Military law is different from Civilian law—and it must be so if the military is to be ready to perform the duty which we citizens expect and demand that it perform: the defense of the Nation.

None of this is to say that the soldier or seaman or airman is any less a citizen than any of us, or that he forfeits his constitutional rights when he is called to answer before the court-martial. The Supreme Court said some 20 years ago that—

Military courts, like the State courts, have the same responsibilities as do the Federal courts to protect a person from violation of his constitutional rights.

The Court of Military Appeals—which was so poorly served in the remarks of my colleague from Colorado—has long since embraced this very same view—that—

The protections of the Bill of Rights, except those expressly or by necessary implication inapplicably, are available to members of our armed forces.

These words translate into a military criminal justice system which is speedier than the civilian courts, which is more open and less secretive than the civilian system, which give defendants greater access to legal counsel, and which has a more liberal and effective appeal system. Look at what the military defendant is guaranteed under the Uniform Code:

He has an absolute right against self-incrimination. No military man or woman suspected of a crime need answer any question directed to him, without qualification. Long before the Supreme Court demanded that a criminal suspect be warned of his rights prior to a police interrogation, the Uniform Code demanded a warning of the right to silence before any military suspect could be interrogated. Of course, a military suspect has the right to free legal counsel before being questioned.

Before any military trial, the military defendant and his lawyer have the right to see all the evidence the prosecution will use at trial. They are entitled to know who the prosecution witnesses will be and what they will testify. Civilian criminal courts have no discovery right with such a broad scope. In all felony cases in the military, there is a formal pretrial investigation at which the defendant and his lawyer are present, and in which they fully participate—stark contrast to a secret civilian grand jury hearing from which a defendant and his lawyer are excluded and the contents of which he is not entitled to see.

Confinement of a military defendant before trial is only allowed under very limited circumstances. It is indeed true that the military defendant has no "right to bail," if by this we mean the "right" to pay an exorbitant fee for a bail bond. But if he is in pretrial confinement, there are procedures by which he may apply for release from confinement and seek review of long continued pretrial confinement or denial of a request for release. He can also apply to have post-trial confinement deferred until all appeals are completed. The military's lack of money bail in no way means that the military defendant lacks

the ability to secure his release from pre- and post-trial confinement.

Speedy trial is demanded in the military justice system. The Court of Military Appeals demands that if a defendant is confined before trial, he must be tried within 90 days. Likewise, once a trial is completed, the case must be acted on and forwarded to the appellate courts within 90 days if the defendant is confined. If the Government fails to meet these time standards, the case is dismissed. No civilian court demands that anything near these time standards be met.

The Court of Military Appeals demands that any military officer who authorizes a search for and seizure of criminal evidence must have the same "probable cause to search" that a civilian magistrate must have before issuing a search warrant. The same judicial scrutiny and the same standards apply in both the military and civilian systems. The military still has its barracks inspections—it always has and probably always will. But again, the military courts refuse to allow these inspections to be a ruse for a search for criminal evidence. The military law reports have numerous examples of this principle—while the military commander can inspect, he cannot search for criminal evidence under the guise of inspecting.

Every serious military case receives automatic appellate review. There is no need to apply, no need to assign errors to the appeal court, no need to demand a transcript—the appeal is automatic. The appeal is free. Appellate defense counsel is provided—free of charge. To oversee, to supervise the military appellate system is the Court of Military Appeals—composed of civilians, not military men—the members of which serve only upon the advise and consent of the Senate of the United States. Look at what this court had demanded for the military defendant. Look at what the Uniform Code provides for him. This is not a system to be ashamed of, but one which deserves our praise.

It is apparent after cataloging these safeguards guaranteed the military defendant that the military criminal justice system is not one that lags behind the civilian system, but one that leads it in many ways. It was over 15 years after the enactment of article 31 of the Uniform Code—the mandatory requirement that a military suspect be warned of his rights before questioning—that the Supreme Court adopted a mandatory warning requirement in Miranda against Arizona.

Almost 3 years after the Court of Military Appeals made the concept of "speedy trials" concrete with its mandatory 90-day trial rule where the accused is in pretrial confinement, the Senate just last week passed legislation which would apply similar standards to criminal prosecutions in the Federal civilian courts.

In its "Standards Relating to Discovery and Procedure Before Trial," the American Bar Association recommends "more permissive discovery practices than are [now] provided by applicable law in any jurisdiction in the United States" as a means to "correct general dissatisfaction with criminal litigation." These are standards approved by the ABA in 1970—nearly 20 years after the Uniform Code of Military Justice adopted the pretrial discovery rule of full disclosure of the prosecution's case to a military defendant before trial. The military justice system leads, not follows. Who knows what other procedural or substantive safeguards now a part of the military justice system will at some later date be adopted by the civilian courts and applied to all citizens of our country?

When Justice Erickson begins his service on the Court of Military Appeals, the "sensitivity for the constitutional rights of those prosecuted" which my colleague from Colorado so rightly attributes to him will meet a similar sensitivity and respect on the part of his colleagues on the bench, on the part of the military attorneys who appear before him, and indeed it will be evident in the cases he hears. So many of the military attorneys he will see—nearly all of the appellate trial attorneys in the services—are young lawyers who will "serve their tour"—be it in the Army, Navy, Air Force, Marines, or Coast Guard—then return to civilian life.

Incidentally, I am convinced that the reason these bright young lawyers leave is in part due to the failure of Congress to enact legislation which would provide them additional compensation. These attorneys bring into the military the same values, the same education and background, the same respect for law which their civilian counterparts take into civilian practice. It is inaccurate and naive to think that a system peopled with and administered by lawyers of this character and background would be suffered by them to trample on the rights of defendants—their clients—whom they have sworn to defend.

They work in a criminal justice system which they recognize is open, honest, fair, and in many respects a model for our civilian criminal courts.

ARTICLES OF IMPEACHMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, as the House is aware, the Committee on the Judiciary will be reporting a resolution, together with three articles of impeachment, impeaching Richard Nixon, President of the United States.

It is currently the intention of the committee to seek a rule limiting otherwise germane amendments to the articles when they reach the floor.

AMENDMENT TO FEDERAL CAMPAIGN ACT AMENDMENTS OF 1974

The SPEAKER per tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 15 minutes.

Mr. ANNUNZIO. Mr. Speaker, my amendment makes only two changes in the amendment placed in the CONGRESSIONAL RECORD last Friday by my colleagues Representatives, UDALL, ANDERSON, FOLEY, and CONABLE.

Under their amendment, small private contributions to a candidate in the general election can be matched with dollar checkoff funds; and so can small contributions to the congressional campaign committees of each party up to $1 million per year.

My amendment would in no way change the matching system in the their amendment as it applies to candidates. It would, however, make the congressional campaign committees of each major party eligible to receive up to $1 million per year directly from the dollar checkoff fund. Thus, the House and Senate Democratic campaign committees would be eligible each year to receive a total of $1 million from the dollar checkoff fund, and so would the House and Senate Republican campaign committees.

These funds could be used only to make contributions to a congressional candidate running in the general election.

My amendment would further provide that notwithstanding any other provision, the congressional campaign committees would be allowed to make campaign contributions to each candidate in the general election of up to $10,000. This would allow, for example, both the Democratic and Republican campaign committees in the House to give each candidate from their party running in the general election a contribution of up to $10,000. The $10,000 per candidate, furthermore, could come from any combination of private and public funds as determined by the congressional campaign committee. In addition, the congressional campaign committees would remain free under section 608 to provide up to $5,000 to a candidate in the primary election from funds raised privately by the campaign committee.

The amendment follows:

On page 78, line 4, add the following new subsections (d), (e) and (f) to Section 408.

CONGRESSIONAL MATCHING PAYMENT ACCOUNT

SEC. 408. (d) The analysis of subtitles at the beginning of the Internal Revenue Code of 1954 is amended by substituting the following new Subtitle H:

"Subtitle H. Financing of Federal Election Campaigns."

(e) The analysis of chapters at the beginning of subtitle H of the Internal Reve-

nue Code of 1954 is amended by adding at the end thereof the following:

"Chapter 98. Congressional Matching Payment Account."

(f) Subtitle H of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new chapter:

"Chapter 98—Congressional Matching Payment Account

"Sec. 9051. Short Title

"This chapter may be cited as the 'Congressional Matching Payment Account Act.'

"Sec. 9052. Definitions

"For purposes of this chapter—

"(1) 'authorized committee' means the principal campaign committee of a candidate for federal office as designated under Section 302(f) of the Federal Election Campaign Act of 1971;

"(2) 'contribution' means a gift of money made by a written instrument which identifies the person making the contribution by full name and mailing address, but does not include a subscription, loan, advance or deposit of money, or a contribution of products or services;

"(3) 'eligible candidate' means a candidate for election to federal office who is eligible under section 9053, for payments under this title;

"(4) 'Federal office' means the federal office of Senator, or Representative;

"(5) 'general election' means any regularly scheduled or special election held for the purpose of electing a candidate to Federal office;

"(6) 'matching account' means the Congressional Matching Payment Account established under section 9057;

"(7) 'official political party committee' means a political committee organized by the House or Senate members of any political party having more than 15 percent of the membership of either the House of Representatives or Senate of the United States and designated as an official political party committee by the appropriate House or Senate caucus of the political party;

"(8) 'qualified campaign expenses' means only those campaign expenses incurred in behalf of a candidate for the use of:

"(i) broadcasting stations to the extent that they represent direct charges for airtime;

"(ii) newspapers, magazines and outdoor advertising facilities to the extent that they represent direct charges for advertising space;

"(iii) direct mailings to the extent that they represent charges for postage; and

"(iv) telephones to the extent that they represent lease and use charges for equipment.

Provided, That qualified campaign expenses shall not include any payment which constitutes a violation of any law of the United States or of the state in which the expense is paid or incurred.

"(9) 'Representative' means a Member of the House of Representatives, and the Delegates from the District of Columbia, Guam, and the Virgin Islands.

"Sec. 9053. Eligibility for Payments

"(a) To be eligible to receive any payments under section 9057 for use in connection with his general election campaign, a candidate shall certify to the supervisory officer that the candidate is the nominee of a political party for election to the federal office of Representative or Senator or is otherwise qualified on the ballot as a candidate in the general election for such office, and he and his authorized committees have received contributions for that campaign in the amount of 10 percent of the maximum amount he may spend in the general election under section 608(c): *Provided*, That no candidate in the general election for the office of Senator need raise more than $50,000.

"(b) To be eligible to receive any payments under section 9057 for use as campaign contributions an official political party committee shall have its chairman certify to the supervisory officer its status as an official political party committee.

"(c) In determining the amount of contributions received for purposes of subsection (a) and of Section 9054(a)—

"(1) no contribution received as a subscription, loan, advance, or deposit, or as a contribution of products or services, shall be taken into account;

"(2) no contribution from any person shall be taken into account in the case of a candidate to the extent that it exceeds $50 when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his election campaign;

"(3) no contribution from any person shall be taken into account unless the recipient submits to the supervisory officer at such times and in such form as the supervisory officer may require, a matching payments voucher. Such voucher shall include the full name of any person making a contribution together with the date, the exact amount of the contribution, the complete address of the contributor and such other information as the supervisory officer may require.

"(4) no contribution from any person shall be taken into account in the case of a candidate to the extent that it was received prior to June 1 of the calendar year in which the general election is held, or in the case of a special general election, to the extent that it was received prior to three months before the special general election is held.

"(5) no contribution from any person shall be taken into account in the case of a candidate to the extent that it was received by a candidate or his authorized committee in pursuit of an unsuccessful attempt to obtain his party's nomination for the federal office being sought,

"(d) Certification under this section shall be filed with the supervisory officer at the time required by the supervisory officer.

"Sec. 9054. Entitlement to Payments

"(a) Every eligible candidate is entitled to payments in an amount which is equal to the amount of contributions received by that candidate subject to the provisions set forth in Section 9053.

"(b) Notwithstanding the provisions of subsection (a), no candidate is entitled to the payment of any amount under this section which, when added to the total amount of any other payments made to him under this section exceeds the amount of thirty-three percent of the expenditure limitation applicable to him for his general election campaign under section 608(c).

"(c) Notwithstanding the provisions of subsection (a), no candidate shall be entitled to receive any payments under this section prior to the date on which the nominating process is complete in the candidate's state for the federal office being sought in the general election, provided that in no event shall any funds be paid to any candidate prior to June 1 of the calendar year in which the general election is held, or in the case of a special general election, prior to three months before the special general election is held.

"(d) Each official political party committee is entitled to receive in a given calendar year an amount equal to $1 million when added to the amounts received by all other official political party committees of that political party during the calendar year.

"(e) No campaign contributions made by an official political party committee to a Congressional candidate shall be eligible to be matched by the candidate with funds otherwise available under this chapter to the candidate.

"Sec. 9055. Limitations

"(a) No candidate and his authorized committee who receive payments under this chapter shall use these funds except for qualified campaign expenses incurred for the period set forth in Section 9054(c).

"(b) No official political party committee which receives funds under this chapter shall use those funds except for purposes of making general election campaign contributions to Congressional candidates.

"(c) Notwithstanding any other provision of this Act or any other Act, and notwithstanding the contribution limitations contained in Section 608 of title 18, United States Code, no official political party committee shall make contributions to a Congressional candidate for use in a general election in excess of $10,000 when added to all other contributions received by that candidate from all other official political party committees of that political party for use in a general election.

"(d) All payments received by a candidate or official political party committee under this chapter shall be deposited in a separate checking account at a national or state bank designated by the candidate or official political party committee and shall be administered by the candidate or the candidate's principal campaign committee or by the official political party committee. No expenditures of any payments received under this chapter shall be made except by checks drawn on this separate checking account at a national or state bank. The supervisory office may require such reports on the expenditures of these funds as it deems appropriate.

"(e) Notwithstanding any other provision of this chapter, no more than 100 percent of the allowable spending limit for a given candidate in a general election under Section 608(c), shall be paid under this chapter to all eligible candidates in that race; provided that the Secretary of the Treasury, in seeking an equitable distribution of such funds shall make such distribution in the same sequence in which such certifications are received pursuant to Section 9056.

"Sec. 9056. Certifications by Supervisory Officer

"(a) After a candidate or official political party committee establishes its eligibility under section 9053 and subject to the provisions of Section 9054, the supervisory officer shall expeditiously certify from time to time to the Secretary of the Treasury for payment to each candidate or official political party committee the amount to which that candidate or official political party committee is entitled.

"(b) Initial certifications by the supervisory officer under subsection (a), and all determinations made by it under this chapter, shall be final and conclusive, except to the extent that they are subject to examination and audit by the supervisory officer under section 9058 and judicial review under section 9060.

"Sec. 9057. Payments to Eligible Candidates

"(a) The Secretary of the Treasury shall establish and maintain an account known as the Congressional Matching Payment Account. The funds in this Matching Account shall be available for payment to any candidate or official political party committee eligible to receive payments under section 9053. The Secretary shall deposit in a Presidential election year into the Matching Account the excess amounts available under Section 6096, after the Secretary determines and allocates the amounts required in that Presidential election year in accordance with sections 9006, 9008 and 9037.

"In each of the two years following a Presidential election, the Secretary shall deposit into the Matching Account that por-

tion of the annual amounts designated by taxpayers under section 6096 that equals the excess above twenty-five percent of the total amount made available in the last Presidential election in allocating funds under sections 9006, 9008 and 9037. The monies in the Matching Account shall remain available without fiscal year limitation.

"(b) Upon receipt of a certification from the supervisory officer under section 9056, and subject to the provisions of sections 9053, 9054, and 9055, the Secretary of the Treasury shall promptly pay the amount certified by the supervisory officer from the Matching Account to the candidate or official political party committee to whom the certification relates.

"(c) If on June 1 of any election year the Secretary determines that the funds deposited in the Matching Account pursuant to paragraph (a) amount to less than 100 percentum of the maximum aggregate entitlement for such election, he shall, notwithstanding any other provision of this Chapter, limit payments to each candidate to an amount which bears the same ratio to the maximum entitlement of such candidate as the amount of funds in the Matching Account bears to the maximum aggregate entitlement.

"(d) For the purpose of this section—

"(1) 'maximum entitlement' means the total amount of payments which may be received by a candidate subject to the limitation of section 9054(b); and

"(2) 'maximum aggregate entitlement' means an amount which is the product of two and the sum of the maximum entitlements for each Federal office for which an election is to be held.

"(e) No payment shall be made under this chapter to any candidate for any campaign in connection with any election occurring before October 31, 1976, or to any official political party committee before June 1, 1976.

"SEC. 9058. EXAMINATION AND AUDITS; REPAYMENTS

"(a) After each general election, the supervisory officer shall conduct a thorough examination and audit of all candidates for Federal office and official political party committees with respect to the funds received and spent under this chapter.

"(b)(1) If the supervisory officer determines that any portion of the payments made to an eligible candidate or official political party committee under section 9057 was in excess of the aggregate amount of the payments to which the recipient was entitled, it shall so notify that recipient and the recipient shall pay to the Secretary of the Treasury an amount equal to the excess amount.

"(2) If the supervisory officer determines that any portion of the payments made to a candidate under section 9057 for use in his general election campaign was used for any purpose other than for qualified campaign expenses in connection with that campaign, the supervisory officer shall so notify the candidate and the candidate shall pay an amount equal to that amount to the Secretary.

"(3) If the supervisory officer determines that any portion of the payments made to an official political party committee under section 9057 were used for any purpose other than to make general election campaign contributions to Congressional candidates, the supervisory officer shall so notify the official political party committee and the official political party committee shall pay an amount equal to that amount to the Secretary.

"(4) Amounts received by a candidate under this chapter may be retained for thirty days after the general election for the purpose of liquidating all obligations to pay qualified campaign expenses which were incurred for the period set forth in section 9054(c). After the thirty-day period following the election, all remaining federal funds not yet expended on qualified campaign expenses shall be promptly repaid by the candidate to the Matching Account.

"(5) If the supervisory officer determines that any candidate who has received funds under this chapter, is convicted of violating any provision of this chapter, the supervisory officer shall notify the candidate and the candidate, shall pay to the Secretary of the Treasury the full amount received under this chapter.

"(6) No payment shall be required from a candidate or official political party committee under this section in excess of the total amount of all payments received by the candidate or official political party committee under section 9057.

"(c) No notification shall be made by the supervisory officer under subsection (b) with respect to a campaign more than three years after the day of the election to which the campaign related.

"(d) All payments received by the Secretary under subsection (b) shall be deposited by him in the Matching Account.

"SEC. 9059. REPORTS TO CONGRESS

"(a) The supervisory officer shall, as soon as practicable after the close of each calendar year, submit a full report to the Senate and House of Representatives setting forth—

"(1) the qualified campaign expenses (shown in the detail the supervisory officer deems necessary) incurred by a candidate and his authorized committees, and by each official political party committee, who received any payment under section 9057.

"(2) the amounts certified by it under section 9056 for payment to each candidate and his authorized committees and each official political party committee; and

"(3) the amount of payments, if any, required from that candidate or official political party committee under section 9058, and the reasons for each payment required. Each report submitted pursuant to this section shall be printed as a House or Senate document.

"SEC. 9060. JUDICIAL REVIEW

"(a) Any agency action by the supervisory officer made under the provisions of this chapter shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within 30 days after the agency action by the supervisory officer for which review is sought.

"(b) Review Procedures—The provisions of Chapter 7 of Title 5, United States Code apply to judicial review of any agency action, as defined in Section 551 (13) of Title 5, United States Code.

"SEC. 9061. UNLAWFUL USE OF PAYMENTS

"It shall be unlawful for any person who receives payment under this chapter or to whom any portion of such payment is transferred, knowingly and willfully to use, or authorize the use of such payment or such portion for any purpose other than for the specific purposes authorized by this chapter.

"SEC. 9062. FALSE STATEMENTS

"It shall be unlawful for any person knowingly and willfully to furnish any false, fictitious or fraudulent evidence, books or information to the supervisory officer under this chapter or to include in any evidence, books, or information so furnished any misrepresentation of a material fact, or to falsify or conceal any evidence, books or information relevant to a certification by the supervisory officer.

"SEC. 9063. KICKBACKS AND ILLEGAL PAYMENTS

"It shall be unlawful for any person knowingly and willfully to give or accept any kickback or any illegal payment in connection with any payments received under this Chapter or in connection with any expenditures of payments received under this chapter.

"SEC. 9064. PENALTY FOR VIOLATIONS

"(a) Any knowing and willful violation of any provision of this chapter is punishable by a fine of not more than $25,000, or imprisonment for not more than one year, or both."

SAVE THE SMALL SAVER

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the Banking and Currency Committee, on which I serve, has reported out H.R. 15928, a bill to limit the issuance of variable interest notes. This bill will be considered by the full House shortly.

I would like to provide our colleagues with background on this legislation and why I believe it should be defeated.

This legislation, although well intentioned, constitutes an act of discrimination against small savers and perpetuates rather than solves the deposit withdrawal problems confronting residential mortgage lending thrift institutions.

The measure would broaden the Federal Reserve Board's authority to regulate deposit interest rates to include small denomination, long term variable interest notes issued by bank holding companies, redeemable at short term intervals, usually 6 months. The first such issue, that made by Citicorp, would be redeemable initially in June of 1976 and carry an initial interest rate of about 9.7 percent. Three other large bank holding companies, Chase Manhattan Corp. and Mellon and Crocker National Corp., intend to market similar instruments in the near future, as well as a New York City savings bank.

Those who support this bill warn that other bank holding companies will soon follow suit and the result will be massive withdrawals from lower yielding savings and loan association and mutual savings bank deposit accounts for investment in this new type of instrument. The interest paid on these variable rate notes will be pegged at 1 percent above the average rate on 3-month Treasury bills. The supporters of this legislation hope to solve this problem by giving the Federal bank regulatory agencies the authority to control the interest rate applied to these notes and thereby control the degree by which the notes can compete for small saver deposits. The purpose of this proposal is to help safeguard the pool of savings and loan association and mutual savings bank funds available for home loans.

No one wants to assure the availability of adequate funds on reasonable terms for residential mortgage loans more than I, but not at the expense of the small saver. In testimony before the Senate Banking Committee's Subcommittee on Financial Institutions, two consumer organizations, Consumer Federation of America and Consumers' Union of the United States, stressed that variable rate interest notes have particular appeal to relatively small

savers. From its inception, Regulation Q has been used to prevent commercial banks from outbidding residential mortgage lending thrift institutions for consumer deposits of under $100,000. Large depositors have had unrestricted opportunities to invest in higher yielding, unregulated time deposits above the $100,000 level provided by all types of banking institutions and a variety of high yielding, large denomination Federal and corporate debt instruments sold in the open market.

The burden of supporting residential mortgage lending thrift institutions has been forced on small savers. In effect, we are being asked in this legislation not only to continue but to reinforce a policy which forces small savers to subsidize mortgage borrowers, big and small, by curtailing their investment opportunities, thereby blocking them from full participation in the free enterprise system. At the same time, large wealthy depositors are left unrestrained to maximize profits through investment in high-yielding Federal and corporate debt paper, sometimes yielding as much as 10 to 13 percent per annum.

The situation is made all the more ironic by the fact that thrift institutions, as well as commercial banks, have consistently, insistently, and successfully resisted proposals to impose interest rate ceilings on their loans as part of the economic stabilization program which placed temporary controls on virtually every other segment of the economy. Now these same lending institutions are crying out for what amounts to severely restrictive controls on the earning ability of small savers—in effect confining them to lower yielding consumer deposits.

The following schedules are designed to show the enormous difference between what small savers are earning on time deposits under current interest rate ceilings as compared to what would be earned under the initial Citicorp interest rate on its 15-year variable interest rate notes. The comparison applies to commercial and mutual savings banks, savings and loan associations, and credit unions. Data is based on the latest available deposit statistics.

Included in the projections is the assumption that at least 30 percent of passbook deposits in commercial and mutual savings banks, savings and loan associations and credit unions, and 10 percent of consumer demand deposits in commercial banks would be switched to time deposits if such deposits were paying the initial Citicorp rate of 9.7 percent. This assumption is regarded as a conservative one, since the earning power of Citicorp notes is almost twice the earning power of passbook deposits and much more as compared to demand deposits.

Calculations based on this data show that small savers would earn $33.4 billion per year at recent levels of personal savings under a Citicorp-type note as compared to $19.1 billion earned under current depository interest rate ceilings. This is a difference in earnings to small savers of $14.3 billion per year, or 75 percent more from Citicorp-type notes than under present interest rate ceilings applied to small savings under current Federal regulations. Do we really want to penalize the small saver by this vast amount?

Extending Regulation Q authority to cover bank holding company notes will ultimately prove to be a meaningless exercise. Adoption of this bill will in no way prevent nonbanking corporations from issuing similar high-yielding notes which will compete for small saver funds. In fact, nonbanking corporations are expected to do just that, perhaps all the more so if Regulation Q authority is used to prevent bank holding companies from entering the market with debt instruments of this type.

TABLE 1.—SUMMARY OF DIFFERENCE IN INTEREST EARNED PER ANNUM BY SMALL SAVERS AT DEPOSITORY INSTITUTIONS, APPLYING CURRENT DEPOSIT YIELDS AND INITIAL CITICORP YIELD

Type of institution	Total paid per annum under regulated deposit ceilings	Total paid per annum at Citicorp rate of 9.7 percent
Commercial banks	$7.6	$14.4
Savings and loan associations	8.0	13.3
Mutual savings banks	3.1	5.0
Credit unions	.4	.7
Total	19.1	33.4

TABLE 2.—DIFFERENCE IN INTEREST EARNED PER ANNUM BY SMALL SAVER ON COMMERCIAL BANK DEPOSITS, APPLYING CURRENT DEPOSIT YIELDS AND INITIAL CITICORP YIELD—4TH QUARTER 1973

Type of deposit and total deposits (in billions)	Current bank interest rate (percent)	Interest earnings (in billions): Total paid per annum at current bank interest rate	Interest earnings (in billions): Total paid per annum at Citicorp rate of 9.7 percent
Time deposits under $100,000 ($104.6)	4–7.25	$5.0	$10.1
30 percent of passbook deposits ($37.1)	3.5–5	1.7	3.6
10 percent of consumer demand deposits ($7)	0	0	.7
Total		7.6	14.4

Source: Federal Reserve Board statistics.

TABLE 3.—DIFFERENCE IN INTEREST EARNED PER ANNUM BY SMALL SAVER ON FEDERALLY INSURED SAVINGS AND LOAN ASSOCIATIONS DEPOSITS, APPLYING CURRENT DEPOSIT YIELDS AND INITIAL CITICORP YIELD—SEPT. 30, 1973

Type of deposit and total deposits (in billions)	Current association interest rate (percent) [1]	Interest earnings (in billions): Total paid per annum at current association interest rate	Interest earnings (in billions): Total paid per annum at Citicorp rate of 9.7 percent
Time deposits under $100,000 ($105.7)	6.12	$6.4	$10.2
30 percent of passbook deposits ($32.3)	5.23	1.6	3.1
Total		8.0	13.3

[1] FHLBB weighted interest rate.

Source: Federal Home Loan Bank Board.

TABLE 4.—DIFFERENCE IN INTEREST EARNED PER ANNUM BY SMALL SAVER ON MUTUAL SAVINGS BANK [1] DEPOSITS, APPLYING CURRENT DEPOSIT YIELDS AND INITIAL CITICORP YIELD—APR. 30, 1974

Type of deposit and total deposits (in billions)	Current mutual savings bank interest rate (percent)	Interest earnings (in billions): Total paid per annum at current mutual savings bank interest rate	Interest earnings (in billions): Total paid per annum at Citicorp rate of 9.7 percent
Time deposits under $100,000 ($83.1)	6.6–7.43	$2.1	$3.2
30 percent of passbook deposits ($19.0)	5.6	1.0	1.8
Total		3.1	5.0

[1] Includes Massachusetts Savings Banks.

Source: FDIC and Mutual Savings Central Fund of Massachusetts.

TABLE 5.—DIFFERENCE IN INTEREST EARNED PER ANNUM BY SMALL SAVER ON FEDERAL AND STATE CREDIT UNION DEPOSITS, APPLYING CURRENT DEPOSIT YIELDS AND INITIAL CITICORP YIELD—DEC. 31, 1973

	Current credit union interest rate (percent)	Interest earnings (in billions): Total paid per annum at current credit union interest rate	Interest earnings (in billions): Total paid per annum at Citicorp rate of 9.7 percent
Savings deposits (in billions) ($24.6)	[1] 5.74	$0.4	$0.7
Total		.4	.7

[1] National Credit Union Administration weighted interest rate.

Source: National Credit Union Administration.

None of this is to deny the serious problem of deposit outflows confronting residential mortgage lending thrift institutions and the resulting curtailment of home loan funds. The problem is an old and predictable one, occurring every time tight money-high interest rate conditions prevail. Moreover, it occurs despite the exercise of Regulation Q authority over interest rates paid on consumer deposits by commercial banks, savings and loan associations, and mutual savings banks. Large depositors have unhesitatingly moved their money out of thrift institutions to purchase higher yielding market instruments, leaving the small depositors with a return which is less than the rate of inflation and nowhere else to go.

Long-standing national policy, in effect, dictates that savings and loan associations and mutual savings banks experience serious deposit outflows resulting in curtailment of housing credit during inflationary, tight money-high interest rate periods. Such lending institutions are required to have the bulk of their assets in long-term, relatively low-yielding residential mortgages. Thus, the amount of interest they can pay on deposits is limited; and they are disadvantaged in terms of being able to compete for funds.

A better approach to this problem is to enable all depository lending institutions to evenly compete for funds and reward savers, regardless of prevailing economic conditions. This can be accomplished by allowing savings and loan associations and mutual savings banks to expand their lending activities to include short-term consumer and business loans and provide checking account, trust and other services now reserved exclusively to commercial banks.

In short, thrift institutions—and I include credit unions under that label—should be allowed to offer all of the services now offered by commercial banks. They should, in effect, be allowed to convert themselves, over an appropriate transition period to minimize market disruption, into commercial banks. This does not mean that these institutions, as a matter of free choice, could not specialize in home mortgages or consumer loans, or trust management, or any other legitimate banking function that competition and public needs seem to demand. But the choice would be theirs, not dictated by the law. And, most important of all, the choices of the public for banking services of all kinds would be broadened, thus substantially improving competition, innovation and efficiency in banking, and thereby reducing costs and improving banking services for the public.

In addition, expansion of the thrift institutions' lending and banking service activities in this way will provide them with substantial new sources of income which will reflect current market interest rates. The ability to make short-term, high-yielding consumer and business loans will place them in a much better position to offer competitive interest rates for deposits.

Admittedly, a subsequent reduction in the volume of their residential mortgage lending may occur if savings and loans associations and mutual savings banks are allowed to move into the field of commercial banking. But it must also be acknowledged that present economic circumstances have hamstrung the thrift institutions' ability to make housing loans anyway. Under their present structure, housing credit has dwindled to a trickle; and at the same time small savers are deprived of the opportunity to earn market rates for their savings. There may be some justification to continuation of the present structure of savings and loan associations and mutual savings banks if the sacrifice being made by small savers resulted in an adequate pool of housing credit. But it isn't an either-or situation. It is a nothing situation in which residential mortgage lending thrift institutions, their depositors, home buyers and home sellers are all losers.

However, if we are to permit residential mortgage lending thrift institutions to become commercial banks for the reasons cited, then a way must be devised to assure the availability of adequate housing loan funds.

The following approaches are among the suggestions that have been made:

Require all major types of financial institutions, including all depository institutions, private pension funds, foundations, and life insurance companies, to make prescribed investments in housing in a way which will assure that this responsibility is evenly and easily shared.

Establish a National Development Bank to provide loan funds for housing and for other priority areas of the economy when credit is not available from private lenders on reasonable terms.

Provide Federal interest rate subsidies for low- and moderate-income families who cannot otherwise afford mortgage loans at market interest rates.

Lower required bank reserves to promote housing and other priority area loans and increase reserves to discourage non-priority investments.

The above noted proposals are, I am sure, only a few among many that should be developed and explored fully to see that adequate sources of credit are made available to provide decent housing for our people. At this point, the idea that most appeals to me is having free banking competition among all depository institutions and, as the "dues" for their charters, Federal deposit insurance, central bank services, tax exemptions, and other privileges given by the people through the Government, require these financial institutions, on an equal basis, to invest a certain minimum level of their assets in the housing market.

In any event, all feasible approaches to providing adequate funds for housing should be explored.

The point is that continued reliance on Federal interest rate restrictions on small deposits, regardless of whether it is applied to Citicorp-type notes or not, perpetuates the unfair penalty imposed on small savers and tends to keep the Nation locked into periodic housing credit crunches. We would be better advised to address ourselves to serious fundamental solutions rather than adopting legislation that will only worsen the situation.

The least we can do right now is to help small savers by defeating this bill, thereby leaving the way open for them to purchase high-yielding debt instruments in denominations they can afford. I also believe the Treasury should return to its earlier practice, abandoned in 1969, of issuing short-term Treasury bills in denominations of $1,000, instead of the current $10,000 minimum. The recent Treasury move to allow $1,000 denominations for medium and longer term issues, though welcome, is no substitute for the small savers' need for higher yields and liquidity. If we do not want to stop the continued discrimination against the small saver by severely limiting his ability to earn market rates of interest, we should apply these government-imposed interest rate restrictions on all depositors regardless of the size of their deposits. In short, we should at least provide "equal protection of the law" for the rich and the poor.

The fact is that adoption of this bill will constitute nothing more in the long run than an exercise in futility and discrimination. This may also force the thrift institutions to finally realize how unrealistic their position is in terms of current and future economic conditions, and finally make them understand that they must support substantial reform of our financial system if they want to survive as viable institutions.

In sum, instead of indulging in this periodic ritual of plugging the dike again, we should be engaged in reforming our antiquated financial system to better serve the public at large.

LETTER TO PRESIDENT NIXON

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, I would like to take this opportunity to once again express my sorrow that the Soviet Union refuses to grant its citizens the basic rights of freedom and liberty. Without a doubt, this is one reason the Soviet Union has failed to develop as quickly as its potential suggests it could. Any country that will imprison men with proven intellectual capabilities, cannot have much desire to help mankind overcome the enormous difficulties threatening the survival of the human race.

Congress must recognize, within the context of closer association, that it is the duty of the United States to support the cause of freedom and the end of oppression of groups of people within the Soviet Union. All too often, this duty is ignored while American citizens attempt to rally support for the cause.

To illustrate the situation, I include as a portion of my remarks in the RECORD the following items. The first is a letter to President Nixon from the Captive Na-

tion's Committee of Onondaga County, and the second is a description of the predicament two young Ukranian intellectuals, Valentyn Moroz and Leonid Plyushch, have found themselves in.

The articles follow:

CAPTIVE NATIONS COMMITTEE,
SYRACUSE AND ONONDOGA COUNTY,
Liverpool, N.Y., June 20, 1974.

President RICHARD M. NIXON,
White House
Washington, D.C.

DEAR MR. PRESIDENT: We as free American citizens, and representatives of the Captive Nations in Onondoga County, appeal to you on behalf of two young Ukrainian intellectuals who, as political prisoners, are being tortured to death by the Soviet government: they are Valentyn Moroz, 38-year-old Ukrainian historian, who is being systematically beaten and tortured by common criminals in the infamous Vladimir Prison in the Russian Republic, and Leonid Plyushch, 34-year-old Ukrainian mathematician and cybernetics specialist, who is near death in a "psychiatric ward" in the City of Dnipropetrovsk in Ukraine.

We appeal to you, Sir, in the name of humanity and justice, to intercede immediately with the Soviet government to release forthwith these two Ukrainian intellectuals and allow them to travel abroad, so they may receive proper medical attention which is denied them in their own country. Moroz and Plyushch are not criminals; on the contrary, they are young idealists who sincerely believe in the principles of justice and freedom.

By letting them die deliberately, the Soviet government will not escape international responsibility, but this will only confirm the grave charges of Alexander Solzhenitsyn, the great contemporary Russian writer, to the effect that the USSR is ruled by people devoid of all humanity, and as such is unworthy of being a member of the United Nations, or to receive any concessions or recognitions by the United States of America.

Therefore, once more, we earnestly urge you, Mr. President, to use the power and influence of your high office to save the lives of two young Ukrainian intellectuals, while speaking with the high officials of the Soviet Union in Moscow.

Respectfully yours,

Dr. Anthony T. Bouscaren, Chairman; Tibor Helcz, Cochairman; Walter Anton, Estonian; Istvan Babnigg, Hungarian, Dr. Myron Kotch, Ukrainian; Arthur Kott, Polish; Frank Petrauskas, Lithuanian; Carl Tarver, American Legion; Imants Ziedins, Latvian.

I. THE CASE OF VALENTYN MOROZ

Valentyn Moroz was born on April 15, 1936 in the Volhynia oblast of the Ukrainian SSR; he attended the University of Lviv, from which he was graduated in 1958, and was instructor of history and geography in Lutsk and Ivano-Frankivsk. In August, 1965, he was arrested and charged with "anti-Soviet propaganda and agitation" and in January, 1966, he was sentenced to 4 years at hard labor. He served his sentence in Camps No. 1 and No. 11 in Yavas in the Mordovian ASSR.

While in the penal camp, Moroz was tried by a camp court and committed to solitary confinement. In the camp he wrote A Report From the Beria Preserve, exposing the brutal system of concentration camps. Released on September 1, 1969, he could not find a job; even his wife was dismissed from her job because of her husband's "criminal record." In that time he wrote A Chronicle of Resistance in Ukraine, Amidst the Snows and Moses and Dathan.

On June 1, 1970, Moroz was again arrested by the KGB, evoking large-scale protests in the defense throughout Ukraine. Despite these protests, Moroz was sentenced on November 17, 1970 to nine years imprisonment and five years of exile from Ukraine.

In November, 1972, Amnesty International, in its Newsletter (Vol. II, No. 11, London), reported that Moroz was severely beaten by some criminal inmates in Vladimir Prison, whereafter he was transferred to a prison hospital in Kiev, Ukraine. When his health improved, he was again transferred to Vladimir Prison, one of the most notorious in the whole of the USSR. According to reliable reports, in January, 1974, Moroz was again cruelty beaten by common criminals, apparently with the full knowledge, if not instigation, of the prison authorities. Instead of being sent to a hospital, he was placed in solitary confinement.

II. THE CASE OF LEONID PLYUSHCH

Leonid Plyushch was a member of the Initiative Group for the Defense of Human Rights in the USSR. Up to 1968 he was a research officer at the Institute of Cybernetics of the Ukrainian Academy of Sciences in Kiev; in that year he was dismissed from his position and arrested for dissident activities. In January, 1972, by a decision of the Supreme Court of the Ukrainian Republic he was sent to the Dnipropetrovsk psychiatric hospital-prison for an indefinite period.

He is being held in a ward where there are more than 25 persons confined with him in appalling conditions of humiliation, persecution and physical suffering. The unregulated and senseless administration of large doses of haloperidol has caused a sharp deterioration in his health, extreme exhaustion and continuous shivering, weakness, swellings, spasms, and loss of appetitie. Plyushch can no longer read, write letters, or take advantage of the one-hour exercise period allowed to the prisoners.

Every request by his wife to be informed of her husband's diagnosis and of his condition and treatment has been rejected by the hospital administration. His wife saw him on January 4. Since then no letters have been received from him.

H.R. 16223, FEDERAL LEGISLATION AND ENVIRONMENTAL QUALITY

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROWN of California. Mr. Speaker, I have taken this time to discuss H.R. 16223, a bill to provide the States with the right to adopt or enforce requirements with respect to certain environmental matters. This bill reflects a growing frustration that State and local government officials have felt with the impact, often unintended, of Federal legislation in the area of environmental quality. The Federal involvement with environmental legislation has always been caused by a great and overriding national need to act to protect the public health and welfare. At the time major legislation was passed in the areas of air pollution, water pollution, noise, radiation, and pesticide control, there was already a great deal of local concern and legislation on these subjects. In other cases, State and local governments have acted since the passage of landmark Federal legislation.

The good faith efforts of Federal, State, and local governments to protect the public health and welfare, and enhance or protect their quality of life, have not always lead to harmonious interactions and results. Some intergovernmental conflicts are to be expected, and must be resolved through the long process of trial and error. Other conflicts are primarily unintentional, and are mainly the result of varying legal interpretations of legislative intent and loose drafting. These conflicts can be largely resolved by the passage of this bill, H.R. 16223.

The summary of this bill implies that States do not already have the right to adopt or enforce requirements to protect or enhance the environment. I do not believe this is true, but unfortunately we have ample court decisions that have interpreted the commerce clause of the U.S. Constitution to do just that. I understand the need for Federal preemption in special cases, and this bill does not undermine that power. This bill seeks to prevent the interpretations of the commerce clause, when applied to certain environmental legislation, from preempting the rights of the States to enforce laws that do not specifically conflict with Federal legislation.

There are two particular Supreme Court decisions that are, in my opinion, examples of court decisions that went beyond the legislative intent and were also adverse to the public interest. The first is the Northern State Power Co. against Minnesota decision that ruled that the Atomic Energy Act preempted the right of States to control the discharge of radioactive wastes. The second case that I would like to mention is the Burbank against Lockheed Air Terminal Inc. decision that ruled that the Noise Control Act of 1972 preempted the local jet aircraft curfew ordinance.

If these two cases stood alone, an omnibus bill such as the one I have introduced would not be necessary. Unfortunately, they do not stand alone and there are court cases charging Federal preemption of numerous State and local laws throughout the country. It appears likely that such challenges will become more common as State and local governments continue to take tougher action to preserve their quality of life.

I doubt that very many Members of Congress would vote to prevent a State or local government from protecting the health and welfare of the people under its jurisdiction. In fact, Federal environmental legislation usually includes a phrase similar to the following: "Nothing in this act precludes or denies the right of any State or political subdivision thereof to establish and enforce controls." Since this is the case, why is there so much legal confusion? I think I will leave the answer to that question to the lawyers. Suffice it to say that there is much conflict and confusion about the degree and extent of Federal preemption in the areas of environmental controls.

H.R. 16223 is very clear in its purpose. Section 1 states:

The purpose of this Act is to direct that, to the fullest extent possible, the policies, regulations, and public laws of the United States should not be interpreted as precluding or denying to any State or political subdivision thereof the right to adopt or enforce any standard, requirement, limitation, or other restriction, with respect to major governmental actions significantly affecting the quality of the human environment. It is also the purpose of this Act to insure that compliance with any standard, requirement, limitation, or other restriction of any State or political subdivision thereof with respect to such actions should not relieve any person of the obligation to comply with the provisions of any Federal law or regulation or order issued pursuant to such law.

I think this language is not only a reaffirmation of the intent of the writers of the Constitution, but it also reflects the will of Congress and the commonsense view of Federal legislation. If we wished to describe it in terms of political philosophy this would be called the "new federalism."

I believe this bill should become law not only to clarify the legislative intent in this broad field, but to encourage initiative and creativity at the State and local governmental level. Too often other levels of government have despaired of making any lasting impact because they believed the Federal Government would step in and preempt everything that they had done. The Federal bureaucracy, as we all know, cannot solve all of the Nation's problems. Even when it acts in an area that desperately needs action, the Federal Government frequently can not do as good a job as a State or local government. The extreme differences in the various parts of the country require varying solutions to similar problems. It is for this reason that the Federal bureaucracy has decentralized itself into regions. I think this is a very wise move that should be continued and encouraged. In a like manner some States are decentralizing their own bureaucracies as are some cities, down to the neighborhood. This bill would encourage this trend, and reassure State and local governments that this policy has the support of the Congress. I believe that we must adopt this approach in this area of individualized human values, that of the quality of life.

Mr. Speaker, I ask for unanimous consent to insert into the RECORD a copy of a Congressional Research Service paper prepared at my request by the American Law Division on the subject of "Federal Preemption in Environmental Laws" and the entire text of H.R. 16223 at this time.

The CRS report and bill follows:

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., May 22, 1974.

To: Honorable GEORGE BROWN,
From: American Law Division.
Subject: Federal Preemption in Environmental Laws.

Enclosed is a report which summarizes the case law and legislative documents pertaining to federal preemption provisions found in environmental laws.

GEORGE COSTELLO,
LINDA BREEDEN,
Legislative Attorneys.

FEDERAL PREEMPTION IN ENVIRONMENTAL LAWS—DISCUSSION OF THE CASE LAW AND LEGISLATIVE HISTORY

The exercise by Congress of its power to regulate interstate commerce, Art. 1 § 8, cl. 3, has for a number of years been expanding into areas formerly thought to be subject primarily to regulation by the states pursuant to their "police powers." One such area is environmental control. As more and more aspects of environmental control come under federal regulation, questions inevitably arise as to what, if any, power states retain to regulate the same or related matters. In some laws Congress expressly delimits the extent to which states may continue to regulate the same matters. State laws inconsistent with such express federal provisions will be held invalid through operation of the supremacy clause, Art. VI., cl. 2, assuming the federal law is a valid exercise of the commerce power or some other enumerated power. Federal laws which do not explicitly delimit the federal-state responsibilities can cause more problems of interpretation. Courts will then be required to resolve the basic question of congressional intent to preempt.

The Supreme Court has long ago indicated that each case challenging the validity of a state law for inconsistency with federal law must be considered on its own particular facts.

"There is not—and from the very nature of the problem there cannot be any rigid formula or rule which can be used as a universal pattern to determine the meaning and purpose of every act of Congress. This Court, in considering the validity of state laws in the light of treaties or federal laws touching the same subject, has made use of the following expressions:

"Conflicting; contrary to; occupying the field; repugnance; difference; irreconcilability; inconsistency; violation; curtailment; and interference. But none of these expressions provides an infallible constitutional test or an exclusive constitutional yardstick. In the final analysis, there can be no one crystal clear distinctly marked formula. Our primary function is to determine whether, under the circumstances of this particular case, Pennsylvania's law stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress. *Hines* v. *Davidowitz*, 312 U.S. 52, 67 (1941).

Even within the class of what might be considered as environmental control statutes. Congress has manifested no coherent pattern with regard to preemption, and the problem of interpreting ambiguities relating to preemption is no less difficult. This paper first discusses court cases concerning preemption in environmental laws. It will then discuss the legislative histories of various environmental preemption provisions which have not been interpreted by courts.

One of the most requently cited decisions relating to preemption in the environmental control context is *Huron Portland Cement Co.* v. *Detroit*, 362 U.S. 440 (1960), upholding application of the city's smoke abatement code to ships inspected, licensed and enrolled by the federal government for operation on the Great Lakes. Some doubt, however, is cast upon the continuing vitality of the principles set forth in Huron by the recent decision of the Supreme Court in *Burbank, Burbank* v. *Lockheed Air Terminal Inc.*, 411 U.S. 6254 (1973), holding that a city ordinance placing an 11 p.m. to 7 a.m. curfew on jet flights from the Hollywood-Burbank Airport was preempted by the Federal Noise Control Act of 1972. Huron had emphasized that pollution control measures such as the smoke abatement code, "designed to free from pollution the very air that people breathe clearly [fall] within the exercise of even the most traditional concept of what is compendiously known as the police power." 362 U.S. at 442. The exercise of that police power by the States and the exercise by Congress of the power to regulate interstate commerce can be concurrent, the Court continued, unless the state regulation is preempted by federal laws, or "unduly burdensome on maritime activities or interstate commerce."

"In determining whether state regulation has been preempted by federal action, "the intent to supersede the exercise by the State of its police power as to matters not covered by the Federal legislation is not to be inferred from the mere fact that Congress has seen fit to circumscribe its regulation and to occupy a limited field. In other words, such intent is not to be implied unless the act of Congress fairly interpreted is in actual conflict with the law of the State." (citations omitted) 362 U.S. at 443.

Under the facts in Huron, no actual conflict was found. Indeed, the Court pointed to a section of the federal air pollution control law declaring a "policy of Congress to preserve and protect the primary responsibilities and rights of the States and local governments in controlling air pollution." 42 U.S.C. § 1857 (1970).

On the other hand, the Court in the more recent Burbank case found actual conflict between the local curfew on jet flights and the "pervasive nature of the scheme of federal regulation of aircraft noise" embodied in 49 U.S.C. § 1431 (411 U.S. at 633). While acknowledging that "(c)ontrol of noise is of course deep seated in the police power of the States," the opinion of the Court concluded in rather broad language that the "pervasive" scheme of federal control of noise seems to us to leave no room for local curfews or other local controls." 441 U.S. at 638 (emphasis added). The actual conflict of concern to the Court was that between local curfew ordinances restricting hours of jet traffic and the necessary "flexibility of the FAA in controlling traffic flow." Were the Court to uphold the Burbank ordinance and other localities across the country to follow suit in enacting similar measures, the opinion reasoned, hours of permissible jet traffic would be significantly curtailed, and the increased congestion during those hours could result in decreased safety and increased noise in communities near airports. The four dissenting Justices in Burbank pointed to indications in both the House and Senate Reports on the Noise Control Act of 1972 that it was not intended "to alter in any way the relationship between the authority of the Federal Government and that of State and local governments that existed with respect to matters covered by section 611 of the Federal Aviation Act of 1958 prior to enactment of the bill." H.R. Rep. No. 842, 92d Cong. 2d Sess. 10 (1972); S. Rep. No. 1160, 92d Cong. 2d Sess. 11 (1972). The Senate Report accompanying the 1968 amendments to the section had declared that, although federal law preempts the field of noise regulation insofar as it involves controlling the flight of aircraft, the 1968 amendments were not designed to "affect the rights of a State or local public agency, as the proprietor of an airport, from issuing regulations or establishing requirements as to the permissible level of noise which can be created by aircraft using the airport. . . . Just as an airport owner is responsible for

deciding how long the runways will be, so is the owner responsible for obtaining noise easements necessary to permit the landing and takeoff of the aircraft. . . . (T)he Federal Government is in no position to require an airport to accept service by noisier aircraft, and for that purpose to obtain additional noise easement." S. Rep. No. 1353, 90th Cong., 2d Sess. 7 (1968). Because of the significant impact which local curfews on jet traffic might have upon "controlling the flight of aircraft," the Court majority might have based its decision solely upon such impact. The broader language concerning the "pervasive" federal scheme of noise regulation leaving "no room for local curfews or other local controls" brings into question what, if any, state and local controls of airport noise are still permissible.

Other sections of the Noise Control act of 1972, unlike the section governing aircraft noise, (49 U.S.C. § 1431), expressly preempt state and local control. Thus 42 U.S.C. § 4905, authorizing the establishment of noise emission standards for products distributed in commerce, contains the following language.

"(e) State and local regulations.

"(1) No State or political subdivision thereof may adopt or enforce—

"(A) with respect to any new product for which a regulation has been prescribed by the Administrator under this section, any law or regulation which sets a limit on noise emissions from such new product and which is not identical to such regulation of the Administrator; or

"(B) with respect to any component incorporated into such new product by the manufacturer of such product, any law or regulation setting a limit on noise emissions from such component when so incorporated.

"(2) Subject to sections 4916 and 4917 of this title, nothing in this section precludes or denies the right of any State or political subdivision thereof to establish and enforce controls on environmental noise (or one or more sources thereof) through the licensing, regulation, or restriction of the use, operation, or movement of any product or combination of products. (Pub. L. 92–574, § 6, Oct. 27, 1972, 86 Stat. 1237.)"

Sections 4916 and 4917, relating to standards for rail and motor carriers, permit state and local controls if the Administrator of EPA and the Secretary of Transportation determine that such controls are "necessitated by special local conditions and . . . not in conflict with regulations promulgated under this section." The section of the House Report explaining the scope of preemption is reproduced below:

RESPONSIBILITIES OF THE FEDERAL GOVERNMENT, THE STATES, AND THEIR POLITICAL SUBDIVISIONS IN ABATING AND CONTROLLING NOISE

The Committee was presented with differing views as to the proper roles of the Federal Government, the States and localities in the effort to achieve noise abatement. In the Committee's bill the general concept of Federal preemption for new products for which Federal standards have been established—the concept proposed by the Administration—was retained.

Section 6 of the Committee's bill affects the authority of States and political subdivisions over noise emissions only in one respect: State and local governments are preempted from prescribing noise emission standards for new products to which Federal standards apply, unless their standards are identical to the Federal standards. A similar provision applies to component parts. For products other than new products to which Federal standards apply, State and local governments retain exactly the same authority they would have in absence of the standard setting provisions of the bill. The authority of State and local government to regulate use, operation, or movement of products is not affected at all by the bill. (The preemption provision discussed in this paragraph does not apply to aircraft. See discussion of aircraft noise below.)

Nothing in the bill authorizes or prohibits a State from enacting State law respecting testing procedures. Any testing procedures incorporated into the Federal regulations must, however, be adopted by a State in order for its regulations to be considered identical to Federal regulations.

Localities are not preempted from the use of their well-established powers to engage in zoning, land use planning, curfews and other similar requirements. For example, the recently-enacted Chicago Noise Ordinance provides that heavy equipment for construction may not be used between 9:30 p.m. and 8:00 a.m. within 600 feet of a hospital or residence except for public improvement or public service utility work. The ordinance further provides that the motor of a vehicle in excess of four tons standing on private property and within 150 feet of residential property may not be operated for more than two consecutive minutes unless within a completely enclosed structure. Such local provisions would not be preempted by the Federal Government by virtue of the reported bill.

The Committee gave some consideration to the establishment of a Federal ambient noise standard, but rejected the concept. Establishment of a Federal ambient noise standard would in effect, put the Federal government in the position of establishing land use zoning requirements on the basis of noise—i.e., noise levels to be permitted in residential areas, in business areas, in manufacturing and residential areas; and within those areas for different times of the day or night. It is the Committee's view that this function is one more properly that of the States and their political subdivisions, and that the Federal Government should provide guidance and leadership to the States in undertaking this effort.

The Committee felt it to be desirable to authorize the Administrator of the EPA to enter into agreements with States which would authorize State officials to enforce violations of the Act, and adopted the Administration provision to this effect.

H.R. Rep. No. 842, 92d Cong., 2d Sess. 8–9 (1972)

The Senate Report, No. 92–1160, Senate Public Works Committee 92d Cong., 2d Sess. (1972), reprinted at p. 4655 of 2d 3, U.S. Code Cong. and Adm. News, 92d Cong., 2d Sess.) p. 4655, also discussed the preemption question in some detail. It explained that the Act is intended to strike the following balance between state and federal authority:

It is the intention of the Committee to distinguish between burdens which fall on the manufacturers of products in interstate commerce and burdens which may be imposed on the users of such products. In the judgment of the Committee, noise emission standards for products which must be met by manufacturers, whether applicable at the point of introduction into commerce or at any other point, should be uniform.

On the other hand, States and local governments have the primary responsibility under the bill for setting and enforcing limits on environmental noise which in their view are necessary to protect public health and welfare. This essentially local responsibility is not assumed or interfered with by this bill, although Federal leadership and technical assistance are provided in the criteria required by section 407(a) which will set forth levels of environmental noise protective of public health and welfare. (P. 4660.)

Senator Muskie appended minority comments to the *Senate Report* in which he specifically objected to the broad preemption provision concerning products and aircraft emission standards. His principal objections are quoted below:

Therefore, in consideration of the pending legislation, I expressed reservations regarding a broad preemption provision for product and aircraft emission standards. The States have moved actively in this field. Federal noise pollution responsibility is new and litthe significant authority or responsibility exists. Conversely, a number of States have regulatory programs which impose emission controls on noisy products which controls are enforceable, both at the point of sale and the point of use.

I cannot support Federal preemption which protects product manufacturers and the air transportation industry without effective regulatory programs which will enhance the quality of the environment. Substitution of Federal law for State law without assurance that public health will be protected is poor public policy.

The second point of concern with the legislation reported from the Committee has to do with the problem of aircraft noise and regulatory mechanism recommended to deal with that problem. To date, regulation of aircraft noise pollution has been the sole responsibility of the Federal Aviation Administration. The Federal Aviation Administration has had this responsibility since its inception. It has had a specific legislative mandate for the past four years. And its record is wholly inadequate.

I understand why the Federal Aviation Administration's response has been inadequate. The FAA's responsibility is not to reduce the environmental impact caused by aircraft noise. Its primary responsibility is to promote air commerce and to protect safety. Regulation of noise from aircraft is not consistent with that primary mission. (P. 4671.)

The Atomic Energy Act, 42 U.S.C. § 2011 *et seq.*, which has no express preemption section, has been interpreted by courts to preempt state control of radioactive waste discharges from nuclear power plants. In the absence of such federal regulation, control of radioactive wastes might well be considered to fall within even the most traditional concept of the state police power. In *Minnesota* v. *Northern State Power Co.*, 405 U.S. 1035 (1972), the Supreme Court summarily affirmed the decision of the United States Court of Appeals for the Eighth Circuit, 447 F. 2d 1143 (8th Cir. 1971), holding that state regulation of the discharge of such radioactive wastes is preempted by the Act. The state of Minnesota was attempting to enforce standards stricter than those imposed by the AEC. Under the terms of the Act, all nuclear power plants must be licensed for construction and operation by the AEC. Congressional intent to preempt control of radioactive wastes was found by the Court of Appeals to be implicit in sections of the Act authorizing the AEC by formal agreement to turn over to states carefully limited aspects of its regulatory authority, and prohibiting relinquishment of other aspects of its control. The Court of Appeals emphasized 42 U.S.C. §2021(c), which prohibits the AEC from relinquishing to states authority over "the construction and operation of any production or utilization facility." Control over construction and operation of such a facility "necessarily includes control over radioactive effluents discharged from the plant incident to its operation." 447 F. 2d at 1149, nt 6. Further support for preemption of control over radioactive wastes was found in 42

U.S.C. § 2021(k), which provides that "(n)othing in this section shall be construed to affect the authority of any state or local agency to regulate activities for purposes other than protection against radiation hazards."

Other aspects of state regulation affecting nuclear power plants less directly than control of radioactive wastes may still be valid under the principles of the Northern States opinion. Conformity of the siting of nuclear plants to state and local zoning controls may be one such area. The California Supreme Court has upheld the power of the State to regulate safety aspects, not related to radiation hazards, of the location of nuclear power plants. *Northern California Assoc. to Preserve Bodega Head and Harbor, Inc.* v. *Public Utilities Commission*, 37 Cal. Rptr. 432, 390 P. 2d 200 (1964). The Court pointed to 42 U.S.C. 2021(k), *supra:*

In view of subdivision (k) of section 2021, respondent commission unquestionably has authority to inquire into safety questions apart from radiation hazards. Accordingly, since the location of an atomic reactor at or near an active earthquake fault zone involves safety considerations in addition to radiation hazards, it is clear that the federal government has not preempted the field . . . and that the states' power in determining the locations of atomic reactors are not limited to matters of zoning or similar local interest other than safety. 390 P. 2d at 204.

AEC regulations now include "seismic and geologic siting criteria for nuclear power plants," (10 C.F.R. Part 100, Appendix A) so it is possible that a different result would now be reached in litigation to determine a state's power to regulate location of nuclear plants on the basis of geological conditions. The reasoning of the California Supreme Court might still be invoked in support of a state's power to control other aspects of land use and pollution controls.

The Huron, Burbank, Northern States, and Bodega Bay cases are the principal decisions discussing preemption in environmental control laws. There has been no case law interpreting the preemption provisions of the laws discussed below.

The 1970 Amendments to the Clean Air Act greatly extended the authority of the federal government in the control of air pollution. For example, the federal government is directed to establish national ambient air quality standards. Previously, this task had been left up to the states.

The Clean Air Act expressly permits states to adopt stricter standards except in certain specified areas. (42 U.S.C. Sec. 1857d–1) Exclusive federal regulation or identical state regulation is required with regard to new motor vehicles, fuel additives, aircraft, and hazardous pollutants from new stationary sources (42 U.S.C. Sec. 1857f–6a, 1857f–6c, 1857f–11).

The legislative documents do not describe in any detail the process by which Congress decided upon either exclusive federal regulation on a system of stricter state regulation. We have examined the House Report no. 91–1146, Interstate and Foreign Commerce Committee, 91st Cong., 2d Sess. (1970) and the Conference Report, 391–1783 91st Cong., 2d Sess. (1970), both of which are reprinted in 3 U.S. Code Cong. and Adm. News, 91st Cong., 2d Sess. (1970) beginning at p. 5356. Both reports summarize the express preemption clauses found in the Clean Air Act. Neither report discusses in any detail the background for the legislative decisions concerning preemption. With regard to aircraft, the House Report states: "The authority of the Secretary to establish emission standards would preempt State authority to establish or enforce any aircraft emission standards." (p. 5359, U.S. Code Cong. and Administrative News cited above) Such a legislative decision concerning exclusive federal control of aircraft emission standards is probably based on the past practices of nearly exclusive federal regulation of aircraft.

In one instance, the House Report discussed the reason for exclusive federal control of emission standards for new stationary sources involving extreme hazards or substantial dangers to health or welfare. It noted that federal standards will prevent states from competing for new industries without adequate control of the emissions. (P. 5358.)

It can be seen that no uniform approach to preemption was adopted in the Clean Air Act. Air pollution was viewed as a complex problem affecting many industries. In some, such as the automobile industry and the aircraft industry, a uniform federal approach was deemed preferable to varying state standards.

The legislative documents pertaining to the Noise Control Act were previously mentioned under the case law discussion of *Burbank* v. *Lockheed Air Terminal, Inc.*, 411 U.S. 624 (1973).

The Federal Water Pollution Control Act contains a section (33 U.S.C. Sec. 1370) expressly permitting states to adopt more stringent water pollution standards. It contains a proviso precluding states from adopting such standards if other sections of the act provide for exclusive federal control. An example of a proviso is section 1316(c)(d) which does not permit states to adopt a new source standards of performance for facilities owned or operated by the federal government. Another section precludes states from regulating marine vessel sanitation devices (sec. 1322(c)).

Neither the Senate Report (#92–414 Public Works Committee 92d Cong., 1st Sess. (1941)) nor the Senate Conference Report (#92–1236, 92d Cong., 2d Sess (1972) reprinted in 3 U.S. Code Cong. and Adm. News, 92d Cong., 2d Sess. at p. 3668 (1972)) contain any detailed discussion of the section or the exceptions to it.

With regard to pesticides, states cannot impose additional or different labeling or packaging requirements. (7 U.S.C. Sec. 1362) This provision is similar to the Clean Air Act and other acts which require uniform standards for nationally distributed products. States may regulate the sale or use of pesticides within the state if such regulation is at least as strict as the federal regulation. A state may also register a pesticide for use in the state if "special local need" requires it and the E.P.A. so approves. This section is similar to the special local conditions of the Noise Control Act. The legislative discussion centered on whether to permit local governments to regulate pesticides.

GEORGE COSTELLO,
LINDA BREEDEN,
Legislative Attorneys.

H.R. 16223

A bill to provide the States with the right to adopt or enforce requirements with respect to certain environmental matters

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

STATEMENT OF PURPOSE

SECTION 1. The purpose of this Act is to direct that, to the fullest extent possible, the policies, regulations, and public laws of the United States should not be interpreted as precluding or denying to any State or political subdivision thereof the right to adopt or enforce any standard, requirement, limitation, or other restriction, with respect to major governmental actions significantly affecting the quality of the human environment. It is also the purpose of this Act to insure that compliance with any standard, requirement, limitation, or other restriction of any State or political subdivision thereof with respect to such actions should not relieve any person of the obligation to comply with the provisions of any Federal law or regulation or order issued pursuant to such law.

AMENDMENTS TO EXISTING LAW

SEC. 2. (a) Section 116 of the Clean Air Act is amended to read as follows:

"SEC. 116. Nothing in this Act shall preclude or deny any State or political subdivision thereof the right to adopt or enforce (1) any standard or limitation respecting emissions of air pollutants, or (2) any requirement respecting the control or abatement of air pollution. Compilance with the requirements of any State or political subdivision thereof with respect to the emissions of air pollutants or the control or abatement of air pollution shall not relieve any person of the obligation to comply with the provisions of this Act."

(b)(1) Section 6(e) of the Noise Control Act of 1972 is amended to read as follows:

"(e)(1) Nothing in this Act shall preclude or deny any State or political subdivision thereof the right to adopt or enforce any law or regulation which sets a limit on noise emissions from any product or any component incorporated into any product. Compliance with the requirements of any State or political subdivision thereof with respect to controls on environmental noise emissions from any product or any component incorporated into any product shall not relieve any person from the obligation to comply with the provisions of this Act.

"(2) Nothing in this section precludes or denies the right of any State or political subdivision thereof to establish and enforce controls or environmental noise (or one or more sounds thereof) through the licensing, regulation, or restriction of the use, operation, or movement of any product or combination of products."

(2) Section 17(c) of the Noise Control Act of 1972 is amended to read as follows:

"(c)(1) Nothing in this Act shall preclude or deny any State or political subdivision thereof the right to adopt or enforce any standard applicable to noise emissions resulting from the operation of any equipment or facility of a surface carrier engaged in interstate commerce by railroad. Compliance with the requirements of any State or subdivision thereof with respect to noise emissions resulting from the operation of any equipment or facility of a surface carrier engaged in interstate commerce by railroad shall not relieve any person of the obligation to comply with the provisions of this section.

"(2) Nothing in this section shall diminish or enforce the rights of any State or political subdivision thereof to establish or enforce standards or controls on levels of environmental noise, or to control, license, regulate, or restrict the use of any product."

(3) Section 18(c) of the Noise Control Act of 1972 is amended to read as follows:

"(c)(1) Nothing in this Act shall preclude or deny any State or political subdivision thereof the right to adopt or enforce any standard applicable to noise emissions resulting from the operation of any motor carrier engaged in interstate commerce. Compliance with the requirements of any State or political subdivision thereof with respect to noise emissions resulting from the operation of any motor carrier engaged in interstate commerce shall not relieve any person of the obligation to comply with the provisions of this section.

"(2) Nothing in this section shall diminish or enhance the rights of any State or political subdivision thereof to establish and en-

force standards and controls on levels of environmental noise, or to control, license, regulate, or restrict the use, operation, or movement of any product."

(c) Section 510 of the Federal Water Pollution Control Act is amended to read as follows:

"SEC. 510. Nothing in this Act shall (1) preclude or deny any State or political subdivision thereof or any interstate agency the right to adopt or enforce (A) any standard or limitation respecting discharges of pollutants, (B) any requirement respecting control or abatement of pollution, or (C) any standard or limitation respecting the release of radioactive materials and thermal discharges in water, or any requirement respecting control or abatement of pollution from radioactive materials and thermal discharges; or (2) be construed as impairing or in any manner affecting the right or jurisdiction of the States with respect to the waters (including boundary waters) of such States. Compliance with the requirements of any State or political subdivision thereof with respect to discharges of pollutants or release of radioactive materials and thermal discharges in water shall not relieve any person of the obligation to comply with the provisions of this Act."

(d) Subsections (a) and (b) of section 24 of the Federal Insecticide, Fungicide, and Rodenticide Act is amended to read as follows:

"(a) Nothing in this Act shall preclude or deny any State or political subdivision thereof the right to adopt or enforce any law or regulation with respect to the sale or use of any pesticide or device or any requirements for labeling and packaging any pesticide or device;

"(b) compliance with the requirements of any State or political subdivision thereof with respect to the sale, use, labeling, or packaging of any pesticide or device shall not relieve any person from the obligation to comply with the provisions of this Act; and".

(e)(1) Title VI of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new section:

"STATE AUTHORITY

"SEC. 613. Nothing in this Act shall preclude or deny any State or political subdivision thereof the right to adopt or enforce any law or regulation with respect to noise emissions resulting from the operation of any aircraft or airport or any aircraft equipment or facility. Compliance with the requirements of any State or political subdivision thereof with respect to noise emissions resulting from the operation of any aircraft or airport or any aircraft equipment or facility shall not relieve any person of the obligation to comply with the provisions of this Act."

(2) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading "TITLE VI—SAFETY REGULATION OF CIVIL AERONAUTICS" is amended by adding at the end thereof the following:

"SEC. 613. State Authority."

(f) Section 271 of the Atomic Energy Act of 1954 is amended to read as follows:

"SEC. 271. Agency Jurisdiction.—

"a. Nothing in this Act shall be construed to affect the authority or regulations of any Federal, State, or local agency with respect to the generation, sale, or transmission of electrical power produced through the use of nuclear facilities licensed by the Commission, except that nothing in this section (except subsection b. of this section) shall be deemed to confer upon any Federal, State, or local agency any authority to regulate, control, or restrict any activities of the Commission.

"b. Nothing in this Act shall preclude or deny any State or political subdivision thereof the right to adopt or enforce any standard or limitation with respect to the disposal of radioactive waste materials. Compliance with any standard or limitation with respect to the disposal of any radioactive waste materials shall not relieve any person of the obligation to comply with the provisions of this Act."

GENERAL PROVISION

SEC. 3. (a) The Congress authorizes and directs that, to the fullest extent possible, the policies, regulations, and public laws of the United States shall not be interpreted as precluding or denying any State or political subdivision thereof the right to adopt or enforce any standard, requirement, limitation, or other restriction, with respect to major governmental actions significantly affecting the quality of the human environment. Compliance with any standard, requirement, limitation, or other restriction of any State or political subdivision thereof with respect to such actions shall not relieve any person of the obligation to comply with the provisions of any Federal law or regulation or order issued pursuant to such law.

(b) All agencies of the Federal Government shall review their present statutory authority, administrative regulations, and current policies and procedures, for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full compliance with the purpose and provisions of this Act, and shall propose to the President and to the Congress, not later than 6 months after the date of enactment of this Act, such measures as may be necessary to bring their authority and policies into conformity with the intent and purpose of this Act.

LAWRENCE LUNT: CUBAN PRISONER

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, in recent months there has been a rising chorus of criticism of U.S. policy toward Cuba, a policy which, incidentally, is mandated by a resolution of the Organization of American States. While I believe that our current policy should be maintained, I do not rise today to argue the merits or demerits of our policy but simply to call attention to the case of one U.S. citizen who remains a prisoner in Cuba, Lawrence Kirby Lunt.

Along with a number of other House and Senate Members I have been working quietly with the Department of State to secure Mr. Lunt's release after more than 9 years in Cuban jails. The article from the July 12, 1974, Miami Herald which I will include as part of my remarks details international efforts to secure Mr. Lunt's release in exchange for more than 9 years in Cuban jails. The article from the July 12, 1974, Miami Herald which I will include as a part of my remarks details international efforts to secure Mr. Lunt's release in exchange for a Cuban soldier held captive by the Government of Portugal.

The release of Mr. Lunt upon the concurrent release of Cuban Capt. Rodriguez Peralta was the Cuban Government's own proposal. It does not involve an obligation by the United States but it does involve a Cuban commitment to the Vatican and to Mr. Lunt's family. I hope all of those who would have us believe that the time has come to change our policy toward Cuba will take note of this case and of the cold-hearted way in which the Cuban Government continues to intentionally shatter the dreams and the lives of one small American family.

It is my hope that the Cuban Government will reexamine the commitments which they have made and decide to honor them and allow Mr. Lunt to rejoin his family. The referred-to article follows:

[From the Miami Herald, July 12, 1974]

"CIA SPY" IS PAWN IN A GAME OF PROMISES

(By Frank Soler)

Lawrence Kirby Lunt wants to go home.

The Fidel Castro government wants to keep him in Cuba.

The resulting stalemate has sparked a dramatic behind-the-scenes international dispute over the fate of a man whom the Cubans accuse of being a master agent for the CIA.

The tussle already has involved five nations in two continents within the past several months. And it promises to set off more sparks before it is resolved.

Currently, the Vatican, Belgium and the United States are pressing for completion of a complex and highly sensitive prisoner swap between Cuba and Portugal.

The Cubans, who formally agreed to the exchange in a communique to the Vatican in 1971, now are balking at completing the swap.

At stake are the remaining years in the life of a tall, wiry man who roamed the American West as a youngster, then became a ranchhand, fought in two major wars, married a Belgian girl and settled down as a cattleman in pre-Castro Cuba's westernmost Pinar del Rio province.

For Lunt, who opted to remain there following Castro's takeover in 1959, is now 50.

And he still has 21 years to serve of the unusually harsh 30-year prison term imposed on him by a Cuban revolutionary tribunal in April of 1965.

Over repeated denials of an angry Lunt, the tribunal claimed the American was responsible for recruiting Cubans to supply economic, political and military information about the Castro regime to Washington.

The verdict came as no surprise. Lunt was found a CIA spy who had to pay for his anti-revolutionary crimes.

That was that.

The Massachusetts native who as a member of the U.S. Air Force survived World War II and the Korean conflict suddenly found himself in a Cuban jail.

His properties were confiscated by the regime.

And his wife, Beatrice, along with the couple's three young children, eventually left the Caribbean island; having failed to gain Lunt's release from within, she was determined to do so from without.

But the years passed in frustrating solitude.

For Lunt, who was sent pariah-like from one prison to another, with exercise and chess as his only friends and companions—he did (and does) push-ups morning, noon and night.

For Beatrice, who took the children to Brussels, Belgium, to continue the struggle for her husband's freedom from her own homeland.

And for Lunt's own family, anguished by

visions of steamy tropical jail cells that were totally alien to the slow-drawling, peaceful ways of America's rural Midwest.

It was six long years after Lunt's trial and imprisonment that the first crucial break occurred in the case.

The Vatican, acting at the behest of Lunt's family, sent a special emissary to Havana in 1971 to discuss the American's release.

The Cubans told the emissary they were willing to release Lunt—for a price.

The price, they said, was to be the release of one Pedro Rodriguez Peralta, a Cuban army captain wounded and captured while leading African guerrillas against Portuguese troops in Portuguese Guinea in November of 1969.

The Cubans made a formal commitment with the Vatican and all appeared set for a successful, Hollywood-style prisoner exchange.

Then the bottom fell out.

Portugal, dismissing "unofficial suggestions" from the Vatican, Belgium and the United States, refused to free Rodriguez Peralta.

Instead, then-Portuguese Prime Minister Marcelo Caetano ordered the Cuban's relatively minor sentence of 18 months imprisonment plus a small fine set aside and called a new trial. Rodriguez Peralta's sentence was increased to 10 years in prison.

There things stood until last April 25, when Caetano's right-wing regime was toppled in a military coup led by liberal Gen. Antonio de Spinola, a veteran of the brutal Portuguese Guinea guerrilla campaigns.

Spinola promptly announced an amnesty for all "political prisoners" jailed by the previous government.

Sensing a complete reversal of the situation and saying they were "on very good terms" with the Spinola government, the Cubans reneged on the 1971 Rodriguez Peralta-for-Lunt deal.

Instead they called for his "unconditional" release as a political prisoner of the previous regime.

The Cubans apparently misinterpreted Spinola's intentions, however. For he has refused to free the Cuban soldier despite strong Cuban protests and demonstrations by leftist Portuguese.

Only recently, Spinola called the Cuban charge d'affaires in Lisbon to his office for a private chat.

Spinola reportedly told the Cuban that Rodriguez Peralta would be freed only if Cuba honored its 1971 commitment to the Vatican. Otherwise, Rodriguez Peralta would remain in jail.

The Cubans have countered by hiring the brother of Portugal's first prime minister under Spinola, Adelino de Palma Carlos, to defend Rodriguez Peralta.

But Palma Carlos resigned from his post suddenly on Tuesday, leaving Rodriguez Peralta in the hands of the brother of a former prime minister who may now be viewed with disfavor by Spinola's regime.

It's still too early to tell how Palma Carlos' resignation might affect the Lunt case.

Herald sources, however, indicate that Spinola is determined to retain Rodriguez Peralta until Lunt is freed.

"The Portuguese have indicated they regard the Cuban government's note to the Holy See of March 1971 to be an international obligation," said one source.

"And it is one of the principles of Portugal's new revolutionary government that international obligations be respected."

Meanwhile, while the game of international oneupmanship progresses, a groundswell movement on Lunt's behalf has been taking shape in the United States.

The U.S. State Department will say only that it is interested in the fate of Lunt because he is an American citizen being held abroad.

But conservative and liberal congressmen alike have been privately expressing their hope that Lunt's case can be quickly resolved.

One of Lunt's cowboy pals, Sam Steiger, now a conservative Republican congressman from Arizona, is urging White House intervention in the affair.

Colorado Sen. Peter Dominick has gained the attention of a group of nonpartisan senators, including some who favor rapprochement between the United States and Cuba, and they, too, are speaking on Lunt's behalf.

And, in a letter to Secretary of State Henry Kissinger Feb. 27, the joint leadership of the House said, "We hope that this matter can be successfully resolved." The letter said due notice should be taken of the "urgent humanitarian considerations involved" and added "it seems that speedy and effective measures should be taken."

The urgent humanitarian considerations to which the letter referred was the grave illness that has prostrated Lunt's elderly mother in Colorado.

"Lunt's mother has had a stroke. She is unable to move. This has been pointed out to the Cubans again and again," said one source close to the case.

The source suggested three possibilities when asked why the Cubans still were balking at freeing Lunt.

"First, the Cubans may be displaying a personal animosity against this prisoner—he is not even allowed visitors. They may wish to do everything to prevent his release even though this may involve breaching a promise made to the Pope.

"Second, the Cubans may be hoping for the establishment of a totally Communist government in Portugal that might be willing to release Rodriguez Peralta unilaterally.

"Third, Castro may be trying to provoke this into an incident that might induce U.S. policy changes toward Cuba.

"It is ridiculous to suppose that the fate of one man can cause U.S. policy changes. The Cubans' attitude will only serve to create new grounds for antagonism," said the source.

Through all this, the source said, Lunt—now in Havana's La Cabana prison—has maintained good spirits.

"He does his exercises. Mainly push-ups. And he plays chess. He is in good condition. He's bearing up well.

"The Cubans look upon this man as some master spy, which he is not. He is just a guy that has been caught in a situation beyond his control."

CLAUDE PEPPER HONORED BY UNIVERSITY OF MIAMI

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, at the commencement exercises on June 2, 1974, the School of Medicine of the University of Miami presented our distinguished colleague and my good friend, CLAUDE D. PEPPER, with an honorary doctor of science degree.

In presenting this honor, special note was made of CLAUDE'S 45 years of public service in the Florida Legislature, in the U.S. Senate, and in the U.S. House of Representatives and his devotion during those years to legislative efforts to establish Federal programs for medical research and medical facilities construction. As we in this Chamber well know, CLAUDE was an early leader in efforts to develop what we now know as the National Institutes of Health, and his early enthusiasm and leadership have never diminished.

I know that our colleagues are as pleased as I am that CLAUDE'S leadership and achievements have been recognized in this manner by the University of Miami, and join me in congratulating him for this outstanding honor.

I would like to call to the attention of our colleagues the citation read at the ceremony in tribute to our very distinguished colleague:

UNIVERSITY OF MIAMI SCHOOL OF MEDICINE COMMENCEMENT, JUNE 2, 1974

Claude Denson Pepper, one of Florida's best known and most distinguished citizens, who has served 45 years in public life as a representative of the people of the state of Florida and of the nation. As a young attorney in 1929, he was elected to the Florida House of Representatives. Subsequently, he was a U.S. Senator for 14 years and now, for the past 12 years, he has been an eminent member of the U.S. House of Representatives. Dominating his career has been his humanitarian concern for the welfare and well-being of his fellow men, young and old, from the community, to the national and international level. The history of national health legislation could not be written without mentioning Claude Pepper. As far back as 1937, he co-sponsored creation of the National Cancer Institute. In the following years, he spearheaded additional legislation, leading to today's National Institutes of Health, which are credited with revolutionizing medical science and medical care, here and abroad. He was a prime mover in the passage of the Hill-Burton Act, to which many of our hospitals are indebted. He zealously advocated bills for Community Health and Mental Retardation, Nurse Training, Health Professions Assistance and the Heart-Cancer-Stroke program.

Mr. President, in recognition of his devotion to the health needs of his fellow men and his leadership in promulgating legislation which contributed to the education of members of the health professions, gives impetus to medical research, and provides facilities for treating the sick, I present Claude D. Pepper for the degree of Doctor of Science.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PARRIS) to revise and extend their remarks and include extraneous material:)

Mr. TALCOTT, for 5 minutes, today.

Mr. YOUNG of Illinois, for 10 minutes, today.

Mr. MILLER, for 10 minutes, today.

(The following Members (at the request of Mr. GINN) to revise and extend their remarks and include extraneous matter:)

Mr. FLOOD, for 5 minutes, today.

Mr. DAVIS of South Carolina, for 15 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. RODINO, for 5 minutes, today.
Mr. VANDER VEEN, for 5 minutes, today.
Mr. REUSS, for 30 minutes, today.
Mr. MCKAY, for 5 minutes, today.
Mr. ANNUNZIO, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PATMAN, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,390.

Mr. BROWN of California, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,043.

Mr. WRIGHT, to include extraneous material during general debate on H.R. 16090.

(The following Members (at the request of Mr. PARRIS) and to include extraneous material:)

Mr. FRENZEL in two instances.
Mr. STEIGER of Wisconsin.
Mr. CRANE in five instances.
Mr. WYMAN in two instances.
Mr. MCCLOSKEY.
Mr. SMITH of New York.
Mr. SKUBITZ.
Mr. YOUNG of Illinois.
Mr. HEINZ.
Mr. SYMMS.
Mr. TALCOTT in two instances.
Mr. LENT in two instances.
Mr. CLEVELAND.

(The following Members (at the request of Mr. GINN) and to include extraneous material:)

Mr. CAREY of New York in two instances.
Mr. GONZALEZ in three instances.
Mr. RARICK in three instances.
Mr. ANDERSON of California in two instances.
Mr. MAHON.
Mr. TIERNAN.
Mr. VANDER VEEN.
Mr. CORMAN in five instances.
Mr. MURPHY of New York.
Mr. DIGGS.
Mr. ANDREWS of North Carolina.
Mr. MILFORD in five instances.
Mr. MATSUNAGA.
Mr. GINN.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2537. An act for the relief of Lidia Myslinska Bokosky;

H.R. 4590. An act for the relief of Melissa Catambay Gutierrez and Milagros Catambay Gutierrez;

H.R. 5637. An act for the relief of Linda Julie Dickson (nee Waters); and

H.R. 7682. An act to confer U.S. citizenship posthumously upon Lance Cpl. Federico Silva.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 2537. An act for the relief of Lidia Myslinska Bokosky; and

H.R. 4590. An act for the relief of Melissa Catambay Gutierrez and Milagros Catambay Gutierrez.

ADJOURNMENT

Mr. GINN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 20 minutes p.m.), the House adjourned until tomorrow, Thursday, August 8, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2632. A letter from the Deputy Under Secretary of Agriculture, transmitting a draft of proposed legislation to repeal the statutes relating to the issuance of cotton acreage and production reports; to the Committee on Agriculture.

2633. A letter from the Secretary of the Air Force, transmitting a report of Air Force experimental, developmental and research contracts of $50,000 or more, covering the 6 months ended June 30, 1974, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

2634. A letter from the Deputy Chief, Office of Legislative Affairs, Department of the Navy, transmitting notice of the intention of the Department of the Navy to donate certain surplus property to the city of Clifton Forge, Va., pursuant to 10 U.S.C. 7545; to the Committee on Armed Services.

2635. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on assistance-related funds obligated for Cambodia during the fourth quarter of fiscal year 1974, pursuant to section 655(f) of Public Law 92-226 [22 U.S.C. 2415(f)]; to the Committee on Foreign Affairs.

2636. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of a determination by the Secretary of State that it is essential to the national interest of the United States that the programs for selectively encouraging U.S. private investment as authorized by title IV of part I of the Foreign Assistance Act of 1961, as amended, be resumed in the Arab Republic of Egypt, and that such programs will neither directly nor indirectly assist aggressive actions by Egypt, pursuant to section 620(p) of the act [22 U.S.C. 2370(p)], and Executive Order 10973; to the Committee on Foreign Affairs.

2637. A letter from the Secretary of Health, Education, and Welfare, transmitting a report covering fiscal year 1974 on personal property donated to public health and educational institutions and civil defense organizations under section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended, and real property disposed of to public health an educational institutions under section 203(k) of the act, pursuant to section 203(o) of the act [40 U.S.C. 484(o)]; to the Committee on Government Operations.

2638. A letter from the Administrator of General Services, transmitting a draft of proposed legislation to amend the act entitled "An Act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes" approved June 30 1932, as amended, to increase the amount of money allowed to be spent for alterations, improvements and repairs to rented premises and to exempt from the act's application all real property leases where the annual rent is $15,000 or less; to the Committee on Government Operations.

2639. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of an order entered in the case of an alien found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act [8 U.S.C. 1182(a)(28)(I)(ii)(b)]; to the Committee on the Judiciary.

2640. A letter from the President, National Safety Council, transmitting a report of the audit of the financial transactions of the council for 1973, pursuant to section 15 of Public Law 93-259; to the Committee on the Judiciary.

2641. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 5, United States Code, to authorize civilians employed by the Department of Defense to administer oaths while conducting official investigations; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PATMAN: Committee on Banking and Currency. H.R. 16032. A bill to authorize the Secretary of the Treasury to change the alloy and weight of the one-cent piece and to amend the Bank Holding Act Amendments of 1970 to authorize grants to Eisenhower College, Seneca Falls, New York; without amendment (Report No. 93-1267). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee of Conference. S. 2510. (Report No. 93-1268). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Carolina (for himself, Mr. ASPIN, and Mr. WYMAN):

H.R. 16301. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs; to the Committee on Ways and Means.

By Mr. CRANE:

H.R. 16302. A bill to amend the Internal Revenue Code of 1954 to allow an individual a tax credit for medical and dental expenses; to the Committee on Ways and Means.

By Mr. FRASER:

H.R. 16303. A bill to extend the Emergency Petroleum Allocation Act of 1973 until June 30, 1975, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HASTINGS:

H.R. 16304. A bill to amend section 303 of the Communications Act of 1934 to require that radio receivers be technically equipped to receive and amplify both amplitude modulated (AM) and frequency modulated (FM) broadcasts; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Colorado:

H.R. 16305. A bill to clarify authorization for the approval by the Administrator of the Federal Aviation Agency of the exchange of a portion of real property conveyed to the city of Grand Junction, Colo., for airport purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JONES of Oklahoma:

H.R. 16306. A bill to further develop rural America by improving health care delivery and to provide incentives for health care personnel to practice in rural areas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KARTH:

H.R. 16307. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MURPHY of Illinois (for himself, Mr. ROGERS, Mr. CARTER, Mr. ANNUNZIO, Mrs. COLLINS of Illinois, Mr. HANRAHAN, Mr. MADIGAN, Mr. METCALFE, Mr. KLUCZYNSKI, Mr. ROSTENKOWSKI, Mr. YATES, and Mr. YOUNG of Illinois):

H.R. 16308. A bill to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases and for arthritis training and demonstration centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York:

H.R. 16309. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer, his spouse, or his dependent, who is disabled, and for other purposes; to the Committee on Ways and Means.

By Mr. SEBELIUS:

H.R. 16310. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. SKUBITZ:

H.R. 16311. A bill for the relief of the officers and crew of the U.S.S. *Squalus;* to the Committee on Armed Services.

By Mr. STEELMAN (for himself and Mr. RAILSBACK):

H.R. 16312. A bill to enforce the first amendment and fourth amendment to the Constitution and the constitutional right of privacy by prohibiting any civil officer of the United States or any member of the Armed Forces of the United States from using the Armed Forces of the United States to exercise surveillance of civilians or to excute the civil laws, and for other purposes; to the Committee on the Judiciary.

By Mr. TIERNAN:

H.R. 16313. A bill to improve the Nation's energy resources; to the Committee on Interstate and Foreign Commerce.

By Mr. WALSH:

H.R. 16314. A bill to amend title II of the Social Security Act to provide that the remarriage of an individual entitled to widow's or widower's insurance benefits shall in no case have the effect of terminating or reducing such benefits; to the Committee on Ways and Means.

By Mr. BREAUX:

H.R. 16315. A bill to impose quantitative limitations on the importation of shrimp into the United States during calendar years 1974 and 1975, and to impose a duty on imported shrimp; to the Committee on Ways and Means.

By Mr. CRONIN:

H.R. 16316. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to require the establishment of certain standards relating to gasoline tanks; to the Committee on Interstate and Foreign Commerce.

By Mr. KYROS (for himself, Mr. ROGERS, Mr. SATTERFIELD, Mr. PREYER, Mr. SYMINGTON, Mr. ROY, Mr. NELSEN, Mr. HASTINGS, Mr. HEINZ, and Mr. HUDNUT):

H.R. 16317. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate certain foods for special dietary use under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEHMAN:

H.R. 16318. A bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. McCORMACK (for himself, Mr. TEAGUE, Mr. MOSHER, Mr. GOLDWATER, Mr. ESCH, Mr. MCDADE, Mr. JONES of Oklahoma, Mr. MITCHELL of New York, Mr. BOB WILSON, Mr. RODINO, Mr. JONES of North Carolina, Mr. STARK, Mr. STEELE, Mr. CONYERS, Mr. CASEY, Mr. ULLMAN, Mr. NIX, Mr. STEIGER of Arizona, Mr. HICKS, Mr. BROYHILL of North Carolina, Mrs. HECKLER of Massachusetts, Mr. LENT, Mr. EILBERG, Mr. VIGORITO, and Mr. MAZZOLI):

H.R. 16319. A bill to further the conduct of research, development, and demonstrations in solar energy technologies, to establish a solar energy coordination and management project, to amend the National Science Foundation Act of 1950 and the National Aeronautics and Space Act of 1958, to provide for scientific and technical training in solar energy, to establish a Solar Energy Research Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes; to the Committee on Science and Astronautics.

By Mr. McCORMACK (for himself, Mr. TEAGUE, Mr. MOSHER, Mr. GOLDWATER, Mr. THOMPSON of New Jersey, Mr. BEVILL, Mr. MATSUNAGA, Mr. VEYSEY, Mr. WYMAN, Mr. YOUNG of Georgia, Mr. MURPHY of New York, Mr. MEEDS, Mr. POAGE, Mr. SEIBERLING, Mr. WAGGONNER, Mr. HALEY, Mr. ECKHARDT, Mr. LEHMAN, Mr. RARICK, Mr. SARBANES, Mr. BLATNIK, Mr. BADILLO, Mrs. SCHROEDER, Mr. ST GERMAIN, and Mr. ASHLEY):

H.R. 16320. A bill to further the conduct of research, development, and demonstrations in solar energy technologies, to establish a solar energy coordination and management project, to amend the National Science Foundation Act of 1950 and the National Aeronautics and Space Act of 1958, to provide for scientific and technical training in solar energy, to establish a Solar Energy Research Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes; to the Committee on Science and Astronautics.

By Mr. McCORMACK (for himself, Mr. TEAGUE, Mr. MOSHER, Mr. GOLDWATER, Mr. CHARLES WILSON of Texas, Mr. DELLENBACK, Mr. PREYER, Mrs. HOLT, Mr. FASCELL, Mr. WON PAT, Mrs. GRASSO, Mr. CAREY of New York, Mr. DANIELSON, Mr. ABDNOR, Mr. CARNEY of Ohio, Mr. HUBER, Mr. STUDDS, and Mr. ANDERSON of California):

H.R. 16321. A bill to further the conduct of research, development, and demonstrations in solar energy technologies, to establish a solar energy coordination and management project, to amend the National Science Foundation Act of 1950 and the National Aeronautics and Space Act of 1958, to provide for scientific and technical training in solar energy, to establish a Solar Energy Research Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes; to the Committee on Science and Astronautics.

By Mr. MOAKLEY:

H.R. 16322. A bill to authorize the acquisition of certain property in the District of Columbia for the purpose of providing living quarters for congressional interns and pages of the Senate and the House of Representatives, and for other purposes; to the Committee on Public Works.

H.R. 16323. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income amounts won in State lotteries; to the Committee on Ways and Means.

By Mr. ROE (for himself, Mr. ANDERSON of California, Mr. ANDERSON of Illinois, Mr. BEVILL, Mr. BROWN of Michigan, Ms. COLLINS of Illinois, Mr. CORMAN, Mr. DE LUGO, Mr. DRINAN, Mr. EDWARDS of California, Mrs. GRASSO, Mr. HICKS, Mr. HOGAN, Mr. MELCHER, Mr. MURTHA, Mr. PATTEN, Mr. PEPPER, Mr. RONCALIO of Wyoming, Mr. ROSENTHAL, Mr. SARASIN, Mr. STEELE, Mr. TIERNAN, Mr. VANDER VEEN, Mr. WILLIAMS, and Mr. WINN):

H.R. 16324. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST (for himself and Mr. ROBERT W. DANIEL, JR.):

H.J. Res. 1107. Joint resolution to proclaim October 1974 as UHF Television Month; to the Committee on the Judiciary.

By Mr. ANNUNZIO:

H. Res. 1299. Resolution increasing the number of positions of expert transcribers to official committee reporters; to the Committee on House Administration.

By Mr. REID:

H. Res. 1300. Resolution affirming support of U.S. foreign policies; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

517. The SPEAKER presented a memorial of the Assembly of the State of California, relative to the emigration of Soviet Jews; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GROVER:

H.R. 16325. A bill for the relief of Joon Pyo Lee; to the Committee on the Judiciary.

By Mr. WYMAN:

H.R. 16326. A bill for the relief of Albert J. Dunbrack; to the Committee on the Judiciary.