

**The original documents are located in Box 50, folder “President - Personal Prior Travel Records” of the Philip Buchen Files at the Gerald R. Ford Presidential Library.**

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A W

AM-VACATIONS 9-29

BY RICHARD LERNER

WASHINGTON (UPI) -- PRESIDENT FORD HAS ORDERED A SEARCH FOR RECORDS THAT MIGHT SHOW WHICH CORPORATE OFFICIALS TOOK HIM GOLFING WHEN HE WAS IN CONGRESS, AND WHEN, A WHITE HOUSE SPOKESMAN SAID WEDNESDAY.

PRESS SECRETARY RON NESSEN SAID, HOWEVER, THERE IS NO ASSURANCE ANY SUCH RECORDS EXIST IN FORD'S STAFF FILES, OR HOW MUCH INFORMATION THEY MIGHT HOLD, OR HOW LONG IT WILL TAKE TO FIND THEM.

"WE ARE TRYING TO LOCATE THE RECORDS ... WHATEVER RECORDS THERE ARE," NESSEN TOLD REPORTERS.

"WE WANT TO FIND OUT IF WE HAVE ANY RECORDS."

HE DISCLOSED TUESDAY THAT FORD GOLFED AS THE GUEST OF EXECUTIVES FROM AT LEAST FOUR CORPORATIONS -- U.S. STEEL, BETHLEHEM STEEL, ALUMINUM CORPORATION OF AMERICA AND FIRESTONE RUBBER -- WHEN HE WAS IN CONGRESS. BUT HE HAD NO DETAILS ON HOW OFTEN, WHEN, PRECISELY WITH WHOM OR WHAT EXPENSES MAY HAVE BEEN PAID BY HIS HOSTS.

WITH JIMMY CARTER STARTING TO MAKE A CAMPAIGN ISSUE OF FORD'S ASSOCIATIONS WITH LOBBYISTS, REPORTERS PRESSED THE WHITE HOUSE FOR SUCH DETAILS AND NESSEN SAID FORD ORDERED THE SEARCH TUESDAY "AFTER I TOLD HIM OF YOUR INTEREST."

HE SAID IT WOULD FOCUS AT FIRST ON FORD'S LAST EIGHT YEARS IN CONGRESS, THROUGH 1973, AND WOULD COVER ONLY OUT-OF-TOWN GOLF DATES RECORDED IN FORD'S OWN STAFF RECORDS -- NOT THOSE OF THE HOST CORPORATIONS.

IT SEEMED UNLIKELY THE DESK-CALENDAR AND SECRETARIAL NOTATIONS WOULD DIVULGE MUCH MORE THAN DATES AND NAMES OF HOSTS AT BEST -- AS OPPOSED TO EXPENSES PAID AND WHETHER BUSINESS WAS DISCUSSED, THE ITEMS AT THE HEART OF THE CONTROVERSY.

SPOKESMEN FOR THREE OF THE FIRMS MENTIONED BY NESSEN HAD THESE COMMENTS WEDNESDAY:

-- A BETHLEHEM STEEL SPOKESMAN SAID CHAIRMAN STEWART CORT HOSTED FORD ON A ONE-DAY GOLF OUTING AT SAUCON VALLEY COUNTRY CLUB NEAR BETHLEHEM, PA., IN JULY, 1971, WITH NO OVERNIGHT LODGINGS INVOLVED. HE COULD NOT RECALL WHO PAID FORD'S TRAVEL EXPENSES OR GOLFING FEES.

-- A FIRESTONE SPOKESMAN SAID VICE PRESIDENT JOHN FLOBERG HOSTED FORD "ABOUT EIGHT YEARS AGO" AT THE FIRESTONE COUNTRY CLUB IN AKRON, OHIO. HE SAID FLOBERG PROBABLY PAID FORD'S GREENS FEES OF \$5 OR \$6, THERE WERE NO OVERNIGHT LODGING COSTS AND "WE DON'T RECALL HOW HE GOT UP HERE."

-- A SPOKESMAN FOR ALCOA SAID "NOBODY HERE HAS ANY RECOLLECTION" OF FORD VISITS AT COMPANY EXPENSE. BUT SOURCES ASSOCIATED WITH THE ALUMINUM INDUSTRY SAID FORD VISITED THE COMPANY'S LODGE NEAR THE TENNESSEE-NORTH CAROLINA BORDER MORE THAN ONCE.

THE CONTROVERSY AROSE LAST WEEK WHEN WILLIAM WHYTE, U.S. STEEL'S CHIEF WASHINGTON LOBBYIST, TOLD UPI HIS COMPANY HAD TREATED FORD TO AT LEAST THREE GOLF OUTINGS AND TWO VISITS TO DISNEY WORLD WHEN HE WAS IN CONGRESS.

AT THE WHITE HOUSE BRIEFING, A REPORTER TOLD NESSEN THE CONTROVERSY RAISES THE SUGGESTION FORD LET OTHERS PAY FOR HIS VACATIONS AS PART OF HIS LIFESTYLE, AND THE PRESIDENT SHOULD "COME OUT HERE AND SAY, 'HELL, NO.'"

"I CAN SAY 'HELL NO' FOR HIM RIGHT NOW," NESSEN REPLIED. "NOBODY HAS SAID THAT HE DID."

UPI 09-29 03:41 PED



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 AM-Political Rdp, Bjt, 2 takes, 490-960  
 By DICK BARNES

Associated Press Writer

Questions about President Ford's old campaign money and golf outings and about Jimmy Carter's foreign travel expenses swirled through the presidential election chase Wednesday.

In a flurry of developments that broke the campaign pattern of statistical gunfire on the issues:

-Democratic nominee Jimmy Carter said President Ford should go before the news media to discuss reports that the Watergate special prosecutor is investigating what happened to contributions made by two unions to Ford's past congressional campaigning.

-Ford's press secretary said "hell, no," it isn't the President's lifestyle to let lobbyists pay for his vacations and golf games. But he promised to release at an unspecified date the results of a records search aimed at finding out who paid when Ford played golf from 1965 to 1973.

-Carter acknowledged that foreign governments had picked up some of the costs of trips he took abroad as Georgia governor when he was trying to drum up trade for the state. Carter said the trips were strictly business, and he distinguished them from acceptance of free golfing vacations.

-Two large companies said Ford had played each of their courses once as the guest of a company official between four and eight years ago.

Carter offered his suggestion of a Ford news conference during his own first formal news conference in almost two weeks as he wound up a two-day rest stop at his Plains, Ga., home.

Carter said the best way for Ford to clear up the matter about the Watergate special prosecutor is for him to "have a frank discussion with the American people through the news media, which so far he has failed to do."

The former Georgia governor said he did not want to be interpreted as having assumed "that there's any substance to the allegations. I have no way to know that."

Carter said special prosecutor Charles Ruff should make public a full report on the investigation when it is finished, regardless of whether that is before or after the Nov. 2 election.

Ruff has repeatedly declined comment on the probe, which reportedly centers around whether Ford converted campaign funds to his own use through a local Republican party organization in Michigan while he was in the House.

The separate matter of golf games came up recently when William Whyte, a lobbyist for U.S. Steel Corp., said Ford, a longtime personal friend, had taken three golfing trips at company expense in New Jersey and stayed twice in a company-owned house near Disney World in Florida while he was a congressman.

White House Press Secretary Ron Nessen said Tuesday that Ford had played on courses owned by three other companies before he became vice president.

Nessen said Wednesday the President has ordered his records searched to see what can be learned about golf games he played during his last eight years as a congressman and House Republican leader.

MORE  
 1654pED 09-29



# Carter, as Governor, Got Free Rides On Planes of Lockheed and Coca-Cola

By NICHOLAS M. HORROCK  
Special to The New York Times

ATLANTA, March 31—Jimmy Carter took free rides on the executive jets of Lockheed Aircraft Corporation and the Coca-Cola Company while Governor of Georgia even though the state provides aircraft and travel funds for the Governor's use, according to businessmen and former state officials.

The longest trip, according to interviews and records, was a three-week sweep through Latin America that Mr. Carter took aboard a Lockheed Corporation Jetstar executive plane in April 1972.

Governor Carter also used Coca-Cola Company private jets to attend several National and Southern Governors Conferences and may have ridden on flights to Washington and other places, according to former state officials and a Coca-Cola Company official.

Both companies have major installations in Georgia. Mr. Carter, queried at a news conference in Appleton, Wis., to-

had not constituted a conflict of interest.

"He [Mr. Carter] never did a favor for either company," Mr. Powell said in a telephone interview. "I'm sure he felt no obligation to these companies."

Mr. Powell suggested that using the corporate jets might have "saved the taxpayers' money" by reducing the cost of the Governor's transportation.

Mr. Powell and Rex Granum, a Carter campaign spokesman based in Atlanta, said that either the Lockheed or the Coca-Cola trips had been taken on what Mr. Granum called "private business or personal affairs" but had been for state business.

Mr. Granum said the campaign staff did not have a list of all such Coca-Cola flights, their purpose or the destination but the staff was attempting to prepare one.

He and Mr. Powell acknowledged, however, that the state bought Lockheed's Coca-Cola

investigation in the United States and abroad on charges of bribing Government officials as part of its aircraft sales technique.

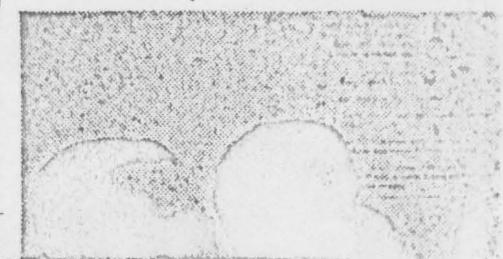
## Used for Demonstrations

Lee Rogers, a spokesman for Lockheed, said the Aircraft company carries such passengers only when it is making a demonstration trip—one designed to demonstrate the aircraft for sales purposes.

Carl E. Sanders who was Governor of Georgia in 1963-67, and S. Ernest Vandiver Jr., 1959-63, are among several recent Governors who have used Coca-Cola aircraft for trips on state business, according to state officials.

A Coca-Cola vice president, Ovid Davis, said that the public service of free flights had been extended to Georgia Governors throughout his 39 years as a company official.

Mr. Rogers said that under Federal Aviation Agency rules Lockheed was not a passenger carrier and could not bill a



Company. Mr. Granum, however, disputed specific trips raised in questions by a reporter as a result of interviews with other state officials. In checking three trips, he said, he had found Mr. Carter had used commercial travel on two of them and in another case had used a state plane. But Mr. Granum acknowledged that there which Mr. Carter had used Coca-Cola aircraft for state business in some instances.

Mr. Davis, Coca-Cola vice president in charge of governmental affairs, said that the soft drink company is one of several companies that provide products or services for the National Governors Conference, and it flies a corporate aircraft to these and to Southern Governors Conferences each year. He said he was confident that Mr. Carter had been invited to both conferences during the four years he

# Double-routing "strictly legal"

# Funds for Ford

By SETH KANTOR

News Washington Bureau

WASHINGTON — President Ford himself acknowledged as far back as 1973 that, as a congressman, he personally funneled political contributions earmarked for Ford reelection committees into the campaigns of other politicians.

And the White House today contends

that the double-routing of the Ford campaign money was strictly legal, despite a federal probe under way into funds contributed by the Seafarers International Union (SIU) and the Marine Engineers Beneficial Association (MEBA).

Watergate special prosecutor Charles Ruff has subpoenaed records of Republican political committees in Grand Rapids, and the FBI has been interviewing former

officials of those committees in the President's longtime congressional district.

A source close to SIU activities in the late 1960's has told The Detroit News that the union regularly provided from \$10,000 to \$20,000 a year for Ford congressional campaign committee accounts.

This same source said that former longtime Brooklyn (N.Y.) Democratic Congressman Emanuel Celler was another

regular recipient, and that the political contributions were in exchange for "a guarantee that gave us 100 votes without any trouble on each side of the aisle" on maritime legislation.

A guarantee of 200 GOP and Democratic votes would be enough to lock up a House majority on almost any issue, since it takes only 218 votes for absolute control of an issue if every member is present

# 'diverted'

and voting — which almost never happens.

It is not unusual for House leaders, such as Mr. Ford was, to receive a strong campaign cash flow from special-interest groups. Normally, a House leader is from a "safe" congressional district, which reelects him without his having to

Concluded on Page 6A

cont

NEWS

PIA

9-28-76

Senator Named

in

article



# Points of View

Rumors Couldn't Be Ignored

## Ford Investigation: A Test For the Special Prosecutor

BY JIM SQUIRES  
Chicago Tribune

WASHINGTON — The current investigation into some of President Ford's old campaign contributions clearly illustrates both the need for and danger of having a special prosecutor independent of the White House and Justice Department.

Ever since Gerald Ford was tapped by Richard Nixon to succeed Spiro Agnew, rumors have abounded that some of Ford's

the haste in which the House went about investigating its own minority leader. And Ruff didn't.

By issuing subpoenas for the campaign records in Kent County, Ruff removed the allegations from the "rumor" category and virtually assured that they would be reported in the news media.

His involvement may well have played a role in the disclosures by President Ford's old friend, William Whyte, of U.S. Steel

FREE  
PRESS

9/29/76

P.9A

United States Senate

OFFICE OF  
THE ASSISTANT MINORITY LEADER

WASHINGTON, D.C. 20510

OFFICIAL BUSINESS

*Robert F. Byrd*  
U.S.S.

Mr. Phillip Buchen

The White House

9/30/76

1. L. Cutler: Howard Willins  
872-6137

- 1974 Hawaiian trip - Betty probably flew commercial with Whyte  
\$1700 at Moana Kuli  
suite & adjoining bedroom  
- billed GRF only for bedroom \$375  
- hotel records show GRF billed for suite:  
\$865 for 3 days  
- Whyte picked up all miscellaneous charges  
- all expensed to Corp.  
(Corp. financed Whyte's Boy Scouts activities)  
- Ford arrived ~~early~~ late & left early

Perkins Maguire's house in  
Cottisbeams  
New U.S. Steel plant in Freeport  
(Corp. plane)

~~2. H. Willins:~~

3. H. Tyler: Recess app'ts — I should call him next week.

4. H. Willins:

Pine Valley Lodge

- spring 1964 with Goldwater week-end  
in Corp. plane

- Sept. 19-21, 1969 by Corp. plane - Sen Allott

- June 22-24, 1973 by Corp. plane with Goldwater



9/30/76 (cont.)

Bay Hill facility in Florida:

Aug 25-27, 1972 Fords + 3 children,  
with MacGregors & Markleys

- commercial flight

March or April, 1973 in connection

with U.S. Chamber

- commercial flight

Caribbean Trips (4):

- El Estero - mid 1960's (66 or 67)  
to Peame home of Perkins Maguire  
who was there

- trip by commercial flight down

- corp plane on side-trip  
to Freeport - over night -  
& back to Wash.

- El Estero in 1969

- Whytes, Fords + MacGregors  
to Maguire's home

- corp. plane used

- Tryall Golf Club in Jamaica,  
Nov. 1970 - Fords, Whytes  
& Markleys - traveled

commercial & split expenses

- Tryall Golf Club in Nov. 70

(also Cong. Jorman) Bill recalls

Rolling Rock Club in P.B. - Aug 1970

- Fords & Whytes for 4 or 5 days

- individual automobiles & split  
lodging (Whyte paid for meals)

Hawaii in May 1974

Commercial  
but  
doubtful  
Markley  
records  
show  
split  
expenses



1968

Feb. 14-18 Jamaica with Bill Whyte

Jan. 4-7 P.R.



1967

March 28-31 Palm Springs

~~July~~

June 30-July 8 G.B.

Aug 18-19 Bar Harbor



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Mr. President

The following trip was not included in information I sent you yesterday because it was prior to the date the law was passed in April of 1968.

February 13th to February 20th. Palm Beach Feb. 13th for Lincoln Day speech  
Montego Bay Feb. 14th to 18th  
NAM meeting (ladies) Feb. 19th Boca Raton  
NAM Board meeting - Feb. 20th Boca Raton

You left National on National #105 at 2:55 p.m. on Feb. 13th, Mrs. Ford left National via NE #85 at 6:30 p.m. and met you in Miami because she didn't intend to be at the Lincoln Day dinner at which you had to speak.

On Feb. 14th you and Mrs. Ford left Miami via Pan Am #437 for Montego Bay. The GOP Committee paid for airline Washington to Miami. You paid fare from Miami to Montego Bay.

Record also shows that you made a prior deposit for accommodations at Tryall and paid balance when you left.

On Feb. 18th you left Montego Bay in U. S. Steel plane for Boca Raton for the NAM meetings on Feb. 19th and 20th. You were guest of NAM at Boca Raton Hotel.

On Feb. 20th you returned to Washington, leaving at 3:00 p.m. from Boca Raton in U. S. Steel plane.

ITEMS FROM PERSONAL CALENDAR OF ENGAGEMENTS WHICH  
ARE NOT REFLECTED IN MATERIAL PREPARED BY  
MILDRED LEONARD

---

1969

April 6-13 (Easter) "E1"

May 3 "Kty Derby"

August 1 "Akron"

September 11-12 (Elpaso) (Leon Parma)

September 20-21 (Whytes - Pine Valley)

1970

April 27 - Vail

April 28-31 P/S

August 16-21 R.R.C.

1971

January 1-5 - Vail

January 6 - San Clemente

April 9-11 - Westlands

April 12-16 - P/S

1972

January 28 - Tucson, Arizona and January 29 - "Carbons"

December 26-29 - Brown's

1973

April 23-27 P/S



MEMORANDUM

1968  
THE WHITE HOUSE

WASHINGTON

September 29, 1976

Mr. President:

Here are golf trips in 1968

June 28, 1968 - Gum Dip Open Tournament at Akron, Ohio  
You left at 10:00 a.m. and returned the same evening at 10:30 p.m.  
(Firestone supplied Lockheed JetStar for you and other Members of  
Congress) Mrs. Ford did not go.

November 9th to 16th - Puerto Vallarta, Jalisco, Mexico  
(This was fishing rather than golfing)  
Teledyne Ryan furnished plane from Page at National for you  
and Mrs. Ford and Cong. and Mrs. Wilson to Puerto Vallarta  
and return to Palm Beach. You paid Mrs. Ford's and your air  
fare back to Washington from Los Angeles. You also paid your  
share of the villa that was rented by the five couples (Wilsons,  
Jamesons, Parmas, Kleins, and you). Air fare back was \$279.30.  
Villa was \$271.40.



THE WHITE HOUSE  
WASHINGTON

1969

September 29, 1976

Trips in 1969

September 22, 1969

You left at 8:00 a.m. from Dulles in Bethlehem plane and went to Grand Rapids for ROSPATCH meeting. Then left Grand Rapids in same plane to Bethlehem, Penn. Played golf and had dinner at Saucon Valley Country Club and returned to National at 10:00 p.m. the same day.

This is all I can find for 1969 - Gum Dip Open was scheduled for August 14, 1969 but you cancelled.

THE WHITE HOUSE  
WASHINGTON

1976

September 29, 1976

There is only one golf trip in 1970 -

November 8th to 15th, 1970 Tryall - Montego Bay, Jamaica

You and Mrs. Ford left Friendship on Eastern #995 at 10:55 a.m. on Nov. 8th and returned on Eastern #994 from Montego Bay on Nov. 15th, arriving Friendship at 8:12 p.m. You paid round-trip fare of \$348.00

You also paid your share of the Tryall expenses which was divided between you, the Markleys, the Whytes, and the Burkes. Your share was \$394.37

U.S. DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
WASHINGTON, D.C.

THE WHITE HOUSE  
WASHINGTON

1971

September 29, 1976

Golf trips for 1971

June 8th and 9th, 1971 Kemper Open Tournament

You left National via private plane at 4:30 p.m. on June 8th and arrived at 5:30 p.m. in Charlotte. You stayed over night at Holiday Inn and returned on June 9th at 11:00 p.m. by private plane. You were the personal guest of James Kemper who also invited other Members of Congress.

This is all I can find in 1971

W. H. FORD LIBRARY

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

September 29, 1976

1972

Golf dates in 1972

March 31st, 1972 - Palm Desert, Calif. (You were scheduled to speak for two or three GOP functions in Southern California, but you and Mrs. Ford went out a few days early to play golf at Palm Desert with Leon Parma and some others. GOP Committee paid your plane expense for your return trip from Washington to San Diego. Leon Parma arranged flight from San Diego to Palm Desert and back for speaking commitments. You left San Diego via Western 603 on April 7th for Denver where you spoke for Cong. McKeivitt. You stayed overnight in Denver and returned to Washington via United #166 at 2:45 p.m. on April 8th. File doesn't show where you stayed in Palm Desert because that was apparently worked out verbally between you and Leon Parma.

May 30th to June 1st, 1972 - Kemper Open Tournament.

Kemper Insurance Co. chartered a Piedmont plane to take you and other Members of Congress to Charlotte, North Carolina. You stayed at Holiday Inn South in Charlotte until June 1st at 8:00 a.m. when you returned to Washington in the same chartered Piedmont plane. You and other Members were guests of James Kemper.

August 25, 1972 - The day after the GOP Convention in Miami you and some others along with the Whytes went to Bay Hill, Florida. I understand you were all Bill Whyte's guests, but I don't have the details. You stayed until Sunday; August 27th when you had to leave for a GOP event in Milwaukee, Wisc. for Cong. Davis. You drove from Disney World to Orlando where you took Delta #132 to Chicago and North Central #205 to Milwaukee. GOP Committee paid for this transportation and also your flight to Grand Rapids from Milwaukee on North Central #984.

November 9th to 19th - Montego Bay, Jamaica.

Nothing came back in this file to me. But Bill Whyte's office says it was at their expense. (not correct)

(Actually you spoke at a Boy Scout Luncheon here in Washington on at the International Club on November 20th - so he may have considered the above trip a sort of honorarium)

THE WHITE HOUSE  
WASHINGTON

1973

1973

March 29- You and Mrs. Ford left from National Airport 7:25 PM for Orlando, Florida. Met at airport by Bill Whyte and taken to Polynesian Village at Disney World.

You were the luncheon speaker on the final day of three-day meeting of the Public Affairs Committee of the U.S. Chamber of Commerce.

You left Orlando on April 1 at 2:50 PM.

May 29 - You left from Piedmont at National airport via chartered plane for Charlotte, N.C. and the Kemper Pro Am. Your accommodations were at the Holiday Inn South, and the tournament at the Quail Hollow Country Club. Letter of invitation says you were the personal guest of James S. Kemper Jr.

You returned to National Airport on May 30 at 8:45 PM via Piedmont. Ticket was purchased by check.

June 22- Departed Washington early evening for Clementon, New Jersey, Pine Valley Laurel Ridge Lodge for weekend with the Bill Whytes, returning on Sunday, June 24. My book does not show means of transportation, and I seem to recall your driving there and back.



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**REPORT**

**OF THE**

**COMMITTEE ON STANDARDS  
OF OFFICIAL CONDUCT**

**OF THE**

**HOUSE OF REPRESENTATIVES  
NINETIETH CONGRESS**

**SECOND SESSION**

**UNDER THE AUTHORITY OF H. RES. 418**



**MARCH 14, 1968.—Referred to the House Calendar  
and ordered to be printed**

**U.S. GOVERNMENT PRINTING OFFICE**

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT  
(Pursuant to H. Res. 418, 90th Cong., first sess.)

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BENNETT WOLFE, *Assistant Staff Director*  
HON. BROOKS HAYS, *Special Consultant*

(II)

LETTER OF SUBMITTAL

MARCH 14, 1968.

HON. JOHN W. McCORMACK,  
*Speaker of the House,*  
*House of Representatives,*  
*Washington, D.C.*

DEAR MR. SPEAKER: I have the honor of submitting herewith the report of the Committee on Standards of Official Conduct in response to House Resolution 418, adopted April 13, 1967.

This resolution established this bipartisan committee with a directive to "recommend as soon as practicable to the House of Representatives such changes in laws, rules, and regulations as the committee deems necessary to establish and enforce standards of official conduct for Members, officers, and employees of the House."

Pursuant thereto, the committee transmits its report, with recommendations.

With highest regards,  
Sincerely,

  
M. C.

MELVIN PRICE, *Chairman.*

(III)

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## HIGHLIGHTS OF RECOMMENDATIONS

Establishment of the present Committee on Standards of Official Conduct as a permanent standing committee of the House with powers to enforce standards of conduct hereinafter proposed.

Public disclosure of certain assets, income, gifts, and so forth; private filing of more detailed information which could be made public in event of an investigation.

Modernization of the Federal Corrupt Practices Act to bring about stricter management of political finances.

Clearer guidelines for use of so-called counterpart funds and reporting of expenditures thereof.

Adoption of the following Code of Official Conduct (the language in this presentation is condensed for the sake of brevity):

Members, officers, and employees of the House of Representatives shall—

1. Conduct themselves at all times in a manner which shall reflect creditably on the House.

2. Adhere to the spirit and the letter of the Rules of the House and to the rules of duly constituted committees thereof.

3. Receive no compensation nor permit any to accrue to their beneficial interest, the receipt of which would occur by virtue of influence improperly exerted from their positions in the Congress.

4. Accept no gifts of substantial value from any person, organization, or corporation having a direct interest in legislation before the Congress.

5. Accept no honorarium for a speech, writing for publication, or other similar activity, from any person, organization, or corporation in excess of the usual and customary value for such services.

6. Keep campaign funds separate from personal funds. No campaign funds shall be converted to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures.

7. Treat as campaign contributions all proceeds from testimonial or other fundraising events if the sponsors of such affairs do not give clear notice in advance to the donors or participants that the proceeds are intended for other purposes.

8. Retain no one from their clerk-hire allowance who does not perform duties commensurate with the compensation he receives.

(VI)

## REPORT OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT OF THE HOUSE OF REPRESENTATIVES, 90TH CONGRESS, SECOND SESSION

### PART I

#### INTRODUCTION

The House created this committee on April 13, 1967, with instructions "to recommend as soon as practicable to the House of Representatives such changes in laws, rules, and regulations as the committee deems necessary to establish and enforce standards of official conduct for Members, officers, and employees of the House."

The authorizing resolution provided for a bipartisan committee of 12 members, and on May 1, 1967, six members of the Democratic majority and six from the Republican minority were chosen to constitute the committee, thus signifying that the assignment would be carried out without partisanship.

In this spirit and mindful of the fact that matters of ethical conduct are not subject to the justifiable differences of opinion that characterize public policy questions, the committee undertook its task.

The committee believes that its performance has been responsive to both the letter and the spirit of its assignment and respectfully submits this report with the recommendation that the House take appropriate action to implement the proposals contained therein.

#### BACKGROUND

For much of the history of this country the question of restraints that might properly be placed on the legislative role has occupied scholars of self-government systems. In the most ideal sense any limitation on the representative role is unthinkable for it is at the same time a limitation on the constituent. But the private citizen also evidences that he recognizes his representation as not absolute and requires in the interest of orderly processes in his Government that certain standards be met by his representative in Congress. These requirements find expression in the Constitution, the statutes and rules of legislative bodies, and, as in other human institutions, they need revision with changing conditions.

But revision in the rules of institutions of such proven durability as the House of Representatives properly should take place only in response to clearly demonstrated need and genuine public concern.

Although there is some history of this need and concern even prior to that indicated in the following figures, the tabulation reflects the growing demand for congressional action in this area and offers ample evidence of the appropriateness of this committee's assignment.

(1)

The tabulation shows the number of proposals relating to standards of official conduct which have been introduced in recent Congresses:

Congress	House	Senate	Total
85th.....	12	8	20
86th.....	10	7	17
87th.....	10	4	14
88th.....	63	5	68
89th.....	72	9	81
90th (1st sess.).....	169	10	179
Total.....	336	43	379

In the last 3 years several events of national interest involving Members and employees of the Congress have focused much attention on the question of congressional ethics. This is not to say there was not already a formal code of ethics, as well as the rules of both bodies and certain statutes applicable to the conduct of the Members of the Congress; but the absence of a well-organized framework providing some cohesiveness around these proscriptions made it difficult to view the sum of them in perspective.

The Senate on July 24, 1964, adopted a resolution (S. Res. 338, 88th Cong.) creating a Select Committee on Standards and Conduct, empowering it to "receive complaints and investigate allegations of improper conduct which may reflect upon the Senate, violations of law, and violations of rules and regulations of the Senate, relating to the conduct of individuals in the performance of their duties as Members of the Senate, or as officers or employees of the Senate, and to make appropriate findings of fact and conclusions with respect thereto. \* \* \*" The Senate select committee was instructed also to make recommendations for establishment of a code of ethics for dealing with related matters.

The House on October 19, 1966, established a select committee (H. Res. 1013, 89th Cong.) of 12 Members with a directive to make recommendations for additional rules and regulations " \* \* \* necessary or desirable to insure proper standards of conduct by Members of the House and by officers or employees of the House, in the performance of their duties and the discharge of their responsibilities \* \* \*" The select committee, existing as it did for only a few months at the end of the 89th Congress, submitted a report (No. 2338, 89th Cong.) of considerable merit, but obviously, in such a short time, the report could not reach to great depth in all the questions that seemed to demand attention.

After the opening of the 90th Congress, a number of resolutions aimed at the same general objectives were introduced. More than 100 such resolutions were referred to the Committee on Rules which, after hearings and extensive consideration, reported out House Resolution 418.

The resolution was adopted 400 to 0 by the House on April 13, 1967.

#### ASSESSING THE TASK

The committee's first step was to organize and more precisely define its assignment. The importance of certain sources of input into the committee's deliberations was apparent from the outset and, equally important, the committee felt, was that all viewpoints should be heard.

As may be seen from the organizational chart in the appendix, various sources were called upon.

The committee issued a large number of invitations seeking testimony or submission of statements for its consideration. These were directed to major national organizations in the fields of industry, labor, the professions, politics, and the news media, as well as to prominent figures in law and political science, special groups working on similar or identical projects, and through the press to the general public. The contributions from those who responded were invaluable to the committee. But the great majority of the invitations was declined or ignored.

Simultaneously the committee issued invitations, through a speech in the House by the chairman and through individually addressed letters to all Members of the House. In response, 30 Members testified before the committee and 24 others submitted statements. The committee held seven public hearings, the printed record of which is available.

Additionally, studies were made of standards of conduct in force in other nations, States of the Union and U.S. cities; the work of the prior Select Committee on Standards and Conduct was reviewed; and prior legislation introduced on the topic was studied, to provide broadly based source material.

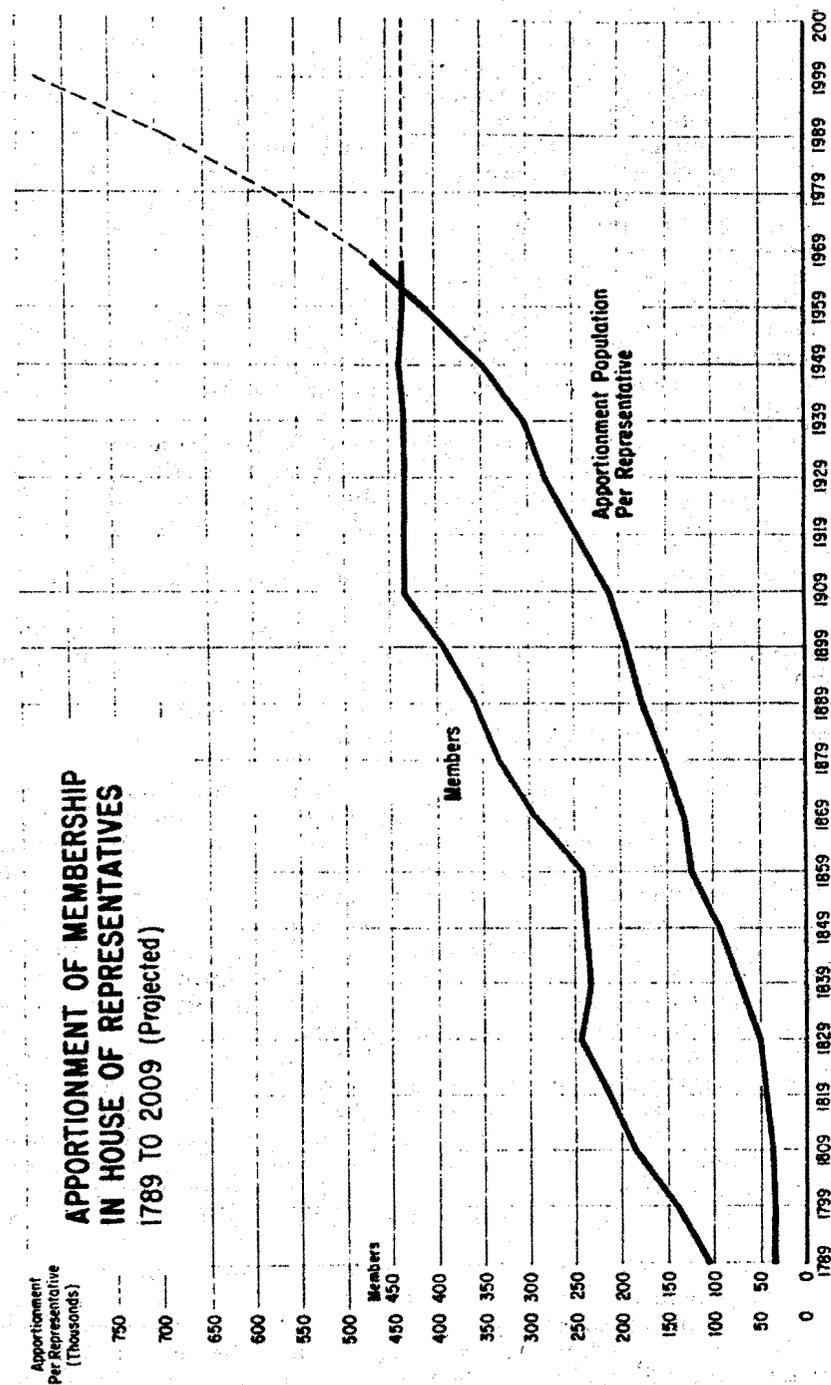
After having received the testimony and assessing other material, it became clear the committee had to accept several premises.

One was that the committee could not permit itself to think of standards of conduct for the legislative branch in precise comparison with standards for other governmental entities. The primary difference was noted numerous times in the testimony received by the committee—namely, that the legislative branch regularly submits itself to the electorate.

Another premise was the far more profound political reality that the Representative in Congress is the extended voice of the constituent, and, therefore, any undue restriction placed upon him is repugnant to elemental self-government. It is only in the sense that the Representative is an element within a singularly operating body, and as such contributes or fails to contribute to its performance, that he should be subjected to any proscriptions for the greater benefit of the functioning House. The recommendations set forth here are aimed toward avoidance of any semblance of restraint on the proper role of the Representative as the alter ego of the people he represents.

The committee noted, too, that the framers of the Constitution, while displaying great insight in all the areas with which they dealt, made no provision for an institutionalized means of enforcing the limitations which they imposed on members of the legislative branch. The presumption must be, not that the Founding Fathers carelessly overlooked making any such provision, but rather that some factors are now present that were not present when the Constitution was adopted.

Perhaps one such factor is the dramatic increase in the apportionment of population per Member, particularly since 1910 when the House was increased to its present total of 435 Members. This development is noted, not because of any direct bearing on congressional ethics, but simply to help bring into perspective the problems of a Member in communicating effectively with ever increasing numbers of constituents.



As the committee work progressed and its deliberations on specific questions of conduct, other considerations were indicated.

There are, of course, some questions of ethical conduct which do not yield to categorical judgments, and the committee does not insist that this report contains the last word of conscience or wisdom. It might even be said that one clear value of the study and of House consideration of the committee's proposals is the sparking of a dialog across the country on the basic questions of conduct, not only of Representatives in Congress but of all who occupy places of responsibility in government service.

Men, equally conscientious, sometimes take opposite views of particular questions of conduct. Nevertheless, the committee is unanimous in the conviction that some questions do not yield to individual opinions—they are rigid and immutable. The language of an ancient proponent of rectitude in the public service, Cicero, states the point in eloquent terms:

True law is right reason in agreement with nature \* \* \* unchanging and everlasting \* \* \*. We cannot be freed from its obligations by senate or people, and we need not look outside ourselves for an expounder or interpreter of it. And there will not be different laws at Rome and at Athens, or different laws now and in the future, but one eternal and unchangeable law will be valid for all nations and all times \* \* \*.

The committee does not regard its recommendations, hereinafter set forth, as completing its task. While the concise code, as recommended, is based upon abstract principles of public morality and will doubtless be little affected by changed conditions, even that enumeration of principles may in time be improved upon.

It is the conviction of your committee that the record of the Congress, over a period of almost two centuries, is by and large an excellent one and that, in spite of the rare departures from rectitude, the maintenance of ideals of political and personal integrity has been a matter of genuine concern to the overwhelming majority of our national legislators.

In the few months of its existence, the committee has made a determined effort to proceed with all practicable speed in the performance of its difficult and delicate assignment. But the committee felt the thoroughness of its studies and the soundness of its recommendations should not be impaired by any effort to rush its report to the House.

The committee emphasizes that it regards its proposals not as the full answer to the maintenance of ethical standards of conduct but as a meaningful beginning. The committee contemplates that the proposed code of standards, if adopted, will be subject to revision and refinement as experience and developments indicate. The provisions recommended herein for the disclosure of certain financial details may prove in practice not as workable as they do in the hypothetical. These, too, may need modification as experience dictates.

The committee acknowledges with appreciation the help offered by other Members of the House and the outside witnesses who accepted invitations to testify. And a special vote of thanks is due, the com-

mittee feels, to a predecessor committee, the Select Committee on Standards and Conduct, of which Representative Charles E. Bennett, of Florida, served as chairman, for the spadework it did during its short-lived tenure in the second session of the 89th Congress.

## PART II

### SUMMARY OF RECOMMENDATIONS

The following is a summary of the recommendations contained in this report. The rationale leading up to each specific recommendation is discussed in the third part.

#### RECOMMENDATION NO. I—PERMANENT COMMITTEE

Amendment of the Rules of the House to incorporate this committee as a permanent standing committee of the House of Representatives.

#### RECOMMENDATION NO. II.—POWERS AND LIMITATIONS OF THE COMMITTEE

Investment of the following *powers* in the committee:

1. To have referred to it measures relating to the code of official conduct and measures relating to financial disclosure for Members, officers, and employees of the House of Representatives.

2. To recommend to the House of Representatives, from time to time, such legislative or administrative actions as the committee may deem appropriate to establish or enforce standards of official conduct for Members, officers, and employees of the House of Representatives.

3. To investigate, subject to limitations, any alleged violation, by a Member, officer, or employee of the House of Representatives, of the code of official conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities and, after notice and a hearing, the committee shall recommend to the House of Representatives, by resolution or otherwise, such action as the committee may deem appropriate in the circumstances.

4. To report, to the appropriate Federal or State authorities, with the approval of the House of Representatives, any substantial evidence of a violation, by a Member, officer, or employee of the House of Representatives, of any law applicable to the performance of his duties or the discharge of his responsibilities which may have been disclosed in a committee investigation.

5. To give consideration to the request of a Member, officer, or employee of the House of Representatives for an advisory opinion with respect to the general propriety of any current or proposed conduct of such Member, officer, or employee and, with appropriate deletions to assure the privacy of the individual concerned, to publish such opinion for the guidance of other Members, officers, and employees.

Establishment of the following *limitations* on the committee's authority:

1. No resolution, report, recommendation, or advisory opinion relating to the official conduct of a Member, officer, or employee of the House of Representatives shall be made, and no investigation of such conduct shall be undertaken, unless approved by the affirmative vote of not less than seven members of the committee.

2. Except in the case of an investigation undertaken by the committee on its own initiative, the committee may undertake an investigation relating to the official conduct of an individual Member, officer, or employee of the House of Representatives only (A) upon receipt of a complaint, in writing and under oath, made by or submitted to a Member of the House of Representatives and transmitted to the committee by such Member, or (B) upon receipt of a complaint, in writing and under oath, directly from an individual not a Member of the House of Representatives if the committee finds that such complaint has been submitted by such individual to not less than three Members of the House of Representatives who have refused, in writing, to transmit such complaint to the committee.

3. No investigation shall be undertaken of any alleged violation of a law, rule, regulation, or standard of conduct not in effect at the time of the alleged violation.

4. A member of the committee shall be ineligible to participate, as a member of the committee, in any committee proceeding relating to his official conduct. In any case in which a member of the committee is ineligible to act as a member of the committee under the preceding sentence, the Speaker of the House of Representatives shall designate a Member of the House of Representatives from the same political party as the ineligible member of the committee to act as a member of the committee in any committee proceeding relating to the official conduct of such ineligible member.

#### RECOMMENDATION NO. III.—CODE OF OFFICIAL CONDUCT

Amendment of the Rules of the House to establish this code of official conduct for Members, officers, and employees of the House of Representatives:

1. A Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives.

2. A Member, officer, or employee of the House of Representatives shall adhere to the spirit and the letter of the Rules of the House and to the rules of duly constituted committees thereof.

3. A Member, officer, or employee of the House of Representatives shall receive no compensation nor shall he permit any compensation to accrue to his beneficial interest from any source, the receipt of which would occur by virtue of influence improperly exerted from his position in the Congress.

4. A Member, officer, or employee of the House of Representatives shall accept no gift of substantial value, directly or indirectly, from any person, organization or corporation having a direct interest in legislation before the Congress.

5. A Member, officer, or employee of the House of Representatives shall accept no honorarium for a speech, writing for publication, or other similar activity, from any person, organization or corporation in excess of the usual and customary value for such services.

6. A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures. He shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

7. A Member of the House of Representatives shall treat as campaign contributions all proceeds from testimonial dinners or other fund-raising events if the sponsors of such affairs do not give clear notice in advance to the donors or participants that the proceeds are intended for other purposes.

8. A Member of the House of Representatives shall retain no one from his clerk hire allowance who does not perform duties commensurate with the compensation he receives.

#### RECOMMENDATION IV.—FINANCIAL DISCLOSURE

Amendment of the rules of the House to require that Members, officers, principal assistants to Members and officers, and professional staff members of committees shall, not later than April 30, 1969, and by April 30 of each year thereafter, file with the Committee on Standards of Official Conduct a report disclosing certain financial interests, as described below. The interest of a spouse or any other party, if constructively controlled by the person reporting, shall be considered to be the same as the interest of the person reporting. The report shall be in two parts, hereinafter designated part A and part B.

##### Part A

(1) List the name, instrument of ownership, and any position of management held in any business entity doing a substantial business with the Federal Government or subject to Federal regulatory agencies, in which the ownership is in excess of \$5,000 fair market value as of the date of filing or from which income of \$1,000 or more was derived during the preceding calendar year. Do not list any time or demand deposit in a financial institution, or any debt instrument having a fixed yield unless it is convertible to an equity instrument.

(2) List the name, address, and type of practice of any professional organization in which the person reporting, or his spouse, is an officer, director, or partner, or serves in any advisory capacity, from which income of \$1,000 or more was derived during the preceding calendar year.

(3) List the source of each of the following items received during the preceding calendar year:

(a) Any income for services rendered (other than from the U.S. Government) exceeding \$5,000.

(b) Any capital gain from a single source exceeding \$5,000, other than from the sale of a residence occupied by the person reporting.

(c) Reimbursement for expenditures (other than from the U.S. Government) exceeding \$1,000 in each instance. Campaign receipts shall not be included in this report.

Information filed under part A shall be maintained by the Committee on Standards of Official Conduct and made available at reasonable hours to responsible public inquiry, subject to such regulations as the committee may prescribe including, but not limited to, regulations requiring identification by name, occupation, address, and telephone number of each person examining information filed under part A and regulations requiring the committee promptly to notify each Member of the House of Representatives of each instance of an examination of information filed under part A by such Member.

#### *Part B*

(1) List the fair market value (as of the date of filing) of each item listed under paragraph 1 of part A and the income derived therefrom during the preceding calendar year.

(2) List the amount of income derived from each item listed under paragraphs 2 and 3 of part A.

The information filed under part B shall be sealed by the person filing and shall remain sealed unless the Committee on Standards of Official Conduct, pursuant to its investigative authority, determines by a vote of not less than seven members of the committee that the examination of such information is essential in an official investigation by the committee and promptly notifies the Member concerned of any such determination. The committee may, by a vote of not less than seven members of the committee, make public any portion of the information unsealed by the committee under the preceding sentence and which the committee deems to be in the public interest.

Any person required to file a report who has no interests covered by any of the above provisions shall file a report so stating.

In any case in which a person required to file a sealed report under this part B is no longer required to file such a report, the committee shall return to such person, or his legal representative, all sealed reports filed by such person under part B and remaining in the possession of the committee.

#### RECOMMENDATION NO. V.—APPLICATION TO CANDIDATES

That the chairmen of national political committees, in turn, recommend to candidates seeking nomination or election to the House of Representatives, under the sponsorship of the respective parties, that such candidates comply with all provisions of the code of official conduct insofar as they are applicable.

#### RECOMMENDATION NO. VI.—COUNTERPART FUNDS

That the Committee on House Administration recommend revisions in law and regulations to provide for standardizing the controls over the use by committees of counterpart funds for travel outside the United States and full reporting and adequate review of such reports in the House of Representatives.

#### RECOMMENDATION NO. VII.—CORRUPT PRACTICES

That the House take prompt action to review the entire body of law in areas covered by the Federal Corrupt Practices Act and enact measures realistically applicable to present day situations.

### PART III

#### COMMENT ON THE RECOMMENDATIONS

##### RECOMMENDATION NO. I.—PERMANENT COMMITTEE

That the Rules of the House of Representatives be appropriately amended to incorporate this Committee as a permanent standing committee of the House.

Pivotal to the remaining portion of this report is the recommendation that the Rules of the House be amended to make this committee a permanent standing committee of the House, not just of this 90th Congress. The reasons for this are several.

On April 9, 1963, Chairman Omar Bureson of the Committee on House Administration, during hearings before his committee, stated:

Incidentally, the record should show at this point that this committee is not charged by law or under the Rules of the House of Representatives with making this type investigation. It is not charged with the responsibility or the authority of overseeing the conduct of Members of Congress.

Nor is any other committee so charged. Although there have been rules and constitutional provisions relating to the official conduct of Members from the First Congress, there never has existed an institutionalized body or means expressly directed toward monitoring them. Historically, infractions usually have been dealt with when the severity or exposure of them took on such public weight as to demand that the House appoint a special committee to deal with a problem ad hoc. There have been instances when standing committees pursuing other avenues of investigation chanced upon apparent misconduct on the part of a Member and sought permission of the House by resolution to extend the scope of their investigation to deal with the discovered infraction. But both of these approaches are slow of implementation and tend to become effective only after unsavory practices have proliferated into abuse.

In the extreme, one can envision a permanent standing committee as a vehicle of continuing inquisition, if the powers sought here were carelessly placed or injudiciously handled once placed. That this would not be the case, now or in the future, should be assured by the fact that the members of the committee are also Members of the House who are elected as are other committee members and are subject to the same rules and procedures which they will administer. Beyond this, of course, is the fact that the committee can only recommend definitive action to the full House. Even greater insurance is provided by the spelling out in the authorizing resolution, in more precise and detailed language than usual, the functions of the committee, thus leaving less latitude to the internal rules of the committee.

This committee is convinced that a more streamlined procedure for the handling of allegations of infractions, provided that procedure is held

in restraint by both legislative and practical influences, will not only be able to cope with situations before they bring discredit to the Congress, but, more importantly, will deter most such situations from developing.

Some instrumentality, preferably the continuing committee, must necessarily serve as the determinant of the subjective terms necessary in spelling out the Code of Official Conduct. An essential difference between a statute and a standard is that the former usually is capable of precise definition and therefore may be objectively tested, whereas the latter can only be stated in subjective language and must rely on the facts as determined in each situation. If it should be necessary to measure an allegation against a standard, that measurement will be as meaningful as the depth to which the measuring body draws out the facts and nuances. Clearly this can be done better by a body smaller and more flexible than the entire House, and one that is more acquainted with the history and development of the standards and enforcement procedures, than special committees created to deal only with individual cases as they arise.

##### RECOMMENDATION NO. II.—POWERS AND LIMITATIONS OF THE COMMITTEE

###### *Powers*

Investment of the following powers in the committee:

- (1) to have referred to it measures relating to the Code of Official Conduct and measures relating to financial disclosure for Members, officers and employees of the House of Representatives.

The changing conditions over the years that have made desirable the statement of these canons and establishment of means for verifying their observance must be expected to continue. Thus changes in both substance and method will be required as the need is demonstrated. These will come from the less than perfect work, which this committee concedes is present in this report, and also from new situations which are not now predictable. The committee feels that placement of this authority with it is the most suitable means of providing for the orderly treatment of changes which may become necessary in the future—

- (2) to recommend to the House of Representatives, from time to time, such legislative or administrative actions as the Committee may deem appropriate to establish or enforce standards of official conduct for Members, officers, and employees of the House.

This provision would merely continue the recommendatory jurisdiction contained in the original resolution. Under (1) as stated above, referral jurisdiction would apply only to the Code of Official Conduct and measures relating to financial disclosure. Under (2) the committee would have the broader authority to continue to recommend measures aimed at maintaining highest standards of conduct.

It is readily conceivable that information can come to the committee, through an investigation or a variety of other means, which would suggest remedies to existing or impending situations. Such remedies might be recommendations for House action as a whole or proposals

directed at a particular committee, or possibly even recommendations for new statutes or amendments to existing ones. Recommendations in the latter category, with or without the accompaniment of implementing legislation, would insure referral to the committee in which the appropriate jurisdiction resides, and from which could be expected greater expertise. Of prime importance, however, is the existence of a continuing authority to take the initiative to address the House on practices which, if ignored, could bring irreparable harm.

(3) to investigate, subject to limitations, any alleged violation, by a Member, officer, or employee of the House of Representatives, of the Code of Official Conduct, of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities and, after notice and a hearing, the Committee shall recommend to the House of Representatives, by resolution or otherwise, such action as the Committee may deem appropriate in the circumstances.

Recent history offers vivid evidence of the need for enforcement machinery to accompany any code of conduct. A mere statement of guidelines serves neither as a deterrent to improper conduct nor as a yardstick for punitive action, in the absence of means that demand respect for the guidelines. Enforcement is the substance that makes standards meaningful. It would arm the House with the weapon needed to defend itself, and, in truth, make it the judge of its own membership.

It must be stressed, however, that the powers contained in this provision, like any authority under constitutional self-government, need restraints and, as pointed out elsewhere in this section, such restraints are built into the authorizing resolution, and above all, it must be emphasized that in the practical reality any final authority to punish is vested only in the House as a whole.

(4) to report to the appropriate Federal or State authorities, with the approval of the House of Representatives, any substantial evidence of a violation, by a Member, officer or employee of the House of Representatives, of any law applicable to the performance of his duties or the discharge of his responsibilities, which may have been disclosed in a committee investigation.

This provision, while generally self-explanatory, differs from many similar ones found in prior bills and resolutions. The difference is that the committee may report only violations of laws applicable to the performance of duties or the discharge of responsibilities, whereas the language of most of such bills and resolutions grants general authority to Congress to report violations to enforcement agencies. The difference may suggest that the committee is laboring a point unworthily, but it is noted simply to reflect the committee's sensitivity to remaining strictly within established boundaries.

(5) to give consideration to the request of a Member, officer or employee of the House of Representatives, for an advisory opinion with respect to the general propriety of any current or proposed conduct of such Member, officer, or

employee and, with appropriate deletions to assure the privacy of the individual concerned, to publish such opinion for the guidance of other Members, officers, and employees.

The committee feels that as a continuing body this perhaps could be its most valuable function; certainly it can be an extremely important protective service.

From the outset of its work, the committee has proceeded on the premise that enforcement is a poor substitute for prevention or deterrence. While the committee necessarily requires power to recommend disciplinary action, it sincerely believes there will be little need for using such authority if it can build precedents through published decisions showing how it regards specific acts in their fullest context.

In the committee's hearings, it was pointed out on numerous occasions that there simply has not existed any means of examining an act before the fact, especially in the cases of Members with relatively little seniority. But even among the more senior Members, it was apparent that their understanding of the permitted and the taboo was often more intuitive than guided by specific authority, and was by no means consistent.

It is felt that the Code of Official Conduct recommended herewith should do considerable toward removing any question of doubt but, to the extent to which it fails, the early warning device provided by this recommendation should be invaluable.

#### *Limitations*

At several places in this report, limits on the powers of the committee are recommended. They are—

(1) No resolution, report, recommendation, or advisory opinion relating to the official conduct of a Member, officer, or employee of the House of Representatives shall be made, and no investigation of such conduct shall be undertaken, unless approved by the affirmative vote of not less than seven members of the committee.

Rule XI, clause 26(e), provides, "No measure or recommendation shall be reported from any committee unless a majority of the committee were actually present," and clause 26(h) specifies, "Each committee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence, which shall not be less than two." Additionally, this committee felt it was important, particularly since it also would render advisory opinions, which are not technically covered by the provisions above referred to, that the House be assured that no recommendations could come to it from the committee unless they represented the views of a majority of the committee's authorized membership. And, no investigation could be undertaken except under the same conditions.

(2) Except in the case of an investigation undertaken by the committee on its own initiative, the committee may undertake an investigation relating to the official conduct of an individual Member, officer, or employee of the House of Representatives only (A) upon receipt of a complaint, in writing and under oath, made by or submitted to a Member of the House of Representatives and transmitted to the committee by such Member, or (B) upon receipt of a com-

plaint, in writing and under oath, directly from an individual not a Member of the House of Representatives if the committee finds that such complaint has been submitted by such individual to not less than three Members of the House of Representatives who have refused, in writing, to transmit such complaint to the committee.

The committee is fully aware that persons with unworthy motives might seek to lodge irresponsible allegations against Members. This provision would bar the committee from serving such ulterior purposes. In addition, the several thresholds built into the committee's investigative technique (see chart in appendix, page 44) would insure that only those allegations which meet successive tests of legitimacy would ever surface.

It is conceivable, of course, that someone lodging an allegation against a Member might find it impossible to have another Member transmit it to the committee. Upon the written refusal of any three Members to transmit the allegation, the committee would accept it under all other specified terms and conditions. This provision should quieten any notion that a legitimate complaint may be technically avoided.

(3) No investigation shall be undertaken of any alleged violation of a law, rule, regulation, or standard of conduct not in effect at the time of the alleged violation.

This limitation insures that the committee can function in its investigative capacity only from the date the authorizing resolution becomes effective. It prohibits the committee from reaching to a prior point in time unless the act or practice was existing before the effective date of the applicable standard and continued thereafter.

The committee also considered limiting the initiation or continuance of any investigation of any Member for a period immediately prior to any primary or general election in which the subject Member may be a candidate. While the general objectives of such a restraint are desirable, the practical effect could be one that would introduce more hazards than it would eliminate. The other general powers and limitations, plus the bipartisan character of the committee, should be adequate to prevent abuses that might arise from "timed" allegations.

(4) A member of the Committee shall be ineligible to participate, as a member of the committee, in any committee proceeding relating to his official conduct. In any case in which a member of the committee is ineligible to act as a member of the committee under the preceding sentence, the Speaker of the House of Representatives shall designate a Member of the House of Representatives from the same political party as the ineligible member of the committee to act as a member of the committee in any committee proceeding relating to the official conduct of such ineligible member.

This provision assures that, in the event a member of the committee should become the subject of an investigation, he shall be entitled to precisely the same treatment as any Member of the House who is not a member of the committee.

RECOMMENDATION NO. III.—ADOPTION OF THIS CODE OF OFFICIAL CONDUCT FOR THE HOUSE OF REPRESENTATIVES

(1) A Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives.

Since the Constitution quite clearly makes the House the judge of its own membership, it seems appropriate to summarize in a single standard a tentative description of conduct, by which the House, through referral from this committee, can treat promptly with a given act or an accumulation of acts of a Member which it determines to have reflected discredit on the Congress.

It is possible that a flagrant violation of law reflecting on the Congress as a whole could go unpunished if the virtually unlimited power of law enforcement officials to prosecute were not exercised. In such circumstances, the legislative branch would find it difficult to assert the right to be the judge of its own membership.

A contrary situation might well find an investigation by this committee establishing that there exists no "probable grounds" for a particular complaint. Under such conditions, this finding would have some appearance to enforcement officials of invocation of the "judge of its own membership" doctrine. While conceding that this standard probably would remain untested, the committee feels it should be a part of a code of standards in the interest of, and as a safeguard for, the House as a whole.

(2) A Member, officer, or employee of the House of Representatives shall adhere to the spirit and the letter of Rules of the House and to the rules of duly constituted committees thereof.

It is also unlikely that the above standard ever will have to meet the tests of enforcement. Its purpose in the code is to restate and reemphasize the importance of the precedents of decorum and consideration that have evolved in the House over the years. These precedents are more than mere politeness; they are the essence of the order of the House.

The committee heard recommendations that it draw standards to reduce the number of time-consuming quorum calls, govern attendance on the floor and in committee meetings, and deal with seemingly unfair and dilatory legislative tactics. Such proposals were considered, but proposed drafts illustrated the greater impracticality of this approach in comparison with a more general admonition to observe the spirit of existing and adequate rules and practices.

From the apportionment chart shown on page 4 of this report, it is clear that the business of the House has multiplied rapidly during our national life. But, as the chart shows, the projected growth for the future is even more startling. Many fields of legislation are present today that were unheard of even a short time ago, and forecasts for the future appear to offer no hope for reduction in the workload of the House. And although this report is not primarily directed toward legislative efficiency, it is clear that ethical observance of the spirit and the letter of the rules of the House and rules of its committees will work toward that objective.

(3) A Member, officer, or employee of the House of Representatives shall receive no compensation nor shall he permit any compensation to accrue to his beneficial interest from any source, the receipt of which would occur by virtue of influence improperly exerted from his position in the Congress.

The attention of the committee to the general topic of conflicts of interest was in direct proportion to the emphasis that virtually every witness put on the subject. There was this emphasis despite:

Of the practice of influencing a Congressman's action on legislation through outright bribery, there were no publicly proven instances from 1945 through 1964, although it is possible that some bribes were offered or received secretly. There were no publicly known cases of a Congressman selling his vote for an outright cash payment. There was no case in which there was any evidence that a speaker's fee paid to a Congressman ostensibly for making a speech before an organization (a widespread and perfectly legal practice) had as its real purpose to buy the Congressman's vote, which would have been a crime. There were no publicly known cases of a Congressman selling his vote on a bill for the secret promise of a future job or for some inside information on the stock market, land values, the commodity market, etc. There were no publicly known cases in which it was proven that a Congressman had been offered or accepted a campaign contribution made for the express purpose of buying his vote on a particular issue.<sup>1</sup>

Nevertheless the committee sought to define and approach the subject in such a way that a standard seeking to prevent conflicts of interest would be reasonably meaningful and to some degree enforceable.

The generally understood notion is that conflicts of interest occur when one's governmental responsibilities are to any degree affected, or appear to be affected, by his or her personal economic interests. This definition is adequate until an attempt is made to prove what fits the definition and where a legislator's community of interest with his constituents ceases and conflict of interest commences.

A substantial body of law already exists covering certain types of overt duality, but that law is weak in that it, too, is incapable of penetrating the indivisibility of the human and human motivations. In every lawmaker, there is also some living-maker, and the instincts which compel him to provide are essentially competitive. These instincts are fundamental. Yet they must be suppressed in the role of the lawmaker except when the action in question is simultaneously and, to no greater degree, beneficial to all the constituents for whom the representative is serving in a brokerage function. It could be argued that even this condition could be further tempered if a greater public benefit might stem from voting a position contrary to the constituent but in the interest of the Member.

Clearly all these possibilities are totally incapable of examination except in the subjective sense and, therefore, this standard is so stated. To imagine the test, one must first know all the facts and then apply an equally ideal unselfish judgment. To attempt to define beyond this

<sup>1</sup>"Legislators and the Lobbyists," (p. 3) a publication of Congressional Quarterly Service.

point toys with the essence of the representative function and is potentially dangerous. For if a Member makes use of the only remedy now available for prevention of conflicts of interest—disqualification of himself from acting in any situation in which he has a private or pecuniary interest—he risks disqualification also of the voice of his constituents. It should be noted, too, that use of the remedy is left largely to the option of the individual Member. The remedy, as it now exists, is prescribed in Jefferson's Manual and in rule VIII of the rules of the House.

Much has been written on the venality of conflicts of interest, real or seeming, but the dearth of substantive recommendations either to or from the committee for absolute means of preventing conflicts is in all likelihood due to the essential paradox that the concept evokes in self-government systems. Whether the motive behind a single act is ultimate avarice, genuine unselfishness or a point somewhere between these poles, what it truly is, is known only in the heart of one man, and in such cases he must be judged by others humbly.

(4) A Member, officer, or employee of the House of Representatives shall accept no gift of substantial value, directly or indirectly, from any person, organization, or corporation having a direct interest in legislation before the Congress.

Under most circumstances the giving and receiving of gifts is an expression of genuine unselfishness, and is evidence of the civilization which man has achieved. The same act, however, can be a badge of the depths to which he sometimes sinks—meaning bribery.

The extreme cases present no problems in any attempt to define proper conduct. It is in the middle area that the problems arise. This is the area of the intended quid pro quo, the potlatch, and contains the even further complication of timing factors which might be described as casting bread upon the waters.

The ill-motivated giving or receiving of gifts certainly has no place in government, but to make a flat prohibition against this most human expression would be artificial and unenforceable.

The committee fully realizes the considerable subjectivity of this standard, but believes that, given the facts to test the standard, the subjectivity can be resolved, and that, otherwise, the potential problem of extraordinary gifts may be beyond definition.

(5) A Member, officer, or employee of the House of Representatives shall accept no honorarium for a speech, writing for publication, or other similar activity, from any person, organization, or corporation in excess of the usual and customary value for such services.

The acceptance of an honorarium by any person, a Member of Congress or otherwise, for a speech or presence is a durable and honorable practice, provided, of course, that it is just that and no more. When the fee offered a Member of the Congress is in excess of what another person of equal public importance could command, the Member is presented a serious ethical problem. In such circumstance, the excess is either a gift or a campaign contribution, and properly should be treated separately and appropriately reported.

The committee recognizes that political practices in the 435 congressional districts vary widely, and that the honorarium has been

more usual in some than in others. The committee wants to emphasize its belief that receipt of a proper honorarium constitutes no abuse, but to warn that it is something else if a so-called honorarium is a subterfuge for the gift of money intended for other purposes. It is that kind of abuse to which the above code provision is directed.

(6) A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures. He shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

The committee recognizes the political process as essentially an adversary one. Aspirants to seats in the House of Representatives are, to some degree, planning and campaigning to unseat the incumbent at all times. The incumbent counters these efforts if he is to remain the incumbent. The degree of subtlety, whether called tactics by the one or exposure by the other, lessens as an election approaches, but it must be understood that campaigning is a continuing process, not one that commences with the sound of a bell and ends with the wave of a flag.

The costs of this process are the subject of existing law and proposed legislation. The committee recognizes the importance of realistic corrupt practices legislation in the total context of standards of official conduct. But, within the scope of this code of official conduct, it is the meaningful separation and proper application of campaign funds versus personal funds that is important. Otherwise, there is grave danger of the presence of potential sources of conflicts of interest.

It should be noted that the reimbursement for prior expenditures provided for in the standard is not an exception to the general proposition. Its purpose is to take notice of the continuing and overlapping nature of campaign expenditures by providing a degree of flexibility in the financing of them without any sacrifice of the principal objective of the standard.

(7) A Member of the House of Representatives shall treat as campaign contributions all proceeds from testimonial dinners or other fund-raising events if the sponsors of such affairs do not give clear notice in advance to the donors or participants that the proceeds are intended for other purposes.

Political fundraising practices vary widely across the country, but one in fairly general use is the testimonial dinner. Like many other topics mentioned in this report, the practice is capable of a high purpose or of abuse. In this instance, the motive behind the act is not as important as the assurance that all participants in the event are fully aware of what their role is. If an event is for raising campaign funds, and that purpose is clearly stated (for example, in imprinting on the tickets), not only is the donor aware of the purposes to which his contribution will be put, but, equally important, the Member is in no doubt as to the uses to which he is permitted to put the funds and as to the reporting he is required to make under law. If, on the other hand, the testimonial is intended to provide a gift for the unlimited use of the Member, that fact should be equally clear and the political implications open for full observance.

When the purpose is not stated in adequate, advance notice, the contributions must be considered as meant for campaign purposes and treated just as if notice to that effect had been stated.

(8) A Member of the House of Representatives shall retain no one from his clerk hire allowance who does not perform duties commensurate with the compensation he receives.

A subject widely commented upon to the committee was the practice of hiring relatives from the clerk hire allowance. Recommendations for dealing with the subject ranged from complete prohibition to approval. The question was preempted with the passage of the Postal Revenue and Federal Salary Act of 1967, which, in effect, prohibits the hiring of any relatives by Government officials.

Within the same general area, however, the subject of reasonable performance of duties by employees, regardless of relationship, was raised. The need for conscientious performance was stated in the 1958 Code of Ethics. It commands all persons in Government service to "Give a full day's labor for a full day's pay; giving to the performance of his duties his earnest effort and best thought." This principle must be kept in mind by the Member making an appointment and by the person appointed.

#### RECOMMENDATION NO. IV—FINANCIAL DISCLOSURE

Amendment of the rules of the House to require that Members, officers, principal assistants to Members and officers, and professional staff members of committees shall, not later than April 30, 1969, and by April 30 of each year thereafter, file with the Committee on Standards of Official Conduct a report disclosing certain financial interests, as described below. The interest of a spouse or any other party, if constructively controlled by the person reporting, shall be considered to be the same as the interest of the person reporting. The report shall be in two parts, hereinafter designated "part A" and "part B."

##### Part A

(1) List the name, instrument of ownership, and any position of management held in any business entity doing a substantial business with the Federal Government or subject to Federal regulatory agencies, in which the ownership is in excess of \$5,000 fair market value as of the date of filing or from which income of \$1,000 or more was derived during the preceding calendar year. Do not list any time or demand deposit in a financial institution, or any debt instrument having a fixed yield unless it is convertible to an equity instrument.

(2) List the name, address, and type of practice of any professional organization in which the person reporting, or his spouse, is an officer, director, or partner, or serves in any advisory capacity, from which income of \$1,000 or more was derived during the preceding calendar year.

(3) List the source of each of the following items received during the preceding calendar year:

(a) Any income for services rendered (other than from the U.S. Government) exceeding \$5,000.

(b) Any capital gain from a single source exceeding \$5,000, other than from the sale of a residence occupied by the person reporting.

(c) Reimbursement for expenditures (other than from the U.S. Government) exceeding \$1,000 in each instance.

Campaign receipts shall not be included in this report.

Information filed under part A shall be maintained by the Committee on Standards of Official Conduct and made available at reasonable hours to responsible public inquiry, subject to such regulations as the committee may prescribe including, but not limited to, regulations requiring identification by name, occupation, address, and telephone number of each person examining information filed under part A and regulations requiring the committee promptly to notify each Member of the House of Representatives of each instance of an examination of information filed under part A by such Member.

### Part B

(1) List the fair market value (as of the date of filing) of each item listed under paragraph 1 of part A and the income derived therefrom during the preceding calendar year.

(2) List the amount of income derived from each item listed under paragraphs 2 and 3 of part A.

The information filed under part B shall be sealed by the person filing and shall remain sealed unless the Committee on Standards of Official Conduct, pursuant to its investigative authority, determines by a vote of not less than seven members of the committee that the examination of such information is essential in an official investigation by the committee and promptly notifies the member concerned of such determination. The committee may, by a vote of not less than seven members of the committee, make public any portion of the information unsealed by the committee under the preceding sentence and which the committee deems to be in the public interest.

Any person required to file a report who has no interests covered by any of the above provisions shall file a report so stating.

In any case in which a person required to file a sealed report under this part B is no longer required to file such a report, the committee shall return to such person, or his legal representative, all sealed reports filed by such person under part B and remaining in the possession of the committee.

Financial disclosure brought the most positive opinions of any subject that came before the committee. The overwhelming majority of the testimony favored application of some form of disclosure to Members, officers and certain employees of the House. But while there were passionate demands for exposure of every minute detail of fiscal involvement, the committee also heard the completely opposite view that such disclosure would be an unwarranted invasion of privacy. The majority of the recommendations supporting disclosure stressed and defended the principle of disclosure but only a few placed emphasis on the objectives the technique was intended to serve.

A matter of such sensitivity, having generated such extremes of opinion, needs the most careful scrutiny. The one thing strikingly absent from the arguments was any evidence that the results claimed would in fact obtain, and that the conclusions were not largely speculative.

Proponents of the broadest disclosure seemed to take axiomatically that under this scrutiny, conflicts of interest would be eliminated. Opponents held with the same conviction that compelling disclosure of one's personal finances would deter and eventually eliminate qualified persons from public office.

The committee feels that a true position falls between these extremes and that there is a totally justifiable point at which some financial disclosure is necessary to equip the voters with enough information to make a proper judgment at the polls, but that disclosure beyond that point is unnecessary and, in truth, is an invasion of one's privacy.

The purposeful and premeditated conflict of interest is not, and cannot be, the target of a financial disclosure technique. As was noted earlier, these situations are rare, and common sense suggests that, if an outright bargaining of one's legislative influence could be contemplated, the same person would not hesitate to falsify any type of filing imposed upon him. To unearth and punish a violation of the code or applicable statutes in this area would present no greater problem than to treat a misfiling, so it must be concluded that the code and the statutes are adequate to deal with flagrant abuses of legislative authority.

The remaining area of what is commonly referred to as conflict of interest refuses to yield to such easy definition. In fact, if rule VIII<sup>2</sup> were literally applied, any legislation requiring appropriations could be construed to contain a "direct personal or pecuniary interest" since it theoretically affects taxes, the quality of investments and perhaps other extremely remote interests.

While precedent has provided the solution to this technicality, it illustrates that conflict of interest is a matter of proximity or degree of personal or pecuniary interest rather than an absolute state. Therefore, in the absence of any precise definition, it is the judgment and instincts of the member voting that provide the first test of whether the representative function is being compromised for personal gain. As a practical matter, it is the governing criterion.

In the totally ideal legislative circumstance, the judgment of the Member blends into that of his constituency and expresses itself unequivocally. To the extent then that any vote is less than ideal is the failure of this synthesis, and systems that will improve the communication and understanding toward this objective are justifiable.

It is toward this goal that financial disclosure is worthy. It works to keep the person reporting ever mindful of where the accumulation of his estate has occurred and keeps before him the fact that his first obligation—his legislative duty—may not be even subconsciously subverted to his own interests. It further works to keep before those he represents the areas where his personal financial interests lie so that they may judge whether his interests are contrary to their own, and, if so, whether to a sufficient degree that he fails to adequately represent them.

No apology need be made for the fact that the proper role of the legislator is to express the very direct interests of his constituency. If his own be the same or different interests and he votes either position, there is no proof that he acted from conflict of interest. Whether, in fact, it was or was not is known but to himself.

<sup>2</sup> Rule VIII. Every Member shall be present within the Hall of the House during its sittings, unless excused or necessarily prevented; and shall vote on each question put, unless he has a direct personal or pecuniary interest in the event of such question.

The legitimate objectives of financial disclosure, then, are to serve as a deterrent reminder to the person filing and to acquaint the voters with the areas in which it is possible for a conflict of interest to occur. It must follow that only such information as serves those objectives can be validly required.

The method of financial disclosure recommended in this report seeks to accomplish these objectives. The means would require a two-part type of disclosure. One part, aimed primarily at the deterrent objective, would be sealed and not made public except under unusual conditions. This portion would contain specific items of valuation and income—information which is not essential to the public judgment objective.

The other part, which would be made public, would identify certain assets, business, or professional affiliations and the sources of outside income, any of which might be persuasive of the judgment of the Member in his legislative role. The committee made a careful analysis of factors capable of doing this, and strongly feels that only this much information is essential to the objectives earlier stated.

For instance, ownership in business entities having no essential dealings with the Federal Government, or even minimal holdings of this type, do not present an opportunity for conflict of interest. The committee appreciates the difficulty that might arise in some instances of determining whether a holding meets the criteria stated in paragraph (1) of part A above; namely, that the entity in question does a substantial business with the Federal Government or is subject to Federal regulation. One such example would be a diversified mutual fund having changing components. In such uncertain cases, where honest differences of opinion can be expected, to err on either side is unlikely to do harm to the objectives of the reporting requirement. Assets such as financial deposits, Government bonds, or even corporate bonds lacking any provision for conversion to equity instruments similarly are incapable of enhancement by improper legislative influence. Thus, such interests do not serve the objectives of disclosure and therefore present no reason to be revealed. These exclusions also would prevent any person from calculating the net worth position of the reporting individual, information which the committee feels most strongly is unnecessary to any goals of financial disclosure.

The committee notes the limitations on this or any form of financial disclosure for the objectives mentioned. The principal limitation is that it never reveals the present situation but rather the past, which may bear no relevancy to the purposes of disclosure. The technique as a rule of the House is difficult, if not impossible, to impose on a nonincumbent candidate. Also, it is not meaningful with respect to a first-year report since it would cover a period prior to the service of the person reporting and conversely the final year of service of any person covered would not be reported. Likewise, transactions wholly contained in a calendar year and not existing at the time of filing would escape report unless they led to gains or income which would be reported. While these defects limit the effectiveness of the effort, the committee feels that on balance they do not outweigh the possible benefit.

Again it is emphasized that nothing in this section pertains to the disclosure of moneys received for campaign purposes. That subject is treated elsewhere in this report.

It can be argued with considerable merit that point 3 of the "Code of Official Conduct," along with the means for enforcement recommended in this report, is sufficient to monitor conflicts of interest, thus obviating any need for financial disclosure. The committee did not overlook this alternative. It concluded that even if both approaches became duplicative in effect rather than complementary, the better judgment was to err on the side of duplication.

The committee was told that "not only Congress, but the churches, the professional societies, the universities, the research organizations, the corporations, in fact all organizations and all of us are being propelled, willy-nilly, into an era in which ethics must become a dominant concern if we are to survive" (Dr. Franklin Kilpatrick; hearings, August-September 1967, p. 23). The committee is mindful of the fact that Members of the House of Representatives are as entitled to privacy as any other citizen. But because they are the closest link between other citizens and their Government, it is appropriate that they take this extra measure of ethical concern.

#### RECOMMENDATION NO. V.—APPLICATION TO CANDIDATES

That the Chairman of National Political Committees, in turn, recommend to candidates seeking nomination or election to the House of Representatives, under the sponsorship of the respective parties, that such candidates comply with all provisions of the Code of Official Conduct insofar as they are applicable.

The committee saw the equity of requiring aspirants to seats in the House of Representatives to abide by the same rules, especially with respect to financial disclosure, as apply to incumbents. Technically it was stopped from doing so if the Code of Official Conduct was placed in the rules of the House rather than being made statutory, a step which would require Senate approval. It seems reasonable that candidates would be willing to meet any requirements which might later apply to them as Members.

The committee feels that the most reasonable means of communicating this suggestion is through the machinery of the national political parties.

If experience shows abuse of this recommendation by candidates to the detriment of incumbents, legislation to correct the abuses can be considered later.

#### RECOMMENDATION NO. VI.—COUNTERPART FUNDS

That the Committee on House Administration recommend revisions in law and regulations to provide for standardizing the controls over the use by committees of counterpart funds for travel outside the United States and full reporting and adequate review of such reports in the House of Representatives.

Any Members or employees of committees of Congress traveling in a foreign country on official business of the U.S. Government are required by law to use U.S. funds on deposit in that country's currency if such funds exist. These balances for the most part arose from lend-lease, foreign aid, or some similar arrangement. Recovery of them by

the U.S. Treasury is for all practical purposes limited to their use in the country of origin.

The law further spells out per diem limits of these funds available to official travelers but that law has been revised a number of times with the result that it now is often confusing as to authorized uses and accountability.

Without question this confusion has led to some actual abuse and certainly to some appearance of abuse in the utilization and reporting of these disbursements. That the amounts involved in actual abuses have been relatively miniscule is no justification for less than meticulous stewardship over these like any other public moneys.

The committee feels that recommendations from the appropriate legislative source to clarify all aspects of this law will be a step toward eliminating any uncertainty from this area and removing both error and suspicion.

#### RECOMMENDATION NO. VII.—CORRUPT PRACTICES ACT

That the House take prompt action to review the entire body of law in areas covered by the Federal Corrupt Practices Act and enact measures realistically applicable to present day situations.

No report, responsive to the committee's assignment, could omit consideration of the entire scope of campaign fund practices. Any consideration of standards of conduct for legislators must include the question of whether the sources of campaign money requirements are capable of either overtly or subconsciously compromising the legislative independence of the recipient. No system can be foreseen which will obviate the raising of such funds, so the only remedy appears to be strict management of them. This must be done if the public's concern over conflicts of interest is to be lessened.

Testimony received by the committee in this area was largely general in scope. However, two specific areas were singled out: (1) elimination of unrealistic limits on campaign spending, and (2) more extensive and realistic disclosure of campaign contributions and expenditures than is required under present law.

It should be made clear that disclosure of political campaign finances is entirely separate and apart from the committee's recommendation, elsewhere in this report, for a method of financial disclosure as a means of enabling the public to monitor possible conflicts of interest.

Campaign funds in the hands of a candidate for Congress are in a unique category. Although he has possession of them and may elect how they shall be spent, their status is transitional until they have in fact been spent. If they are expended for legitimate purposes either in a current or any future campaign for public office, they effectively pass through his hands without any trace of ownership or title remaining, and the accountability for them, in and out, is covered by the Federal corrupt practices law. If on the other hand some of these funds are expended for personal use, not related to his campaign, that portion becomes personal income, reportable for Internal Revenue purposes and possibly subject to disclosure under recommendations contained elsewhere in this report. Together, these two disclosure requirements would provide the fullest exposure of financial details

about a Member that is needed to reach a judgment as to whether proximity to any of the sources disclosed is sufficient to create a potential conflict of interest.

The absence of greater detail in this recommendation is due to the committee's decision that the specific steps to accomplish its general aims should be recommended by the appropriate legislative committee. This committee notes that considerable legislation aimed at the general objectives has been introduced in recent years. It reiterates that it feels no preference for any specific bill. But it feels strongly that stricter management and reporting of campaign finances are needed to complement the recommendations it is making in the areas assigned to it by the House.

## PART IV

### CONCLUSION

The observations and recommendations contained in this report by no means cover all the subjects debated in the committee. Many additional areas were discussed, but failed of a position in the report because, in the judgment of the committee, they either were of minimal importance or were in a category for which no appropriate recommendations were immediately apparent. This is not to say that the committee feels there are great remaining areas demanding of attention. Rather, it is to say that, in the judgment of the committee, a continuing committee can deal with remaining areas more deliberately and effectively, and with minimal risk that the cure may be worse than the disease. In the interim, none of these areas impresses the committee as of sufficient weight to do conceivable harm if action on them is deferred.

It is regrettable that this report does not lend itself to the same precision as reports on some other subjects. Concepts and ideas simply will not permit themselves to be as neatly arranged as measurable facts.

This committee boasts of no superior wisdom or special insight, but it does assure the House of Representatives that it has, with some experience, sincere humility, genuine reverence for the institution itself, and, above all, true respect for each individual Member, considered the contents of this report and deems adoption of its recommendations in the best interest of all.

(28)

## APPENDIX

90TH CONGRESS  
1ST SESSION

### H. RES. 418

IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 1967

Mr. COLMER, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

APRIL 13, 1967

Considered and agreed to

### RESOLUTION

*Resolved*, That there is hereby established a standing committee of the House of Representatives to be known as the Committee on Standards of Official Conduct (hereafter referred to as the "committee"). The committee shall be composed of twelve Members of the House of Representatives. Six members of the committee shall be members of the majority party and six shall be members of the minority party.

SEC. 2. The jurisdiction of the committee shall be to recommend as soon as practicable to the House of Representatives such changes in laws, rules and regulations as the committee deems necessary to establish and enforce standards of official conduct for Members, officers, and employees of the House.

SEC. 3. The committee may hold such hearings and take such testimony as may be necessary to carry out the purposes of this resolution.

(29)

## 90TH CONGRESS, 2D SESSION

## RESOLUTION

Amending House Resolution 418, Ninetieth Congress, to continue the Committee on Standards of Official Conduct as a permanent standing committee of the House of Representatives, and for other purposes.

*Resolved*, That House Resolution 418, Ninetieth Congress, is amended to read as follows:

"That clause 1 of Rule X of the Rules of the House of Representatives is amended—

"(1) by redesignating paragraphs (r), (s), and (t) as paragraphs (s), (t), and (u), respectively; and

"(2) by inserting immediately after paragraph (q) the following new paragraph:

"(r) Committee on Standards of Official Conduct, to consist of twelve Members as follows: six members of the majority party and six members of the minority party."

"SEC. 2. Rule XI of the Rules of the House of Representatives is amended—

"(1) by redesignating clauses 18 through 30 as clauses 19 through 31, respectively;

"(2) by inserting immediately after clause 17 the following new clause:

"18. Committee on Standards of Official Conduct.

"(a) Measures relating to the Code of Official Conduct.

"(b) Measures relating to financial disclosure by Members, officers, and employees of the House of Representatives.

"(c) The committee is authorized—

"(1) to recommend to the House of Representatives, from time to time, such legislative or administrative actions as the committee may deem appropriate to establish or enforce standards of official conduct for Members, officers, and employees of the House of Representatives;

"(2) to investigate, subject to paragraph (d) of this clause, any alleged violation, by a Member, officer, or employee of the House of Representatives, of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities and, after notice and a hearing, shall recommend to the House of Representatives, by resolution or otherwise, such action as the committee may deem appropriate in the circumstances;

"(3) to report to the appropriate Federal or State authorities, with approval of the House of Representatives, any substantial evidence of a violation, by a Member, officer, or employee of the House of Representatives, of any law applicable to the performance of his duties or the discharge of his responsibilities, which may have been disclosed in a Committee investigation; and

"(4) to give consideration to the request of a Member, officer, or employee of the House of Representatives, for an advisory opinion with respect to the general propriety of any current or proposed conduct of such Member, officer, or employee and, with appropriate deletions to assure the privacy of the individual concerned, to publish such opinion for the guidance of other Members, officers, and employees of the House of Representatives.

"(d)(1) No resolution, report, recommendation, or advisory opinion relating to the official conduct of a Member, officer, or employee of the House of Representatives shall be made, and no investigation of such conduct shall be undertaken, unless approved by the affirmative vote of not less than seven members of the committee.

"(2) Except in the case of an investigation undertaken by the committee on its own initiative, the committee may undertake an investigation relating to the official conduct of an individual Member, officer, or employee of the House of Representatives only (A) upon receipt of a complaint, in writing and under oath, made by or submitted to a Member of the House of Representatives and transmitted to the committee by such Member, or (B) upon receipt of a complaint, in writing and under oath, directly from an individual not a Member of the House of Representatives if the committee finds that such complaint has been submitted by such individual to not less than three Members of the House of Representatives who have refused, in writing, to transmit such complaint to the committee.

"(3) No investigation shall be undertaken of any alleged violation of a law, rule, regulation, or standard of conduct not in effect at the time of the alleged violation.

"(4) A member of the committee shall be ineligible to participate, as a member of the committee, in any committee proceeding relating to his official conduct. In any case in which a member of the committee is ineligible to act as a member of the committee under the preceding sentence, the Speaker of the House of Representatives shall designate a Member of the House of Representatives from the same political party as the ineligible member of the committee to act as a member of the committee in any committee proceeding relating to the official conduct of such ineligible member.

"(e) For the purpose of carrying out the foregoing provisions of this clause, the committee, or any subcommittee thereof, is authorized to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member."

"(3) by inserting immediately before 'the Committee on Veterans' Affairs' where it appears in clause 22, as so redesignated by paragraph (1) of this section, the following: 'the Committee on Standards of Official Conduct—on resolutions recommending action by the House of Representatives with respect to an indi-

vidual Member, officer, or employee of the House of Representatives as a result of any investigation by the committee relating to the official conduct of such Member, officer, or employee of the House of Representatives;';

"(4) by striking out 'paragraph 26' in clause 27 (j), as so redesignated by paragraph (1) of this section, and inserting in lieu thereof 'clause 27'; and

"(5) by inserting immediately after 'Rules,' where it appears in clause 31, as so redesignated by paragraph (1) of this section, the following: 'on Standards of Official Conduct,'.

"SEC. 3. Clause 2 of Rule XIII of the Rules of the House of Representatives is amended by striking out 'clause 21' and inserting in lieu thereof 'clause 22'.

"SEC. 4. (a) The Rules of the House of Representatives are amended by adding at the end thereof the following new rules:

"RULE XLIII

"Code of Official Conduct

"There is hereby established by and for the House of Representatives the following code of conduct, to be known as the "Code of Official Conduct":

"1. A Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives.

"2. A Member, officer, or employee of the House of Representatives shall adhere to the spirit and the letter of the Rules of the House of Representatives and to the Rules of duly constituted committees thereof.

"3. A Member, officer, or employee of the House of Representatives shall receive no compensation nor shall he permit any compensation to accrue to his beneficial interest from any source, the receipt of which would occur by virtue of influence improperly exerted from his position in the Congress.

"4. A Member, officer, or employee of the House of Representatives shall accept no gift of substantial value, directly or indirectly, from any person, organization, or corporation having a direct interest in legislation before the Congress.

"5. A Member, officer, or employee of the House of Representatives shall accept no honorarium for a speech, writing for publication, or other similar activity, from any person, organization, or corporation in excess of the usual and customary value for such services.

"6. A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures. He shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

"7. A Member of the House of Representatives shall treat as campaign contributions all proceeds from testimonial dinners or other fund-raising events if the sponsors of such affairs do not give clear notice in advance to the donors or participants that the proceeds are intended for other purposes.

"8. A Member of the House of Representatives shall retain no one from his clerk hire allowance who does not perform duties commensurate with the compensation he receives.

"As used in this Code of Official Conduct of the House of Representatives—

"(a) the terms "Member" and "Member of the House of Representatives" include the Resident Commissioner from Puerto Rico; and

"(b) the term "officer or employee of the House of Representatives" means any individual whose compensation is disbursed by the Clerk of the House of Representatives.

"RULE XLIV

"Financial Disclosure

"Members, officers, principal assistants to Members and officers, and professional staff members of committees shall, not later than April 30, 1969, and by April 30 of each year thereafter, file with the Committee on Standards of Official Conduct a report disclosing certain financial interests as provided in this Rule. The interest of a spouse or any other party, if constructively controlled by the person reporting, shall be considered to be the same as the interest of the person reporting. The report shall be in two parts as follows:

"PART A

"1. List the name, instrument of ownership, and any position of management held in any business entity doing a substantial business with the Federal Government or subject to Federal regulatory agencies, in which the ownership is in excess of \$5,000 fair market value as of the date of filing or from which income of \$1,000 or more was derived during the preceding calendar year. Do not list any time or demand deposit in a financial institution, or any debt instrument having a fixed yield unless it is convertible to an equity instrument.

"2. List the name, address, and type of practice of any professional organization in which the person reporting, or his spouse, is an officer, director, or partner, or serves in any advisory capacity, from which income of \$1,000 or more was derived during the preceding calendar year.

"3. List the source of each of the following items received during the preceding calendar year:

"(a) Any income for services rendered (other than from the United States Government) exceeding \$5,000.

"(b) Any capital gain from a single source exceeding \$5,000, other than from the sale of a residence occupied by the person reporting.

"(c) Reimbursement for expenditures (other than from the United States Government) exceeding \$1,000 in each instance. Campaign receipts shall not be included in this report.

"Information filed under Part A shall be maintained by the Committee on Standards of Official Conduct and made available at reasonable hours to responsible public inquiry, subject to such regulations as the Committee may prescribe including, but not limited to, regulations requiring identification by name, occupation, address, and telephone

number of each person examining information filed under Part A and regulations requiring the committee promptly to notify each Member of the House of Representatives of each instance of an examination of information filed under Part A by such Member.

“PART B

“1. List the fair market value (as of the date of filing) of each item listed under paragraph 1 of Part A and the income derived therefrom during the preceding calendar year.

“2. List the amount of income derived from each item listed under paragraphs 2 and 3 of Part A.

“The information filed under this Part B shall be sealed by the person filing and shall remain sealed unless the Committee on Standards of Official Conduct, pursuant to its investigative authority, determines by a vote of not less than seven members of the Committee that the examination of such information is essential in an official investigation by the Committee and promptly notifies the Member concerned of any such determination. The Committee may, by a vote of not less than seven members of the Committee, make public any portion of the information unsealed by the Committee under the preceding sentence and which the Committee deems to be in the public interest.

“Any person required to file a report under this Rule who has no interests covered by any of the provisions of this Rule shall file a report so stating.

“In any case in which a person required to file a sealed report under Part B of this Rule is no longer required to file such a report, the Committee shall return to such person, or his legal representative, all sealed reports filed by such person under Part B and remaining in the possession of the Committee.

“As used in this Rule—

“(1) the term “Members” includes the Resident Commissioner from Puerto Rico; and

“(2) the term “committees” includes any committee or subcommittee of the House of Representatives and any joint committee of Congress, the expenses of which are paid from the contingent fund of the House of Representatives.”

“(b) Paragraph (a) of clause 16 of Rule XI of the Rules of the House of Representatives is amended by striking out ‘rules, joint rules’ and inserting in lieu thereof ‘rules and joint rules (other than rules or joint rules relating to the Code of Official Conduct or relating to financial disclosure by a Member, officer, or employee of the House of Representatives)’.”

SHORT HISTORY OF RULES OF CONDUCT ENFORCEMENT IN THE HOUSE OF REPRESENTATIVES

(From Legislative Reference Service, Library of Congress)

Prior to July 24, 1965, when, for the first time in the history of the Congress, the Senate adopted a substitute proposal for Senate Resolution 388 creating its Select Committee on Standards and Conduct (110 Congressional Record 16939), no institutionalized means of enforcing standards of conduct had existed in either body of the

Congress. Today, that condition still obtains in the House of Representatives.

Cases of breaches of ethics by Members of the House thus far, if they appeared to warrant official attention, have been considered pursuant to resolutions of censure or expulsion in accordance with the constitutional power of each House to prescribe rules for the conduct of its Members (art. I, sec. 5). These have been handled through resolutions offered on the floor or through the creation of select investigating committees.

There have been only three instances of expulsion from the House. All three occurred during the 37th Congress in the Civil War year of 1861. Resolutions to expel have been submitted on various occasions, but, except for the three instances, they either failed to receive the necessary two-thirds vote or else a resolution of censure was substituted.

There have been 16 instances of censure by the House, the last one occurring in 1921. The House has imposed censure against a Member for (1) unparliamentary language during House proceedings against a fellow Member or against the Speaker, or other disorderly conduct; (2) physical assault against another Member for words spoken in debate; (3) treasonable words uttered in the course of proceedings; (4) presentation of a resolution construed as insulting to the House; (5) corrupt acts, that is, sale of appointments to service academies; distribution of credit mobilier stock to Members below value in order to influence their actions; (6) abuse of the privilege of inserting material in the Congressional Record, in this case obscene material, and (7) presentation of resolutions of an incendiary nature purportedly approving “mutiny and murder” in a section of the country then a subject of negotiation between the United States and Great Britain.

There has not been a consistent procedure for the examination of allegations and charges leading to expulsion or censure.

Other situations have involved resolutions declaring a Member's seat forfeited because of his acceptance of another Federal office in contravention of article I, section 6, clause 2, of the Constitution.

The House has refused, also, to readmit a Member whom it would have expelled for commission of an infamous crime but for his resignation (Hinds' “Precedents of the House of Representatives,” vol. I, sec. 464). It is the custom of the House, however, to defer such final action as expulsion of Members under criminal charges pending disposition of the cases in the court of last resort (Cannon's “Precedents of the House of Representatives,” vol. VI, sec. 238). Neither will the House consider expulsion proceedings for offenses committed by Members in preceding Congresses (Hinds', supra, vol. II, secs. 1284-1285).

Officers of the House have been removed or suspended by vote of the House in acting on reports by standing or select committees, or on resolutions offered from the floor (Hinds', supra, vol. I, sec. 287). On one occasion, the House requested Executive authority to prosecute its clerk for embezzlement of public funds (Hinds', supra, vol. I, sec. 287).

On another occasion, the House, by resolution, instructed one of its standing committees to make an investigation of the conduct of certain officers of the House while they were officers of the preceding House (Hinds', supra, vol. III, sec. 2617).

As respects employees of the House, of its committees, and of Members, certain statutory provisions relate to aspects of their dismissal. Employees of Members are subject to removal at any time by the Member, with or without cause (2 U.S.C. 92). The services of professional members of committee staffs may be terminated by majority vote of the committee (2 U.S.C. 72a(a)). (Note: Clerks are usually appointed and dismissed by the chairman with the approval of the committee.) (Hinds', supra, vol. IV, sec. 4533; Cannon's, supra, vol. VIII, secs. 2206, 2207). Employees of the Clerk, Sergeant at Arms, Doorkeeper, and Postmaster are subject to removal for violation of any of the provisions of 2 U.S.C. 85-89 (2 U.S.C. 90). The Committee on House Administration is charged with the duty of inquiring into the enforcement or violation of sections 85-89 (2 U.S.C. 91).

Aside from acting under such statutory provisions, the House has declined to interfere, for instance, with the Clerk's power of removing his subordinates (Hinds', supra, vol. I, sec. 249).

In addition, Members of Congress, officers, and employees of the House are subject to various statutes, provisions, and rules relating to ethical conduct listed below, and to the Code of Ethics for Government Service (72 Stat., pt. 2, 812, July 11, 1958).

In summary, on the whole, there has been no consistent procedure for examining alleged infractions, for recommending changes in or additions to the House rules or regulations respecting ethics, or for initiating enforcement thereof. In some instances, as in regard to the enforcement of the Code of Ethics adopted in 1958, no formal procedure for enforcement has been created.

#### CONSTITUTIONAL AND STATUTORY PROVISIONS AND RULES OF THE HOUSE GOVERNING THE CONDUCT AND ACTIVITIES OF MEMBERS OF CONGRESS

(Compiled by the Library of Congress, Legislative Reference Service, Robert L. Tienken, Legislative Attorney, American Law Division)

##### A. CONSTITUTION

###### (1) Article I, section 5, clause 2—

Each House may determine the Rules of its Proceedings, punish its Members for disorderly Behavior, and, with the Concurrence of two-thirds, expel a member.

###### (2) Article I, section 6, clause 1—

They shall in all cases, except Treason, Felony and Breach of the Peace, be privileged from arrest during their Attendance at the Session of their respective Houses, and in going to and returning from the same; and for any Speech or Debate in either House, they shall not be questioned in any other Place.

###### (3) Article I, section 6, clause 2—

No Senator or Representative shall, during the Time for which he was elected, be appointed to any civil office under the Authority of the United States, which shall have been

created, or the emoluments whereof shall have been increased during such time; \* \* \*

###### (4) Article I, section 9, clause 8—

No title of nobility shall be granted by the United States; and no Person holding any Office of Profit or Trust under them, shall, without the consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State.

###### (5) Article VI, clause 3—

The Senators and Representatives before mentioned, and the Members of the several State Legislatures, and all executive and judicial Officers, both of the United States and of the several States, shall be bound by Oath or Affirmation, to support this Constitution; \* \* \*

##### B. STATUTES

###### (1) CODE OF ETHICS (72 Stat., pt. 2, B 12, July 11, 1958).—

*Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the following Code of Ethics should be adhered to by all Government employees, including officeholders:*

##### CODE OF ETHICS FOR GOVERNMENT SERVICE

Any person in Government service should:

1. Put loyalty to the highest moral principles and to country above loyalty to persons, party, or Government department.
2. Uphold the Constitution, laws, and legal regulations of the United States and of all governments therein and never be a party to their evasion.
3. Give a full day's labor for a full day's pay; giving to the performance of his duties his earnest effort and best thought.
4. Seek to find and employ more efficient and economical ways of getting tasks accomplished.
5. Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration, or not; and never accept, for himself, or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties.
6. Make no private promises of any kind binding on the duties of office, since a Government employee has no private word which can be binding on public duty.
7. Engage in no business with the Government, either directly or indirectly, which is inconsistent with the conscientious performance of his governmental duties.
8. Never use any information coming to him confidentially in the performance of governmental duties as a means of making private profit.

9. Expose corruption wherever discovered.

10. Uphold these principles, ever conscious that a public office is a public trust.

(2) *Bribery* [18 U.S.C. 201(c)].—Soliciting or receiving a bribe for being influenced: (1) in the performance of any official act, or (2) for the violation of an official duty, or (3) respecting fraud, on the United States; penalty, \$20,000 fine or three times the monetary equivalent of the thing of value, whichever is greater, or imprisonment for not more than 15 years, or both, plus possible disqualification from holding office.

(3) 18 U.S.C. 201(g).—Soliciting or receiving anything of value for himself or because of any official act performed or to be performed by him; penalty, \$10,000 fine, or imprisonment for not more than 2 years, or both.

(4) *Outside compensation for particular services* (18 U.S.C. 203 (a)).—Soliciting or receiving any compensation for services in relation to any proceeding, contract, claim, controversy, etc., in which the United States is a party or has a direct or substantial interest, before any department, agency, court martial, officer or civil or military commission; penalty, \$10,000 fine and imprisonment for not more than 2 years, or both, plus disqualification from holding office.

(5) *Practice in Court of Claims* (18 U.S.C. 204).—Such practice forbidden; penalty, \$10,000 fine or imprisonment for not more than 2 years, or both, plus disqualification from holding office.

(6) *Acceptance or solicitation to obtain appointive public office* (18 U.S.C. 211).—Receiving as a political contribution or otherwise, anything of value for promising use of or using influence to obtain for any person an appointive office or place under the United States; penalty, \$1,000 fine, or imprisonment for not more than 1 year, or both.

(7) *Contracts* (18 U.S.C. 431).—Prohibits contracts with Government by Members of Congress; penalty, \$3,000 fine, and voidance of such contracts. 18 U.S.C. 433 exempts from the provisions of section 431 contracts by the United States with corporations for the general benefit of the corporation, and contracts entered into under the RFC Act, the Agricultural Adjustment Act, the Federal Farm Loan Act, the Emergency Farm Mortgage Act of 1933, the Farm Credit Act of 1933, the Home Owners Loan Act of 1933, the Farmers' Home Administration Act of 1946, the Bankhead-Jones Farm Tenant Act.

(8) *Interest of Members of Congress in contracts* (41 U.S.C. 22).—Provides that in every contract entered into with the United States, there shall be inserted a provision that no Member shall be admitted to any share or part of such contract or any benefit to arise thereupon. Exempted are contracts entered into under the statutes listed in 18 U.S.C. 433.

(9) *Commodity Credit Corporation: Insurance of Cotton* [7 U.S.C. 1383(a), 1386].—Section 1383(a) authorizes the Commodity Credit Corporation to place insurance of every nature taken out by it on cotton, with insurance agents who are bona fide residents of and doing business in the State where the cotton is warehoused. Section 1386 provides that section 22 of title 41, and sections 431 and 433 of title 18 shall be applicable to loans or payments made under section 1383(a).

(10) *Federal Crop Insurance Act* [7 U.S.C. 1514(f)].—Provides that section 22 of title 41 shall not apply to any crop insurance agreements made under chapter 36 of title 7, United States Code (insurance by Federal Crop Insurance Corporation against loss of crops planted for harvest in 1948 and thereafter).

(11) *Commodity Credit Corporation: Interest of Members of Congress* (15 U.S.C. 714 d).—Provides that section 22 of title 41 shall apply to all contracts or agreements by the Commodity Credit Corporation except contracts or agreements of a kind which the corporation may enter into with farmers participating in a program of the corporation.

(12) *U.S. information and educational exchange programs* [22 U.S.C. 1472 (b)].—Exempts from the provisions of section 22 of title 41, contracts (including contracts with governmental agencies and inter-governmental organizations of which the United States is a member) for the carrying out of its functions.

(13) *Contracts for flood control* (33 U.S.C. 702m).—Provides that contracts with the United States for the acquisition of land by private sale or condemnation for flood control purposes as set forth in the statute shall contain a clause as required by 41 U.S.C. 22.

(14) *Indian Claims Commission* (25 U.S.C. 70o).—Prohibits a Senator, Member, or Delegate to Congress from practicing before the Commission during his term in office.

(15) *Specific representation for claims* [46 U.S.C. 1223(e)].—Makes it unlawful for any contractor or charterer who holds any contract made under the authority of the Merchant Marine Act to employ any Member of Congress as an attorney either with or without compensation.

(16) *Use of name by persons practicing before Government departments or agencies* (5 U.S.C. 101).—Prohibits any person or firm practicing before a Government department or agency from using the name of any Member.

(17) *Accounting of foreign local currencies* [22 U.S.C. 1754(b)].—Requires committee members and employees to make to the chairman of such committee an itemized report showing the amounts and dollar equivalents of each foreign currency expended and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States, together with the purposes of the expenditures including lodging, meals, transportation, and other purposes. Committee chairmen prepare consolidated reports of such total expenditures within 60 days of the beginning of each session for forwarding to the Committee on Appropriations in the Senate, or, respectively, the House Committee on Administration.

(18) *Reports of expenditures as members of American delegations to certain international conferences* (22 U.S.C. 276c-1).—Requires reports of expenditures by Members who are delegates to: the Interparliamentary Union, the NATO Parliamentary Conference, the Canada-United States Interparliamentary Group, the Mexico-United States Interparliamentary Group, or any similar interparliamentary group of which the United States is a member. Such reports to be filed with the chairman of the Senate Foreign Relations and House Foreign Affairs Committee, respectively. Such chairmen report respective consolidated statements within 60 days of the beginning of each session.

The Senate report is filed with the Senate Appropriations Committee, the House report with the House Administration Committee.

(19) *Deductions of pay for absence from Congress* (2 U.S.C. 39).—Provides for deductions from the monthly salaries of Members for each day of absence from the Senate or House unless the reason assigned is illness of the Member or his family.

(20) *Deductions for delinquent indebtedness* (2 U.S.C. 40a).—Provides for deductions from any salary, mileage, or expense money due any Member for any delinquent indebtedness owed by a Member to the Senate or House.

(21) *Employment by Members of clerks in Washington, D.C., or in home district, Only* (H. Res. 294, 88th Cong., 110 Cong. Rec. 19710-19711; H. Res. 7, 89th Cong., 111 Cong. Rec. 21; made permanent law, 79 Stat. 281, P.L. 89-90, July 27, 1965).—Provides that no person employed by a Member shall be paid from any clerk hire allowance if such person does not perform the services for which he receives such compensation in the offices of such Member in Washington, D.C., or in the State or the district which such Member represents.

(22) *Franking privilege*.—Each Member may send under frank, official business mail (39 U.S.C. 4161), public documents (39 U.S.C. 4162), the Congressional Record (39 U.S.C. 4163), and seeds and reports from the Department of Agriculture (39 U.S.C. 4164), only.

(23) *Academy appointments*.—Each Member of the House is limited to Academy appointments from his own congressional district (10 U.S.C. 4342, Military Academy) (10 U.S.C. 6958, Naval Academy) (10 U.S.C. 9342, Air Force Academy).

(24) *Filing of accounts under Corrupt Practices Act* (2 U.S.C. 246).—Requires filing by each candidate for Senate and House, a list of contributions received by him, a list of campaign expenditures, with designated exceptions, a statement of every promise made by him or any person for him relative to appointment of persons to any public or private employment, for the purpose of securing support in his candidacy.

(25) *Limitations on campaign expenditures* (2 U.S.C. 248).—Limits campaign expenditures to amounts prescribed by State laws and by Corrupt Practices Act. Sets forth exceptions regarding items of expenditure.

(26) *Promises or pledges by candidate* (2 U.S.C. 249).—Prohibits candidates for election to Congress from promising or pledging directly or indirectly, the appointment or use of his influence or support for the appointment of any person to any public or private employment, for the purpose of procuring support in his candidacy; penalties, 2 U.S.C. 252—provides fine of not more than \$1,000 or imprisonment for not more than 1 year, or both, for violations of the above provisions, and a fine of not more than \$10,000 and imprisonment for not more than 2 years for willful violations. See also 18 U.S.C. 599 as to penalty for promises of appointment by a candidate.

(27) *Solicitation or receipt of political contributions by a Member or a candidate from Federal employees* (18 U.S.C. 602).—Such solicitation or receipt is punishable by a fine of not more than \$5,000, or by imprisonment for not more than 3 years, or both.

(28) *Soliciting or receiving political contributions in a Federal building* (18 U.S.C. 603).—Prohibited by persons mentioned in 18 U.S.C. 602; penalty, fine of not more than \$5,000 or imprisonment for not more than 3 years, or both.

(29) *Solicitation of political contributions from persons on relief* (18 U.S.C. 604).—Solicitation or receipt of assessments, contributions, etc., for political purposes from persons known by solicitor to be receiving benefits or compensation provided by a Federal act appropriating funds for work relief, or relief purposes, is punishable by fine of not more than \$1,000, or imprisonment of not more than 1 year, or both.

(30) *Solicitation of political contributions from corporations or labor unions* (18 U.S.C. 610).—Prohibits solicitation or receipt from national banks, corporations, and labor unions, of political contributions for use in any primary, convention, caucus, or general election involving Federal office. Penalty for such conduct—fine of not more than \$1,000, or imprisonment of not more than 1 year, or both; and if violation is willful, fine of not more than \$10,000 or imprisonment of not more than 2 years, or both.

(31) *Soliciting political contributions from persons or firms having contracts with the United States* (18 U.S.C. 611).—Penalty for such conduct, fine of not more than \$5,000, or imprisonment for not more than 5 years, or both.

(32) *Paying either for registration or voting in Federal primaries and elections* [Voting Rights Act, 1965, 79 Stat. 443, sec. 11(c)].—Prohibits paying or offering to pay either for registration or voting in Federal primaries and elections. Penalty is fine of not more than \$10,000, or imprisonment of not more than 5 years, or both.

#### C. RULES

##### (a) House of Representatives

(1) *Applicability of "Jefferson's Manual"*—House Rule XIII.—Provides that rules of parliamentary practice comprised in "Jefferson's Manual" shall govern the House in all cases to which they are applicable, and in which they are not inconsistent with the standing rules and orders of the House.

(2) *Disqualification in voting*—Rule VI I, section 1.—Provides that a Member shall not vote on a question where he has a direct personal or pecuniary interest. See also "Jefferson's Manual" ("House Rules Manual", par. 376).

(3) *Speaker shall preserve order and decorum*—Rule I, section 2.

(4) *Decorum and debate*—Rule XIV.—

*Section 1:* Obtaining the floor and method of address ("confine himself to the question under debate, avoiding personality").

*Section 4:* Call to order of a Member on his transgressing the rules during sessions.

*Section 5:* Words taken down if a Member is called to order.

*Section 7:* Prohibition on exiting while Speaker is putting the question; prohibition on passing between a Member who has the floor and the Chair while the Member is speaking; prohibition against wearing a hat or smoking while on the floor (as respects

movement while the House is telling, see "Jefferson's Manual" ["House Manual," par. 506].

Section 8: Prohibition against introducing to the House or calling attention of the House, during a session, to people in the galleries.

(5) Prohibition against *speaking impertinently*, or beside the question, superfluously or tediously—"Jefferson's Manual," see "House Manual," par. 359).

(6) Prohibition against *use of indecent language* against the proceedings of the House; no reflections on prior determinations, unless a motion to rescind is intended ("Jefferson's Manual," see "House Manual," par. 360).

(7) Prohibition against mentioning Member by name, or reviling, nipping or using unmannerly words against him ("Jefferson's Manual," see "House Manual," par. 361).

(8) No *arraigning the motives of those proposing a measure* ("Jefferson's Manual," par. 361).

(9) No *disturbing another Member in his speech by hissing, coughing, spitting, speaking or whispering to another, etc.* ("Jefferson's Manual," see "House Manual," par. 364).

(10) Requiring a Member to *withdraw* where he has persisted despite repeated calls to order ("Jefferson's Manual," see "House Manual," par. 366).

(11) *No criticism of the Senate* ("Jefferson's Manual," see "House Manual," par. 371), nor *personal abuse, innuendo or ridicule of the President* ("Jefferson's Manual," see "House Manual," par. 370).

(12) *No Member to be present when a bill or any business concerning himself is debating*, although he may be heard in certain instances ("Jefferson's Manual," see "House Manual," par. 375).

(13) *Proceedings against a Member* by the House, not by a committee ("Jefferson's Manual," see "House Manual," par. 321).

(14) Rule on *questions of privilege*—House Rule IX.

(15) *Absence of privilege for speeches made outside the House* ("Jefferson's Manual," see "House Manual," par. 302).

(16) *Punishment by House* of a Member for things of which the House has cognizance ("Jefferson's Manual," see "House Manual," par. 303-307).

(NOTE.—On January 31, 1963, the House restricted travel by members of the House Committee on Agriculture, Banking and Currency, Education and Labor, and Judiciary, to the United States, but the Rules Committee has permitted specific requests for members of such committees to attend specific functions abroad; see Congressional Quarterly, week of April 19, 1963, No. 16, p. 631.)

(b) *Senate*

(1) *Self-disqualification in Voting*—Rule XII, section 2.—Requires statement of reasons for declining to vote. Provides for Senate permission to excuse a Senator from voting.

(2) *Debates and decorum*.—Rule XIX.—

Section 1: Form of address and rule on interruption.

Section 2: No imputation of unworthy motive or conduct to another Senator.

Section 3: No offensive reference to any State.

Sections 4 and 5: Procedure for calling a Senator to order if he transgresses the rules of the Senate.

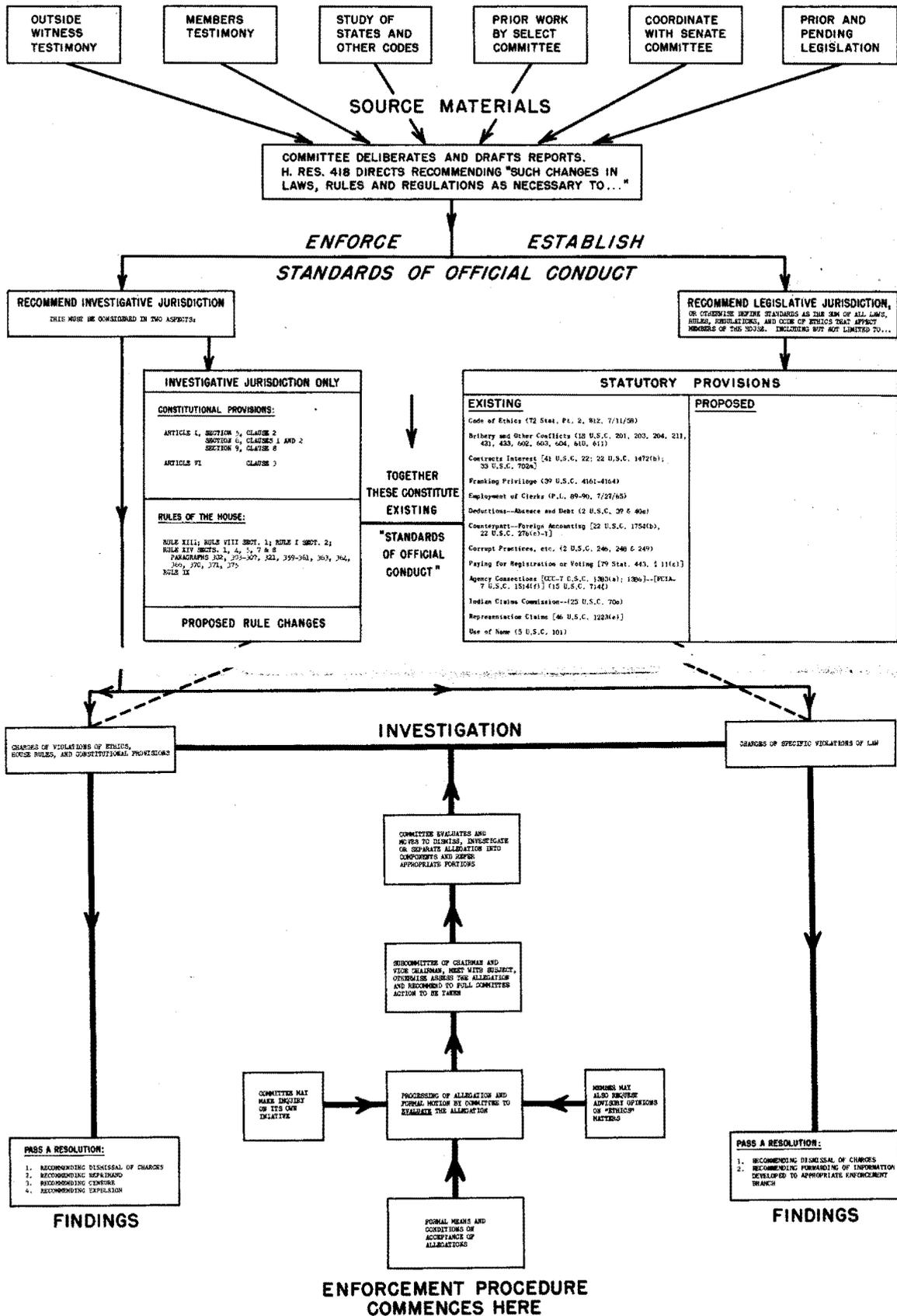
Section 7: Prohibition against *introducing people in the galleries* or calling attention to them.

(3) *Procedure for conducting executive sessions*.—Rule XXXVI.—

Section 3: Secrecy of communications from the President.

Section 4: Expulsion for disclosure of secret proceedings.

# COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT



R W

PM-VACATIONS SKED 9-29

BY RICHARD E. LERNER

WASHINGTON (UPI) -- PRESIDENT FORD GOLFED AS THE GUEST OF AT LEAST FOUR CORPORATIONS WHEN HE WAS A CONGRESSMAN, ACCORDING TO THE WHITE HOUSE, BUT HE QUIT ACCEPTING SUCH HOSPITALITY WHEN HE BECAME VICE PRESIDENT IN 1973.

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"THE PRESIDENT DOES NOT CONSIDER A GOLF GAME TO BE A GIFT OF SUBSTANTIAL VALUE," NESSEN SAID.

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in force since the Forty-third Congress. Discussion of the importance of Jefferson's Manual as an authority in congressional procedure (VII, 1029, 1049; VIII, 2501, 2517, 2518, 3330).

RULE XLIII. 3 April '68

CODE OF OFFICIAL CONDUCT.

There is hereby established by and for the House of Representatives the following code of conduct, to be known as the "Code of Official Conduct":

§ 939. Official conduct of Members, officers, or employees of the House.

1. A Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives:

2. A Member, officer, or employee of the House of Representatives shall adhere to the spirit and the letter of the Rules of the House of Representatives and to the rules of duly constituted committees thereof.

3. A Member, officer, or employee of the House of Representatives shall receive no compensation nor shall he permit any compensation to accrue to his beneficial interest from any source, the receipt of which would occur by virtue of influence improperly exerted from his position in the Congress.

4. A Member, officer, or employee of the House of Representatives shall accept no gift of substantial value, directly or indirectly, from any person, orga-

nization, or corporation having a direct interest in legislation before the Congress.

5. A Member, officer, or employee of the House of Representatives shall accept no honorarium for a speech, writing for publication, or other similar activity, from any person, organization, or corporation in excess of the usual and customary value for such services.

6. A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. Unless specifically provided by law, he shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable prior campaign expenditures and he shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

7. A Member of the House of Representatives shall treat as campaign contributions all proceeds from testimonial dinners or other fund raising events if the sponsors of such affairs do not give clear notice in advance to the donors or participants that the proceeds are intended for other purposes.

8. A Member of the House of Representatives shall retain no one from his clerk hire allowance who does not perform duties commensurate with the compensation he receives.

9. A Member, officer or employee of the House of Representatives shall not discharge or refuse to hire any individual, or otherwise discriminate

against any individual with respect to compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin.

As used in this Code of Official Conduct of the House of Representatives—(a) the terms "Member" and "Member of the House of Representatives" include the Resident Commissioner from Puerto Rico and each Delegate to the House; and (b) the term "officer or employee of the House of Representatives" means any individual whose compensation is disbursed by the Clerk of the House of Representatives.

This rule was adopted on April 3, 1968 (H. Res. 1099, 90th Cong.). The jurisdiction of the Committee on Standards of Official Conduct was also redefined by this resolution. The rule was amended in the 92d Congress to bring the Delegates from the District of Columbia, Guam and the Virgin Islands within the definition of "Member" (H. Res. 5, Jan. 22, 1972, p. 144; H. Res. 1153, Oct. 13, 1972, p. 36021-23). The rule was further amended in the 94th Congress by adding in clause (6) the words "Unless specifically provided by law" and by adding clause (9) (H. Res. 5, Jan. 14, 1975, p. —). Clause (10) was adopted by the House on April 16, 1975 (H. Res. 46, 94th Cong.).

#### RULE XLIV

##### FINANCIAL DISCLOSURE.

Members, officers, principal assistants to Members and officers, and professional staff members of committees shall, not later than April 30, 1969, and by April 30 of each year thereafter, file with the Com-

§ 940. Financial report disclosing certain financial interests.

[040]

10. A Member of the House of Representatives who has been convicted by a court of record for the commission of a crime for which a sentence of two or more years' imprisonment may be imposed should refrain from participation in the business of each committee of which he is a member and should refrain from voting on any question at a meeting of the House, or of the Committee of the Whole House, unless or until judicial or executive proceedings result in reinstatement of the presumption of his innocence or until he is reelected to the House after the date of such conviction.

[646a]





22

R W

PH-VACATIONS SKED 9-29

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MEMORANDUM

1968  
THE WHITE HOUSE  
WASHINGTON

September 29, 1976

Mr. President:

Here are golf trips in 1968

June 28, 1968 - Gum Dip Open Tournament at Akron, Ohio  
You left at 10:00 a.m. and returned the same evening at 10:30 p.m.  
(Firestone supplied Lockheed JetStar for you and other Members of  
Congress) Mrs. Ford did not go.

November 9th to 16th - Puerto Vallarta, Jalisco, Mexico  
(This was fishing rather than golfing)  
Teledyne Ryan furnished plane from Page at National for you  
and Mrs. Ford and Cong. and Mrs. Wilson to Puerto Vallarta  
and return to Palm Beach. You paid Mrs. Ford's and your air  
fare back to Washington from Los Angeles. You also paid your  
share of the villa that was rented by the five couples (Wilson's,  
Jamesons, Parmas, Kleins, and you). Air fare back was \$279.30.  
Villa was \$271.40.



MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

1969

September 29, 1976

Trips in 1969

September 22, 1969

You left at 8:00 a.m. from Dulles in Bethlehem plane and went to Grand Rapids for ROSPATCH meeting. Then left Grand Rapids in same plane to Bethlehem, Penn. Played golf and had dinner at Saucon Valley Country Club and returned to National at 10:00 p.m. the same day.

This is all I can find for 1969 - Gum Dip Open was scheduled for August 14, 1969 but you cancelled.

U.S. GOVERNMENT PRINTING OFFICE

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

1970

September 29, 1976

There is only one golf trip in 1970 -

November 8th to 15th, 1970      Tryall - Montego Bay, Jamaica

You and Mrs. Ford left Friendship on Eastern #995 at 10:55 a.m. on Nov. 8th and returned on Eastern #994 from Montego Bay on Nov. 15th, arriving Friendship at 8:12 p.m. You paid round-trip fare of \$348.00

You also paid your share of the Tryall expenses which was divided between you, the Markleys, the Whytes, and the Burkes. Your share was \$394.37

FORD LIBRARY

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

1971

September 29, 1976

Golf trips for 1971

June 8th and 9th, 1971 Kemper Open Tournament

You left National via private plane at 4:30 p.m. on June 8th and arrived at 5:30 p.m. in Charlotte. You stayed over night at Holiday Inn and returned on June 9th at 11:00 p.m. by private plane. You were the personal guest of James Kemper who also invited other Members of Congress.

This is all I can find in 1971



MEMORANDUM

September 29, 1976

THE WHITE HOUSE  
WASHINGTON

1972

Golf dates in 1972

March 31st, 1972 - Palm Desert, Calif. (You were scheduled to speak for two or three GOP functions in Southern California, but you and Mrs. Ford went out a few days early to play golf at Palm Desert with Leon Parma and some others. GOP Committee paid your plane expense for your return trip from Washington to San Diego. Leon Parma arranged flight from San Diego to Palm Desert and back for speaking commitments. You left San Diego via Western 603 on April 7th for Denver where you spoke for Cong. McKeivitt. You stayed overnight in Denver and returned to Washington via United #166 at 2:45 p.m. on April 8th. File doesn't show where you stayed in Palm Desert because that was apparently worked out verbally between you and Leon Parma.

May 30th to June 1st, 1972 - Kemper Open Tournament.

Kemper Insurance Co. chartered a Peidmont plane to take you and other Members of Congress to Charlotte, North Carolina. You stayed at Holiday Inn South in Charlotte until June 1st at 8:00 a.m. when you returned to Washington in the same chartered Piedmont plane. You and other Members were guests of James Kemper.

August 25, 1972 - The day after the GOP Convention in Miami you and some others along with the Whytes went to Bay Hill, Florida. I understand you were all Bill Whyte's guests, but I don't have the details. You stayed until Sunday, August 27th when you had to leave for a GOP event in Milwaukee, Wisc. for Cong. Davis. You drove from Disney World to Orlando where you took Delta #132 to Chicago and North Central #205 to Milwaukee. GOP Committee paid for this transportation and also your flight to Grand Rapids from Milwaukee on North Central #984.

November 9th to 19th - Montego Bay, Jamaica.  
Nothing came back in this file to me. But Bill Whyte's office says it was at their expense.

(Actually you spoke at a Boy Scout Luncheon here in Washington on at the International Club on November 20th - so he may have considered the above trip a sort of honorarium)



THE WHITE HOUSE  
WASHINGTON

1973

1973

March 29- You and Mrs. Ford left from National Airport 7:25 PM for Orlando, Florida. Met at airport by Bill Whyte and taken to Polynesian Village at Disney World.

You were the luncheon speaker on the final day of three-day meeting of the Public Affairs Committee of the U.S. Chamber of Commerce.

You left Orlando on April 1 at 2:50 PM.

May 29 - You left from Piedmont at National airport via chartered plane for Charlotte, N.C. and the Kemper Pro Am. Your accommodations were at the Holiday Inn South, and the tournament at the Quail Hollow Country Club. Letter of invitation says you were the personal guest of James S. Kemper Jr.

You returned to National Airport on May 30 at 8:45 PM via Piedmont. Ticket was purchased by check.

June 22- Departed Washington early evening for Clementon, New Jersey, Pine Valley Laurel Ridge Lodge for weekend with the Bill Whytes, returning on Sunday, June 24. My book does not show means of transportation, and I seem to recall your driving there and back.



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Mr. President

The following trip was not included in information I sent you yesterday because it was prior to the date the law was passed in April of 1968.

February 13th to February 20th. Palm Beach Feb. 13th for Lincoln Day speech  
Montego Bay Feb. 14th to 18th  
NAM meeting (ladies) Feb. 19th Boca Raton  
NAM Board meeting - Feb. 20th Boca Raton

You left National on National #105 at 2:55 p.m. on Feb. 13th, Mrs. Ford left National via NE #85 at 6:30 p.m. and met you in Miami because she didn't intend to be at the Lincoln Day dinner at which you had to speak.

On Feb. 14th you and Mrs. Ford left Miami via Pan Am #437 for Montego Bay. The GOP Committee paid for airline Washington to Miami. You paid fare from Miami to Montego Bay.

Record also shows that you made a prior deposit for accommodations at Tryall and paid balance when you left.

On Feb. 18th you left Montego Bay in U. S. Steel plane for Boca Raton for the NAM meetings on Feb. 19th and 20th. You were guest of NAM at Boca Raton Hotel.

On Feb. 20th you returned to Washington, leaving at 3:00 p.m. from Boca Raton in U. S. Steel plane.





OFFICE OF THE  
GENERAL COUNSEL

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

October 27, 1976

BY HAND

Philip W. Buchen, Esq.  
Counsel to the President  
The White House  
Washington, D.C. 20500

Dear Mr. Buchen:

During the course of our telephone conversation on October 18, 1976, I inquired whether President Ford maintained any records or possessed any information relating to United States Steel Corporation or William G. Whyte and any payments or other consideration they may have expended on behalf of the President. During the course of the conversation, I indicated that, if any such information existed, we would appreciate having access to it to assist the Commission in connection with its on-going inquiry of United States Steel.

During the October 18 conversation, we also discussed an October 6, 1976, statement prepared by Mr. Whyte. You indicated that it would be useful to you if the Commission would provide you with a copy of the statement for the purpose of determining whether the President has any pertinent information. At that time, I indicated that it would be necessary to seek the express approval of the Commission prior to sending Mr. Whyte's statement to you.

The Commission has considered this matter and authorized me to make available to you Whyte's statement. Accordingly, I am enclosing herewith a copy of the statement. I have deleted from the enclosed copy those portions of the statement which discuss unrelated matters.

I appreciate your cooperation in this matter. If you have any questions, please do not hesitate to contact me.

Sincerely yours,

A handwritten signature in cursive script that reads "Harvey L. Pitt".

Harvey L. Pitt  
General Counsel

Enclosure



STATEMENT OF WILLIAM G. WHYTE  
Before the Securities and Exchange Commission  
October 6, 1976

On Wednesday, September 22, 1976, I appeared before you voluntarily with Mr. Richard M. Hays, Senior General Attorney of the Company, to give testimony relating to your inquiry concerning my employer, United States Steel Corporation. At that time, we produced documents that you had requested of the Company. As you know, we appeared and produced the documents on little more than a day's notice. We did so because I believed at the time, and I still believe, that the Company and I should make every effort to cooperate with the Commission so that this inquiry can be concluded as promptly as possible on the basis of all relevant facts. It is in that spirit that I appear here again today on a voluntary basis.

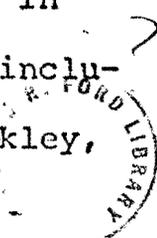


Now, let me turn to other areas of my previous testimony. The first of these concerns weekends and longer vacations with President and Mrs. Ford (all before his Presidency), both at U. S. Steel facilities and elsewhere. While I touched on most of these trips in my testimony, I have recalled other trips as well as additional facts about the trips I did discuss. To avoid piecemeal disclosure, and the embarrassment to the President that such partial disclosure might cause, I have decided to summarize all of the facts that bear on these trips, even at the risk of repetition.

Pine Valley

As I testified, I recall three visits to the Laurel Ridge Lodge at the Pine Valley Golf Club in Clementon, New Jersey. The first occurred in 1964; I cannot fix the date any more specifically. In addition to Congressman and Mrs. Ford, the guests were Senator and Mrs. Barry Goldwater and General and Mrs. Nathan Twining; I also recall that another U. S. Steel executive, Mr. Ben Chapple, and his wife were also present.

The second trip to Pine Valley with the Fords occurred on the weekend of September 19-21, 1969. In addition to Congressman and Mrs. Ford, the guests included Senator and Mrs. Gordon Allott and Mr. Rod Markley,



Vice President of the Ford Motor Company, and Mrs. Markley. Also present were Mr. Heath Larry, Vice Chairman of U. S. Steel, and his wife.

Our third and last trip to Pine Valley with Congressman Ford occurred on June 22 through 24, 1973. My recollection is that Mrs. Ford decided not to come at the last minute. Also present were Senator Goldwater and Lt. Gen. (Ret.) and Mrs. Quinn.

On each visit to Pine Valley, the party flew between Philadelphia and Washington by corporate aircraft, although on the last visit Congressman Ford may have flown up on a commercial flight (without, I believe, reimbursement by U. S. Steel). With this exception, travel between Philadelphia and Washington was by corporate aircraft, and not by automobile (as I indicated in my testimony). All expenses were assumed by U. S. Steel, with the possible exception, as I noted in my earlier testimony, of caddie fees.



Bay Hill

As I wrote you following my testimony, I now recall two visits by Congressman and Mrs. Ford to the Bay Hill facility formerly owned by U. S. Steel, and sold in 1975.

With respect to the 1972 Bay Hill visit, I now recall that, following the Miami Beach Republican convention in late August, the Fords drove up from Miami and stayed for two nights. Also present were three Ford children, Mr. and Mrs. Clark MacGregor, Mr. and Mrs. Markley, and our son. I remember that the entire party attended Disney World with me on the Saturday of that weekend. A VIP tour of Disney World was arranged by Disney people down there and we all assumed at the time that our tour was free of charge. A month later, however,



I received a bill from Disney World. This bill, and all other expenses except perhaps caddie fees, were paid by U. S. Steel. It is my recollection that the party returned to Washington on Sunday by commercial aircraft, and that my transportation was reimbursed by the Company.

With respect to the second Ford visit to Bay Hill, it is my present recollection that this occurred in 1973 over the weekend from March 31 through April 2, and not in 1970 as my letter erroneously stated. The visit was in connection with a meeting at Disney World of the United States Chamber of Commerce. I was Chairman of the Public Affairs Committee and Congressman Ford spoke to that Committee. Expenses at Bay Hill were paid for by U. S. Steel. The Fords flew down and back on commercial flights, but U. S. Steel paid the cost of their transportation on behalf of the Chamber of Commerce.

#### Rolling Rock

I further recall a trip with then-Congressman and Mrs. Ford to the Rolling Rock Club in Ligonier, Pennsylvania. This is not a facility owned by or operated by U. S. Steel. My recollection is that this trip occurred from August 15 to August 21, 1970. We used guest cards for the club furnished by Buckley Byers of Washington, D.C. I believe that each couple drove up in their own

car. I further recall that each couple paid for its own room at the club, and that golfing expenses were divided among us. I may have purchased a few lunches and dinners for the Fords and was reimbursed by the corporation for these expenses, and for the cost of my own room and golf.

#### Caribbean Trips

In my testimony, I referred to four trips to the Caribbean with the Fords in the 1960's. I now recall six Caribbean trips, over a span from 1965 to 1972. Let me summarize the facts of each, as best as I can reconstruct them.

The first Caribbean trip was to Eleuthera in 1965, from April 18 to April 25. The Whytes, the Fords and some 29 other couples in a charter-type group stayed in beach cottages at the Cotton Bay Club. My recollection is that Mrs. Whyte and I flew down by commercial aircraft. We shared a cottage with the Fords, and each couple paid for its fair share of the lodging expenses. I do not believe that I was reimbursed for my own expenses by the Company. Both the Fords and we returned to Washington on a plane owned by another company.

The second trip, also to Eleuthera, occurred in April 1966. The Fords and the Whytes were joined by



the Perkins McGuires, and we stayed at the McGuires' home on the island. Virtually all of the meal expenses were assumed by the McGuires. I might have paid for some of Mr. Ford's golf, but find no record of this or of reimbursement for such expenses. I am sure that Mr. Ford paid for some of his expenses. We flew down commercially, but we flew back on a U. S. Steel corporate aircraft. I had wanted to stop over in Freeport to see a new cement plant constructed by U. S. Steel, and I invited Mr. Ford to join me. Consequently, a corporate plane took us from Eleuthera to Freeport for this purpose. We spent the night in Freeport (where the cost of Mr. Ford's hotel was probably assumed by U. S. Steel), toured the plant and returned to Washington on the next day by corporate plane.

The third Caribbean trip was to Jamaica in February 1968. Mrs. Whyte and I had gone down to the Tryall Golf Club, around February 4 or 5. The Fords joined us from February 13 through February 18. I recall that the cost of accommodations, meals and golf was shared between us. I do not believe that I was reimbursed for any of my expenses. I further recall that both couples flew down commercially. On the trip back, we stopped off in Boca Raton, Florida for a meeting of

the Board of Directors of the National Association of Manufacturers; Mr. Ford was to address the group. For this reason we flew from Jamaica to Boca Raton on a U. S. Steel corporate aircraft, and flew back to Washington the same way. I referred to the Boca Raton trip on page 76 of my testimony.

The fourth Caribbean trip was to Eleuthera in April 1969, again to the home of the McGuires. This time, the Fords and Whytes were joined by the MacGregors. We had no lodging expense. Some incidental expenses for golf, food and drinks were paid for by me, with reimbursement by the corporation. I am also sure that Mr. Ford paid for some of his expenses. I believe that travel to and from Eleuthera on this trip was by corporate aircraft.

Our last two trips with the Fords to the Caribbean occurred in November of 1970 and 1972, following the elections in each year. On each occasion we were joined by the Markleys. In 1972, we were also joined by Congressman and Mrs. John Jarman. On each occasion, we stayed at the Tryall Golf Club. I have seen memoranda from Mr. Markley which make clear that all expenses of the two trips were shared equally. I do not believe that I received reimbursement from U. S. Steel for my

expenses. I further recall that commercial transportation was used by all of us both to and from the island.

Hawaii

In May 1974, then Vice-President Ford and Mrs. Ford joined Mrs. Whyte and me for golf at the Mauna Kea Beach Hotel in Hawaii, following an official visit to Hawaii by the Vice-President during which he spoke at the national Boy Scout convention, an organization in which I have long been active. The Fords flew out and back on Air Force 2. Although I initially paid the hotel bill for both families (Mr. Ford returned to Washington before I did), Mr. Ford shortly thereafter paid me an amount to cover his room and board and certain incidental expenses. The remaining portion of the bill was reimbursed by U. S. Steel.

Let me make three further observations about the trips with the Fords that I have just discussed.

First, as you can perhaps gather, I have spent considerable time attempting to reconstruct the facts that relate to these trips. In doing so, I have confined myself to overnight trips and have excluded one-day excursions with the Fords of which there have probably been many over the course of a more-than-20 year friendship.

Second, while I have done my best to recall all trips with the Fords of longer than one day, I cannot, under oath, exclude the possibility that I may have forgotten one or more.

Finally, you should not take away the impression that my relationship with Mr. Ford is confined to these trips. In addition to fairly frequent golf here in Washington, the Fords and the Whytes have entertained each other frequently and on a reciprocal basis -- in our homes and elsewhere.

Let me turn finally to my testimony in response to questions concerning payments, loans, property, benefits, or other things of value made or given by U. S. Steel or U. S. Steel executives to Mr. Ford, his campaigns, candidates at his behest, or other governmental officials.

In any event, I believe that amplification of my previous testimony would be appropriate:

-- concerning testimony on pages 29 and 32

I am aware that the Company maintains hotel suites, principally for employees, but occasionally for guests. I am specifically aware of one such suite

-- on page 86, to the extent small gifts to Mr. Ford, Mrs. Ford and their children are "other things of value," I did on occasion give such gifts. These gifts, including birthday and Christmas gifts and a wedding gift, were modest in amount and were reciprocated. On some but not all occasions, I sought reimbursement from U. S. Steel for the cost of such gifts.

THE WHITE HOUSE

WASHINGTON

November 16, 1976

Dear Mr. Pitt:

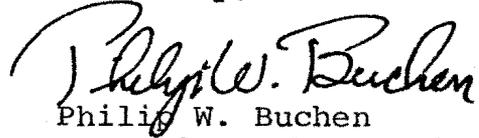
You have asked by telephone and letter about possible information or records of the President while he was a member of Congress related to the subject of those portions of a statement by William G. Whyte of the United States Steel Corporation which appear in the parts of a transcript furnished with your letter of October 27, 1976.

Mr. Whyte's statements reflect the occasions when he and the President were together on outings or trips away from the Washington area, but the President has no records or information of payments from corporate funds, if any, for expenses incurred by Mr. Whyte on those occasions.

The relationship between the Ford family and the Whyte family was that of a close personal friendship, and their social and recreational activities together and exchanges of presents were regarded by the Ford family as incidents of that relationship, with no awareness on the part of the Fords that corporate expenditures may have been involved. Exceptions are the reported official activities, namely, speaking engagements by the then Republican Leader of the House of Representatives before the Board of Directors of the National Association of Manufacturers in 1968, and before the Public Affairs Committee of the United States Chamber of Commerce in 1970, and the time when he was asked to accompany Mr. Whyte on a visit to a new facility of U. S. Steel Corporation; and these are instances when Congressman Ford would have expected to have his expenses paid or reimbursed by the sponsoring organization, but he has no records of the amounts involved.

Beyond this, there is no information available here to explain or amplify on the matters reported to you by Mr. Whyte.

Sincerely,

A handwritten signature in cursive script that reads "Philip W. Buchen". The signature is written in dark ink and is positioned above the typed name.

Philip W. Buchen  
Counsel to the President

Mr. Harvey L. Pitt  
General Counsel  
Securities and Exchange Commission  
Washington, D. C. 20549

