

**The original documents are located in Box 6, folder “Peterson Commission Report on Executive Salaries, December 12-31, 1976” of the White House Special Files Unit Files at the Gerald R. Ford Presidential Library.**

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THE PRESIDENT HAS SEEN...\*

December 13, 1976

2:40 pm

JTL

Telephone message from Peter Peterson

Mr. Lipschutz just phoned Mr. Peterson. He told him that Governor Carter, Mondale, Lance and Lipschutz met last night for an extended period on the Quadcom recommendations. Their recommendations are as follows:

(1) With major efforts on their part to hold the line on wages and prices, they think it is extremely important that Carter in his new role engage in a mammoth effort to hold the line.

(2) Consistent with that, they believe that Quadcom recommendation should be cut in half. Happy New Year!

(3) It is not that they don't think that what Quadcom is recommending is completely justified, they think the climate that needs to be set at the government level should be an example for the rest of the country.

(4) On the code of public conduct the Governor is all with us on that and will want to have his own code released reasonably soon for the Executive Branch to set an example. While they believe that it should be tied together, i. e., reform and salaries, Mondale hopes we don't need to be too specific on details at this time. E. G., Mondale says that the House people don't earn many honorariums and about half of the Senate is wealthier and they count more on investment income. (I told Lipschutz that I don't agree with the concept that investment income -- particularly with public disclosure and tougher conflict of interest rules -- is the same as honoraria which is often made in the hope of getting legislative support.)

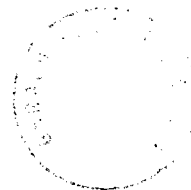
(5) Lance will be in touch w/JTL to review this, which I strongly encourage. I am dying to have them get it as precise as possible.

(6) I told Lipschutz that I would have to think over my own reactions to this but that we much appreciated their cooperation.

Reminder -- When PGP established contact, he indicated Lipschutz was to be the official channel so he (PGP) thinks this is as precise as we will get, particularly ;if it confirmed by Lance.

PGP anxious to talk w/you.

G



THE WHITE HOUSE

EYES ONLY - FOR THE PRESIDENT  
FROM JIM LYNN

1/15

Trudy:

Nell said they had been holding this material on the Exec. Salaries in case the P. needed it. I've logged out and held for you.

S.

THE WHITE HOUSE  
WASHINGTON

December 13, 1976

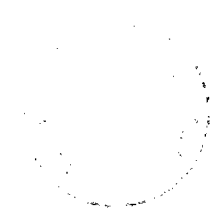
MEMORANDUM FOR: THE PRESIDENT  
FROM: MIKE DUVAL *Mike*  
SUBJECT: Follow-up on Peterson Commission Report.

Attached is a letter from Pete Peterson presenting his further thoughts on his Commission's recommendations (Tab A).

Max Friedersdorf's office has provided a copy of the House and Senate rules of Conduct (Tab B).

Phil Buchen's office has summarized the rules of conduct applicable to the Executive Branch (Tab C). We are still waiting for a copy of the rules governing the Judiciary. Once it is in hand, I will prepare a summary chart for all three branches.

Attachments



TAB A

*Lehman Brothers*  
*Incorporated*

PETER G. PETERSON  
CHAIRMAN OF THE BOARD

*One William Street*  
*New York, N. Y. 10001*

December 10, 1976

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

As you have requested, I have given additional thought to the manner in which the measures recommended for a Code of Public Conduct by the Commission on Executive, Legislative and Judicial Salaries can be made most effective.

Most Americans can be persuaded, I believe, to have their public servants compensated for full-time work where they need not depend on outside sources of income. That is essential if Government is not to be limited to the rich, or to the young and untried, or to those willing to compromise themselves with political money. Certainly, the sordid events of the past several years render the time ripe for an initiative such as the one you are contemplating.

You know far better than I, however, that if the Congress is to support this initiative and embody it in legislation, we must be sensitive to the independence of the other branches -- the Legislative branch, in particular -- and their anxiety to preserve their own prerogatives. Because of your long experience, I hesitate to suggest the tactics that might help assure Congressional support. But, for what it is worth, you might give thought to the following scenario:

1. As an obvious first step, you would probably wish to meet soon with the Congressional leaders. In the course of that meeting, you could review the report of the Commission and solicit their advice as to how its recommendations could best be carried out. You might also consult with them as to the best means to assure the support of the Carter Administration both for the reforms and the pay adjustments the report recommends.



Mr. President

December 10, 1976

As one way to get a visible, tangible Congressional commitment to a timetable for specific action and to invite maximum public discussion, you might encourage the Congressional leadership to have the appropriate committees of the Congress complete public hearings on these questions as soon as possible.

Since it is clearly essential that Congress feel publicly committed to what should be perceived as a joint initiative, you might also wish to invite the leaders to express their views to the press at the conclusion of the meeting. In this same spirit, you may want to acknowledge recent statements -- for example by Speaker O'Neill -- urging the need for a new and more rigorous Code of Ethics.

I guess I am saying that a generous, bi-partisan even Bicentennial spirit may also turn out to be the most pragmatic approach.

2. Following the meeting with the Congressional leadership, you might hold a separate meeting with the Chief Justice and other representatives of the Judiciary. Similar public commitments by the Chief Justice at a press briefing immediately following such a meeting would be helpful.

3. In your State of the Union message and even in the Budget message, you might make a strong statement of the need to modernize federal compensation schedules for all three branches of the government, making clear that your proposals for adjusting those schedules are based on the assumption that Congress will also enact the reform measures required, considering the commitments you will already have received. As to the nature of the "linkage" of reform to pay increases, we understand it may be difficult to link the reform explicitly to the pay increase and still preserve the 30-day-option tied to your Budget message. However, you might make it clear that your support of the recommended pay increases is dependent on their enacting those reform measures and that, if the Congress does not see fit to do so, you cannot regard such pay increases as justified. Put another way, if they do not feel they can make a timely and comprehensive commitment to reform, you would certainly understand why they would not want to permit the pay increases to go through.

Mr. President

December 10, 1976

4. In your conversations with the Congress, you should make clear that the Commission we have recommended to develop appropriate codes of conduct will have only powers to recommend, and that the leaders of the three coordinate branches must make the final decisions.

We would presume that the Constitutional requirements for separateness of the three branches may require separate "appropriate authorities" to administer the new Codes of Public Conduct for the different branches. However, I would still advise an outside Commission of outstanding private citizens -- such as our Caplin Task Force on Public Conduct -- to recommend precise guidelines for a new Code. My reasons include: (1) the need to maintain continuing public pressure to get first-rate Codes implemented on a timely and agreed schedule; (2) such a Commission could help insure that the overall standards of the Codes were kept uniformly high for each of the three branches and that the general principles were essentially the same -- even though the Codes might differ in the specific detail for the three branches.

5. Our proposals for reform are limited, of course, to those related to questions of compensation. It would be presumptuous of us to suggest the many other areas -- such as additional reform in campaign financing, or mandatory age, or seniority retirement provisions -- which might be encompassed in a larger program of reform that you might want to recommend.

6. To me, it would seem wise for you to defer judgment for now on public meetings to symbolize the commitment of the three branches to a timely implementation of new Codes of Public Conduct.

7. As a body of private citizens, we realize that our responsibilities include playing a continuing role of public education. Over the next few weeks, I trust you will be pleased to see a growing number of editorials, articles, media appearances and perhaps even an open letter addressed to you, President-elect Carter, the Congress and the Judiciary urging support of the broad recommendations of the report.

We see the Commission's proposals as forming the basis for a major initiative on your part that could be long remembered with the approval of the whole American people. History might

Mr. President

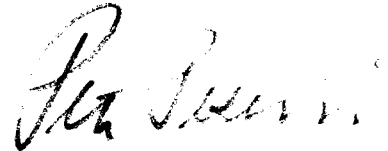
December 10, 1976

record no finer monument to your administration than the rejuvenation of public trust and confidence in our political system and the people who administer it.

All of us stand prepared to assist you in any way possible.

With best wishes.

Respectfully,

A handwritten signature in cursive script, appearing to read "Peter G. Peterson".

Peter G. Peterson

TAB B

## RULES OF THE

one additional representative of each press association.

3. Such portion of the gallery of the House of Representatives as may be necessary to accommodate reporters of news to be disseminated by radio, television, and similar means of transmission, wishing to report debates and proceedings, shall be set aside for their use, and reputable reporters thus engaged shall be admitted thereto under such regulations as the Speaker may from time to time prescribe; and the supervision of such gallery, including the designation of its employees, shall be vested in the Executive Committee of the Radio and Television Correspondents' Galleries, subject to the direction and control of the Speaker; and the Speaker may admit to the floor, under such regulations as he may prescribe, one representative of the National Broadcasting Company, one of the Columbia Broadcasting System, one of the Mutual Broadcasting System, and one of the American Broadcasting Company.

## RULE XXXV

## PAY OF WITNESSES

The rule for paying witnesses subpoenaed to appear before the House or any of its committees shall be as follows: For each day a witness shall attend, the sum of twenty dollars; and actual expenses of travel in coming to or going from the place of examination, not to exceed twelve cents per mile; but nothing shall be paid for travel when the witness has been summoned at the place of examination.

## RULE XXXVI

## PAPERS

1. The clerks of the several committees of the House shall, within three days after the final adjournment of a Congress, deliver to the Clerk of the House all bills, joint resolutions, petitions, and other papers referred to the committee, together with all evidence taken by such committee under the order of the House during the said Congress and not reported to the House; and in the event of the failure or neglect of any clerk of a committee to comply with this rule the Clerk of the House shall, within three days thereafter, take into his keeping all such papers and testimony.

2. At the close of each Congress the Clerk of the House shall obtain all non-current records of the House and each committee thereof and transfer them to the General Services Administration for preservation subject to the order of the House. In making the transfer, the Clerk may act jointly with the Secretary of the Senate.

## RULE XXXVII

## WITHDRAWAL OF PAPERS

No memorial or other paper presented to the House shall be withdrawn from its files without its leave, and if withdrawn therefrom certified copies thereof shall be left in the office of the Clerk; but when an act may pass for the settlement of a claim, the Clerk is authorized

to transmit to the officer in charge with the settlement thereof the papers on file in his office relating to such claim, or may loan temporarily to an officer or bureau of the executive departments any papers on file in his office relating to any matter pending before such officer or bureau, taking proper receipt therefor.

## RULE XXXVIII

## BALLOT

In all cases of ballot a majority of the votes given shall be necessary to an election, and where there shall not be such a majority on the first ballot the ballots shall be repeated until a majority be obtained; and in all balloting blanks shall be rejected and not taken into the count in enumeration of votes or reported by the tellers.

## RULE XXXIX

## MESSAGES

Messages received from the Senate and the President of the United States, giving notice of bills passed or approved, shall be entered in the Journal and published in the Record of that day's proceedings.

## RULE XL

## EXECUTIVE COMMUNICATIONS

Estimates, or appropriations and all other communications from the executive departments, intended for the consideration of any committees of the House, shall be addressed to the Speaker, and by him referred as provided by clause 2 of Rule XXIV.

## RULE XLI

## QUALIFICATIONS OF OFFICERS AND EMPLOYEES

No person shall be an officer of the House, or continue in its employment, who shall be an agent for the prosecution of any claim against the Government, or be interested in such claim otherwise than as an original claimant; and it shall be the duty of the Committee on House Administration to inquire into and report to the House any violation of this rule.

## RULE XLII

## GENERAL PROVISIONS

The rules of parliamentary practice comprised in Jefferson's Manual and the provisions of the Legislative Reorganization Act of 1946, as amended, 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 and joint rules of the Senate and House of Representatives.

## 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 or 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. 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.

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.

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. **see para. #10 attached**

## RULE XLIV

## FINANCIAL DISCLOSURE

Members, officers, principal assistants to Members and officers, and professional staff members of committees shall not

Rule XLIII Paragraph 10 added in 94th Congress

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 the reinstatement of the presumption of his innocence or until he is re-elected to the House after the date of such conviction.

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 or \$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 Govern-

ment) exceeding \$1,000 in each instance. (d) Honorariums from a single source aggregating \$300 or more.

4. List each creditor to whom the person reporting was indebted for a period of ninety consecutive days or more during the preceding calendar year in an aggregate amount in excess of \$10,000, excluding any indebtedness specifically secured by the pledge of assets of the person reporting of appropriate value.

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 the reason for each such inquiry.

The committee shall promptly notify each person required to file a report under this rule of each instance of an examination of his report. The committee shall also promptly notify a Member of each examination of the reports filed by his principal assistants and of each examination of the reports of professional staff members of committees who are responsible to 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, and the amount of indebtedness owed to each creditor listed under paragraph 4 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 Members 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, under part A only of this rule, as 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 each Delegate to the House; 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.

○



of the contingent fund of the Senate for the expenses of the Commission the sum of \$15,000 each fiscal year, to be disbursed by the Secretary of the Senate on vouchers signed by the Chairman or Vice Chairman of the Commission: *Provided*, That no payment shall be made from such appropriation as salary.

[S. Jour. 836, 90-2, Oct. 1, 1968.]

COMMISSION ON ART AND ANTIQUITIES OF THE UNITED STATES [79.5]  
SENATE—ADDITIONAL AUTHORITY

*Resolved*, That (a) the Commission on Art and Antiquities of the United States Senate, in addition to any authority conferred upon it by Senate Resolution 382, Ninetieth Congress, agreed to October 1, 1968, is authorized to acquire any work of art, historical object, document or material relating to historical matters, or exhibit for placement or exhibition in the Senate wing of the Capitol, the Senate Office Buildings, or in rooms, spaces, or corridors thereof.

(b) This resolution shall be effective as of March 1, 1971.

[S. Jour. 232-233, 92-1, Apr. 1, 1971.]

STANDARDS OF CONDUCT FOR MEMBERS OF THE SENATE AND [79.6]  
OFFICERS AND EMPLOYEES OF THE SENATE

*Resolved*, It is declared to be the policy of the Senate that—

(a) The ideal concept of public office, expressed by the words, "A public office is a public trust", signifies that the officer has been entrusted with public power by the people; that the officer holds this power in trust to be used only for their benefit and never for the benefit of himself or of a few; and that the officer must never conduct his own affairs so as to infringe on the public interest. All official conduct of



Members of the Senate should be guided by this paramount concept of public office.

(b) These rules, as the written expression of certain standards of conduct, complement the body of unwritten but generally accepted standards that continue to apply to the Senate.

SEC. 2. The Standing Rules of the Senate are amended by adding at the end thereof the following new rules:

\* \* \* (1) \* \* \*

[S. Jour. 247, 90-2, Mar. 22, 1968.]

**[79.7] APPOINTMENT FOR THE SENATE OF PAGES, ELEVATOR OPERATORS, POST OFFICE EMPLOYEES, OR CAPITOL POLICEMEN WITHOUT DISCRIMINATION ON ACCOUNT OF SEX**

*Resolved*, That no individual shall be denied appointment as a Senate page, elevator operator, or post office employee, or as a Capitol policeman whose compensation is disbursed by the Secretary of the Senate, solely on the basis of sex. In the case of Senate pages, however, until such time as the fireproof building containing dormitory and classroom facilities, as authorized by section 492 of the Legislative Reorganization Act of 1970, is constructed and the pages are living under appropriate supervision in such building, the Sergeant at Arms of the Senate shall promulgate and have in effect regulations for the appointment of pages of the Senate requiring that no female page shall be appointed by a Senator until the Senator files with the Sergeant at

<sup>1</sup> This resolution added four new rules to the Standing Rules of the Senate, which are numbered XLI, XLII, XLIII, and XLIV and are found as Senate Manual sections [41], [42], [43], and [44], respectively.

except original treaties transmitted to the Senate by the President of the United States, and finally acted upon by the Senate, shall be delivered from the office of the Secretary without an order of the Senate for that purpose.

## RULE XL •

[40]

## SUSPENSION AND AMENDMENT OF THE RULES

No motion to suspend, modify, or amend any rule, or any part thereof, shall be in order, except on one day's notice in writing, specifying precisely the rule or part proposed to be suspended, modified, or amended, and the purpose thereof. Any rule may be suspended without notice by the unanimous consent of the Senate, except as otherwise provided in clause 1, Rule XII.

RULE XLI<sup>1</sup>

[41]

## OUTSIDE BUSINESS OR PROFESSIONAL ACTIVITY OR EMPLOYMENT BY OFFICERS OR EMPLOYEES

1. No officer or employee whose salary is paid by the Senate may engage in any business or professional activity or employment for compensation unless—

(a) the activity or employment is not inconsistent nor in conflict with the conscientious performance of his official duties; and

(b) he has reported in writing when this rule takes effect or when his office or employment starts and on the 15th day of May in each year thereafter the nature of any personal service activity or employment to his supervisor. The supervisor shall then, in the discharge

<sup>1</sup> S. Jour. 247, 90-2, Mar. 22, 1968.

of his duties, take such action as he considers necessary for the avoidance of conflict of interest or interference with duties to the Senate.

[41.2] 2. For the purpose of this rule—

(a) a Senator or the Vice President is the supervisor of his administrative, clerical, or other assistants;

(b) a Senator who is the chairman of a committee is the supervisor of the professional, clerical, or other assistants to the committee except that minority staff members shall be under the supervision of the ranking minority Senator on the committee;

(c) a Senator who is a chairman of a subcommittee which has its own staff and financial authorization is the supervisor of the professional, clerical, or other assistants to the subcommittee except that minority staff members shall be under the supervision of the ranking minority Senator on the subcommittee;

(d) the President pro tempore is the supervisor of the Secretary of the Senate, Sergeant at Arms and Doorkeeper, the Chaplain, and the employees of the Office of the Legislative Counsel;

(e) the Secretary of the Senate is the supervisor of the employees of his office;

(f) the Sergeant at Arms and Doorkeeper is the supervisor of the employees of his office;

(g) the Majority and Minority Leaders and the Majority and Minority Whips are the supervisors of the research, clerical, or other assistants assigned to their respective offices;

(h) the Majority Leader is the supervisor of the Secretary for the Majority. The Secretary for the

Majority  
and

(i) the

Secretary

Minority

3. This rule

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<sup>1</sup> S. Jour. 247, 90

Majority is the supervisor of the employees of his office; and

(i) the Minority Leader is the supervisor of the Secretary for the Minority. The Secretary for the Minority is the supervisor of the employees of his office.

3. This rule shall take effect ninety days after adoption. [41.3]

#### RULE XLII<sup>1</sup>

[42]

#### CONTRIBUTIONS

1. A Senator or person who has declared or otherwise made known his intention to seek nomination or election, or who has filed papers or petitions for nomination or election, or on whose behalf a declaration or nominating paper or petition has been made or filed, or who has otherwise, directly or indirectly, manifested his intention to seek nomination or election, pursuant to State law, to the office of United States Senator, may accept a contribution from— [42.1]

(a) a fundraising event organized and held primarily in his behalf, provided—

(1) he has expressly given his approval of the fundraising event to the sponsors before any funds were raised; and

(2) he receives a complete and accurate accounting of the source, amounts, and disposition of the funds raised; or

(b) an individual or an organization, provided the Senator makes a complete and accurate accounting of the source, amount, and disposition of the funds received; or

<sup>1</sup> S. Jour. 247, 90-2, Mar. 22, 1968.

(c) his political party when such contributions were from a fundraising event sponsored by his party, without giving his express approval for such fundraising event when such fundraising event is for the purpose of providing contributions for candidates of his party and such contributions are reported by the Senator or candidate for Senator as provided in paragraph (b).

[42.2] 2. The Senator may use the contribution only to influence his nomination for election, or his election, and shall not use, directly or indirectly, any part of any contribution for any other purpose, except as otherwise provided herein.

[42.3] 3. Nothing in this rule shall preclude the use of contributions to defray expenses for travel to and from each Senator's home State; for printing and other expenses in connection with the mailing of speeches, newsletters, and reports to a Senator's constituents; for expenses of radio, television, and news media methods of reporting to a Senator's constituents; for telephone, telegraph, postage, and stationery expenses in excess of allowance; and for newspaper subscriptions from his home State.

[42.4] 4. All gifts in the aggregate amount or value of \$50 or more received by a Senator from any single source during a year, except a gift from his spouse, child, or parent, and except a contribution under sections 1 and 2, shall be reported under rule XLIV.

[42.5] 5. This rule shall take effect ninety days after adoption.

RULE XLIII<sup>1</sup>

[43]

## POLITICAL FUND ACTIVITY BY OFFICERS AND EMPLOYEES

1. No officer or employee whose salary is paid by the Senate may receive, solicit, be the custodian of, or distribute any funds in connection with any campaign for the nomination for election, or the election of any individual to be a Member of the Senate or to any other Federal office. This prohibition does not apply to any assistant to a Senator who has been designated by that Senator to perform any of the functions described in the first sentence of this paragraph and who is compensated at a rate in excess of \$10,000 per annum if such designation has been made in writing and filed with the Secretary of the Senate. The Secretary of the Senate shall make the designation available for public inspection.

[43.1]

2. This rule shall take effect sixty days after adoption.

[43.2]

RULE XLIV<sup>1</sup>

[44]

## DISCLOSURE OF FINANCIAL INTERESTS

1. Each Senator or person who has declared or otherwise made known his intention to seek nomination or election, or who has filed papers or petitions for nomination or election, or on whose behalf a declaration or nominating paper or petition has been made or filed, or who has otherwise, directly or indirectly, manifested his intention to seek nomination or election, pursuant to State law, to the office of United States Senator, and each officer or employee of the Senate who is compensated at a rate in excess of \$15,000 a year,

[44.1]

<sup>1</sup> S. Jour. 247, 90-2, Mar. 22, 1968.

shall file with the Comptroller General of the United States, in a sealed envelope marked "Confidential Personal Financial Disclosure of -----

(Name)

-----", before the 15th day of May in each year, the following reports of his personal financial interests:

(a) a copy of the returns of taxes, declarations, statements, or other documents which he, or he and his spouse jointly, made for the preceding year in compliance with the income tax provisions of the Internal Revenue Code;

(b) the amount or value and source of each fee or compensation of \$1,000 or more received by him during the preceding year from a client;

(c) the name and address of each business or professional corporation, firm, or enterprise in which he was an officer, director, partner, proprietor, or employee who received compensation during the preceding year and the amount of such compensation;

(d) the identity of each interest in real or personal property having a value of \$10,000 or more which he owned at any time during the preceding year;

(e) the identity of each trust or other fiduciary relation in which he held a beneficial interest having a value of \$10,000 or more, and the identity if known of each interest of the trust or other fiduciary relation in real or personal property in which the Senator, officer, or employee held a beneficial interest having a value of \$10,000 or more, at any time during the preceding year.

If he cannot obtain the identity of the fiduciary interests, the Senator, officer, or employee shall request the fiduciary to report that information to the Comptroller General in the same manner that reports are filed under this rule;

(f) the identity of each liability of \$5,000 or more owed by him, or by him and his spouse jointly, at any time during the preceding year; and

(g) the source and value of all gifts in the aggregate amount or value of \$50 or more from any single source received by him during the preceding year.

2. Except as otherwise provided by this section, all papers [44.2] filed under section 1 of this rule shall be kept by the Comptroller General for not less than seven years, and while so kept shall remain sealed. Upon receipt of a resolution of the Select Committee on Standards and Conduct, adopted by a recorded majority vote of the full committee, requesting the transmission to the committee of any of the reports filed by any individual under section 1 of this rule, the Comptroller General shall transmit to the committee the envelopes containing such reports. Within a reasonable time after such recorded vote has been taken, the individual concerned shall be informed of the vote to examine and audit, and shall be advised of the nature and scope of such examination. When any sealed envelope containing any such report is received by the committee, such envelope may be opened and the contents thereof may be examined only by members of the committee in executive session. If, upon such examination, the committee determines that further consideration by the committee is warranted and is within the jurisdiction of the



committee, it may make the contents of any such envelope available for any use by any member of the committee, or any member of the staff of the committee, which is required for the discharge of his official duties. The committee may receive the papers as evidence, after giving to the individual concerned due notice and opportunity for hearing in a closed session. The Comptroller General shall report to the Select Committee on Standards and Conduct not later than the 1st day of June in each year the names of Senators, officers, and employees who have filed a report. Any paper which has been filed with the Comptroller General for longer than seven years, in accordance with the provisions of this section, shall be returned to the individual concerned or his legal representative. In the event of the death or termination of service of a Member of the Senate, an officer or employee, such papers shall be returned unopened to such individual, or to the surviving spouse or legal representative of such individual within one year of such death or termination of service.

- [44.3] 3. Each Senator or person who has declared or otherwise made known his intention to seek nomination or election, or who has filed papers or petitions for nomination or election, or on whose behalf a declaration or nominating paper or petition has been made or filed, or who has otherwise, directly or indirectly, manifested his intention to seek nomination or election, pursuant to State law, to the office of United States Senator, and each officer or employee of the Senate who is compensated at a rate in excess of \$15,000 a year, shall file with the Secretary of the Senate, before the 15th day of May in each year, the following reports of his personal financial interests:

(a) the accounting required by rule XLII for all contributions received by him during the preceding year, except that contributions in the aggregate amount or value of less than \$50 received from any single source during the reporting period may be totaled without further itemization; and

(b) the amount or value and source of each honorarium of \$300 or more received by him during the preceding year.

4. All papers filed under section 3 of this rule shall be kept [44.4] by the Secretary of the Senate for not less than three years and shall be made available promptly for public inspection and copying.

5. This rule shall take effect on July 1, 1968. No reports [44.5] shall be filed for any period before office or employment was held with the Senate, or during a period of office or employment with the Senate of less than ninety days in a year; except that the Senator, or officer or employee of the Senate, may file a copy of the return of taxes for the year 1968, or a report of substantially equivalent information for only the effective part of the year 1968.

TAB C

STANDARDS OF CONDUCT APPLICABLE  
TO THE EXECUTIVE BRANCH

Certain legal requirements governing the standards of conduct and potential conflicts of interest are applicable to each member of the Executive Branch. Additionally, all employees paid at a level equivalent to GS 13 and above, including consultants, are required to complete and file certain forms calling for employment and financial information.

(a) Authorities. Each officer and employee of the Executive Branch is subject to regulations promulgated by his agency under the authority of Executive Order 11222 (May 8, 1965) governing his or her conduct. Additionally, certain types of conduct are proscribed by the federal conflict of interest statute (18 U.S.C. 201 et seq.).

(b) Conflicts in General. A "conflict of interest" refers to any situation in which a government official has an actual or apparent personal interest in the outcome of a matter which he or she is in a position to influence through decision, recommendation, advice or other formal or informal action. A violation of law does not require an intent to favor one's personal interest, and cannot be overcome by a showing of the absence of such an intent. Participation, by itself, in a matter in which one has an interest is unlawful.

(c) Other Constraints. Set forth below are a number of illustrations of prohibitive conduct:

- Regulatory Agencies. Executive Branch personnel are generally prohibited from making contacts with regulatory agencies regarding matters under adjudication or within the rule-making process. Moreover, any contact with such agencies normally requires clearance by an official at the policy-making level.

- Lobbying. If carried on with appropriated funds, lobbying is expressly prohibited by law.
  - Political Activity. Political activity by Executive Branch personnel is subject to numerous criminal and civil restrictions.
  - Misuse of Information. Disclosure of classified or other confidential information is, of course, prohibited. Additionally, Executive Branch personnel must avoid the fact or appearance of using information obtained in the course of one's official duties for private gain.
  - Gifts. Receipt of gifts, payment of travel, lodging, entertainment and other expenses, or receipt of speaking honoraria are generally prohibited.
  - Appearance of Impropriety. Executive Branch personnel are directed to be ever sensitive to avoid the appearance of acting on behalf of some private interest or of a conflict or other impropriety which can be fully as damaging as the real thing.
- (d) Objectives. As a general statement, it might be said that the statutes and regulations which are applicable to personnel within the Executive Branch are directed to insure the achievement of the following objectives:
- The fair, impartial and equal treatment of those dealing with the government;
  - The assurance that government decisions will not be influenced by an employee's private interests;
  - The maintenance of public confidence in the integrity of government operations;
  - The prevention of use of public office for private gain; and
  - The prevention of any impediment to the efficiency and economy of government business.

THE WHITE HOUSE  
WASHINGTON

December 13, 1976

MEMORANDUM FOR: THE PRESIDENT  
FROM: MIKE DUVAL *Mike*  
SUBJECT: Follow-up on Peterson Commission Report.

Attached is a letter from Pete Peterson presenting his further thoughts on his Commission's recommendations (Tab A).

Max Friedersdorf's office has provided a copy of the House and Senate rules of Conduct (Tab B).

Phil Buchen's office has summarized the rules of conduct applicable to the Executive Branch (Tab C). We are still waiting for a copy of the rules governing the Judiciary. Once it is in hand, I will prepare a summary chart for all three branches.

Attachments

*Lehman Brothers*  
*Incorporated*

PETER G. PETERSON  
CHAIRMAN OF THE BOARD

*One William Street*  
*New York, N. Y. 10001*

December 10, 1976

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

As you have requested, I have given additional thought to the manner in which the measures recommended for a Code of Public Conduct by the Commission on Executive, Legislative and Judicial Salaries can be made most effective.

Most Americans can be persuaded, I believe, to have their public servants compensated for full-time work where they need not depend on outside sources of income. That is essential if Government is not to be limited to the rich, or to the young and untried, or to those willing to compromise themselves with political money. Certainly, the sordid events of the past several years render the time ripe for an initiative such as the one you are contemplating.

You know far better than I, however, that if the Congress is to support this initiative and embody it in legislation, we must be sensitive to the independence of the other branches -- the Legislative branch, in particular -- and their anxiety to preserve their own prerogatives. Because of your long experience, I hesitate to suggest the tactics that might help assure Congressional support. But, for what it is worth, you might give thought to the following scenario:

1. As an obvious first step, you would probably wish to meet soon with the Congressional leaders. In the course of that meeting, you could review the report of the Commission and solicit their advice as to how its recommendations could best be carried out. You might also consult with them as to the best means to assure the support of the Carter Administration both for the reforms and the pay adjustments the report recommends.

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Mr. President

December 10, 1976

As one way to get a visible, tangible Congressional commitment to a timetable for specific action and to invite maximum public discussion, you might encourage the Congressional leadership to have the appropriate committees of the Congress complete public hearings on these questions as soon as possible.

Since it is clearly essential that Congress feel publicly committed to what should be perceived as a joint initiative, you might also wish to invite the leaders to express their views to the press at the conclusion of the meeting. In this same spirit, you may want to acknowledge recent statements -- for example by Speaker O'Neill -- urging the need for a new and more rigorous Code of Ethics.

I guess I am saying that a generous, bi-partisan even Bicentennial spirit may also turn out to be the most pragmatic approach.

2. Following the meeting with the Congressional leadership, you might hold a separate meeting with the Chief Justice and other representatives of the Judiciary. Similar public commitments by the Chief Justice at a press briefing immediately following such a meeting would be helpful.

3. In your State of the Union message and even in the Budget message, you might make a strong statement of the need to modernize federal compensation schedules for all three branches of the government, making clear that your proposals for adjusting those schedules are based on the assumption that Congress will also enact the reform measures required, considering the commitments you will already have received. As to the nature of the "linkage" of reform to pay increases, we understand it may be difficult to link the reform explicitly to the pay increase and still preserve the 30-day-option tied to your Budget message. However, you might make it clear that your support of the recommended pay increases is dependent on their enacting those reform measures and that, if the Congress does not see fit to do so, you cannot regard such pay increases as justified. Put another way, if they do not feel they can make a timely and comprehensive commitment to reform, you would certainly understand why they would not want to permit the pay increases to go through.

Mr. President

December 10, 1976

4. In your conversations with the Congress, you should make clear that the Commission we have recommended to develop appropriate codes of conduct will have only powers to recommend, and that the leaders of the three coordinate branches must make the final decisions.

We would presume that the Constitutional requirements for separateness of the three branches may require separate "appropriate authorities" to administer the new Codes of Public Conduct for the different branches. However, I would still advise an outside Commission of outstanding private citizens -- such as our Caplin Task Force on Public Conduct -- to recommend precise guidelines for a new Code. My reasons include: (1) the need to maintain continuing public pressure to get first-rate Codes implemented on a timely and agreed schedule; (2) such a Commission could help insure that the overall standards of the Codes were kept uniformly high for each of the three branches and that the general principles were essentially the same -- even though the Codes might differ in the specific detail for the three branches.

5. Our proposals for reform are limited, of course, to those related to questions of compensation. It would be presumptuous of us to suggest the many other areas -- such as additional reform in campaign financing, or mandatory age, or seniority retirement provisions -- which might be encompassed in a larger program of reform that you might want to recommend.

6. To me, it would seem wise for you to defer judgment for now on public meetings to symbolize the commitment of the three branches to a timely implementation of new Codes of Public Conduct.

7. As a body of private citizens, we realize that our responsibilities include playing a continuing role of public education. Over the next few weeks, I trust you will be pleased to see a growing number of editorials, articles, media appearances and perhaps even an open letter addressed to you, President-elect Carter, the Congress and the Judiciary urging support of the broad recommendations of the report.

We see the Commission's proposals as forming the basis for a major initiative on your part that could be long remembered with the approval of the whole American people. History might

Mr. President

December 10, 1976

record no finer monument to your administration than the rejuvenation of public trust and confidence in our political system and the people who administer it.

All of us stand prepared to assist you in any way possible.

With best wishes.

Respectfully,

A handwritten signature in cursive script, appearing to read "Peter G. Peterson".

Peter G. Peterson

## RULES OF THE

one additional representative of each press association.

3. Such portion of the gallery of the House of Representatives as may be necessary to accommodate reporters of news to be disseminated by radio, television, and similar means of transmission, wishing to report debates and proceedings, shall be set aside for their use, and reputable reporters thus engaged shall be admitted thereto under such regulations as the Speaker may from time to time prescribe; and the supervision of such gallery, including the designation of its employees, shall be vested in the Executive Committee of the Radio and Television Correspondents' Galleries, subject to the direction and control of the Speaker; and the Speaker may admit to the floor, under such regulations as he may prescribe, one representative of the National Broadcasting Company, one of the Columbia Broadcasting System, one of the Mutual Broadcasting System, and one of the American Broadcasting Company.

**RULE XXXV****PAY OF WITNESSES**

The rule for paying witnesses subpoenaed to appear before the House or any of its committees shall be as follows: For each day a witness shall attend, the sum of twenty dollars; and actual expenses of travel in coming to or going from the place of examination, not to exceed twelve cents per mile; but nothing shall be paid for travel when the witness has been summoned at the place of examination.

**RULE XXXVI****PAPERS**

1. The clerks of the several committees of the House shall, within three days after the final adjournment of a Congress, deliver to the Clerk of the House all bills, joint resolutions, petitions, and other papers referred to the committee, together with all evidence taken by such committee under the order of the House during the said Congress and not reported to the House; and in the event of the failure or neglect of any clerk of a committee to comply with this rule the Clerk of the House shall, within three days thereafter, take into his keeping all such papers and testimony.

2. At the close of each Congress the Clerk of the House shall obtain all non-current records of the House and each committee thereof and transfer them to the General Services Administration for preservation subject to the order of the House. In making the transfer, the Clerk may act jointly with the Secretary of the Senate.

**RULE XXXVII****WITHDRAWAL OF PAPERS**

No memorial or other paper presented to the House shall be withdrawn from its files without its leave, and if withdrawn therefrom certified copies thereof shall be left in the office of the Clerk; but when an act may pass for the settlement of a claim, the Clerk is authorized

to transmit to the officer in charge with the settlement thereof the papers on file in his office relating to such claim, or may loan temporarily to an officer or bureau of the executive departments any papers on file in his office relating to any matter pending before such officer or bureau, taking proper receipt therefor.

**RULE XXXVIII****BALLOT**

In all cases of ballot a majority of the votes given shall be necessary to an election, and where there shall not be such a majority on the first ballot the ballots shall be repeated until a majority be obtained; and in all balloting blanks shall be rejected and not taken into the count in enumeration of votes or reported by the tellers.

**RULE XXXIX****MESSAGES**

Messages received from the Senate and the President of the United States, giving notice of bills passed or approved, shall be entered in the Journal and published in the Record of that day's proceedings.

**RULE XL****EXECUTIVE COMMUNICATIONS**

Estimates, or appropriations and all other communications from the executive departments, intended for the consideration of any committees of the House, shall be addressed to the Speaker, and by him referred as provided by clause 2 of Rule XXIV.

**RULE XLI****QUALIFICATIONS OF OFFICERS AND EMPLOYEES**

No person shall be an officer of the House, or continue in its employment, who shall be an agent for the prosecution of any claim against the Government, or be interested in such claim otherwise than as an original claimant; and it shall be the duty of the Committee on House Administration to inquire into and report to the House any violation of this rule.

**RULE XLII****GENERAL PROVISIONS**

The rules of parliamentary practice comprised in Jefferson's Manual and the provisions of the Legislative Reorganization Act of 1946, as amended, 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 and joint rules of the Senate and House of Representatives.

**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 or 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. 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.

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.

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. see para. #10 attached

**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 or \$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 Govern-

ment) exceeding \$1,000 in each instance. (d) Honorariums from a single source aggregating \$300 or more.

4. List each creditor to whom the person reporting was indebted for a period of ninety consecutive days or more during the preceding calendar year in an aggregate amount in excess of \$10,000, excluding any indebtedness specifically secured by the pledge of assets of the person reporting of appropriate value.

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 the reason for each such inquiry.

The committee shall promptly notify each person required to file a report under this rule of each instance of an examination of his report. The committee shall also promptly notify a Member of each examination of the reports filed by his principal assistants and of each examination of the reports of professional staff members of committees who are responsible to 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, and the amount of indebtedness owed to each creditor listed under paragraph 4 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 Members 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, under part A only of this rule, as 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 each Delegate to the House; 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.

Rule XLIII Paragraph 10 added in 94th Congress

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 the reinstatement of the presumption of his innocence or until he is re-elected to the House after the date of such conviction.

of the contingent fund of the Senate for the expenses of the Commission the sum of \$15,000 each fiscal year, to be disbursed by the Secretary of the Senate on vouchers signed by the Chairman or Vice Chairman of the Commission: *Provided*, That no payment shall be made from such appropriation as salary.

[S. Jour. 836, 90-2, Oct. 1, 1968.]

COMMISSION ON ART AND ANTIQUITIES OF THE UNITED STATES [79.5]  
SENATE—ADDITIONAL AUTHORITY

*Resolved*, That (a) the Commission on Art and Antiquities of the United States Senate, in addition to any authority conferred upon it by Senate Resolution 382, Ninetieth Congress, agreed to October 1, 1968, is authorized to acquire any work of art, historical object, document or material relating to historical matters, or exhibit for placement or exhibition in the Senate wing of the Capitol, the Senate Office Buildings, or in rooms, spaces, or corridors thereof.

(b) This resolution shall be effective as of March 1, 1971.

[S. Jour. 232-233, 92-1, Apr. 1, 1971.]

STANDARDS OF CONDUCT FOR MEMBERS OF THE SENATE AND [79.6]  
OFFICERS AND EMPLOYEES OF THE SENATE

*Resolved*, It is declared to be the policy of the Senate that—

(a) The ideal concept of public office, expressed by the words, "A public office is a public trust", signifies that the officer has been entrusted with public power by the people; that the officer holds this power in trust to be used only for their benefit and never for the benefit of himself or of a few; and that the officer must never conduct his own affairs so as to infringe on the public interest. All official conduct of



Members of the Senate should be guided by this paramount concept of public office.

(b) These rules, as the written expression of certain standards of conduct, complement the body of unwritten but generally accepted standards that continue to apply to the Senate.

SEC. 2. The Standing Rules of the Senate are amended by adding at the end thereof the following new rules:

\* \* \* \* \* (1) \* \* \* \*

[S. Jour. 247, 90-2, Mar. 22, 1968.]

**[79.7] APPOINTMENT FOR THE SENATE OF PAGES, ELEVATOR OPERATORS, POST OFFICE EMPLOYEES, OR CAPITOL POLICEMEN WITHOUT DISCRIMINATION ON ACCOUNT OF SEX**

*Resolved*, That no individual shall be denied appointment as a Senate page, elevator operator, or post office employee, or as a Capitol policeman whose compensation is disbursed by the Secretary of the Senate, solely on the basis of sex. In the case of Senate pages, however, until such time as the fireproof building containing dormitory and classroom facilities, as authorized by section 492 of the Legislative Reorganization Act of 1970, is constructed and the pages are living under appropriate supervision in such building, the Sergeant at Arms of the Senate shall promulgate and have in effect regulations for the appointment of pages of the Senate requiring that no female page shall be appointed by a Senator until the Senator files with the Sergeant at

<sup>1</sup> This resolution added four new rules to the Standing Rules of the Senate, which are numbered XLI, XLII, XLIII, and XLIV and are found as Senate Manual sections [41], [42], [43], and [44], respectively.

except original treaties transmitted to the Senate by the President of the United States, and finally acted upon by the Senate, shall be delivered from the office of the Secretary without an order of the Senate for that purpose.

#### RULE XL

[40]

##### SUSPENSION AND AMENDMENT OF THE RULES

No motion to suspend, modify, or amend any rule, or any part thereof, shall be in order, except on one day's notice in writing, specifying precisely the rule or part proposed to be suspended, modified, or amended, and the purpose thereof. Any rule may be suspended without notice by the unanimous consent of the Senate, except as otherwise provided in clause 1, Rule XII.

#### RULE XLI<sup>1</sup>

[41]

##### OUTSIDE BUSINESS OR PROFESSIONAL ACTIVITY OR EMPLOYMENT BY OFFICERS OR EMPLOYEES

1. No officer or employee whose salary is paid by the Senate may engage in any business or professional activity or employment for compensation unless— [41.1]

(a) the activity or employment is not inconsistent nor in conflict with the conscientious performance of his official duties; and

(b) he has reported in writing when this rule takes effect or when his office or employment starts and on the 15th day of May in each year thereafter the nature of any personal service activity or employment to his supervisor. The supervisor shall then, in the discharge

<sup>1</sup> S. Jour. 247, 90-2, Mar. 22, 1963.

of his duties, take such action as he considers necessary for the avoidance of conflict of interest or interference with duties to the Senate.

[41.2] 2. For the purpose of this rule—

(a) a Senator or the Vice President is the supervisor of his administrative, clerical, or other assistants;

(b) a Senator who is the chairman of a committee is the supervisor of the professional, clerical, or other assistants to the committee except that minority staff members shall be under the supervision of the ranking minority Senator on the committee;

(c) a Senator who is a chairman of a subcommittee which has its own staff and financial authorization is the supervisor of the professional, clerical, or other assistants to the subcommittee except that minority staff members shall be under the supervision of the ranking minority Senator on the subcommittee;

(d) the President pro tempore is the supervisor of the Secretary of the Senate, Sergeant at Arms and Doorkeeper, the Chaplain, and the employees of the Office of the Legislative Counsel;

(e) the Secretary of the Senate is the supervisor of the employees of his office;

(f) the Sergeant at Arms and Doorkeeper is the supervisor of the employees of his office;

(g) the Majority and Minority Leaders and the Majority and Minority Whips are the supervisors of the research, clerical, or other assistants assigned to their respective offices;

(h) the Majority Leader is the supervisor of the Secretary for the Majority. The Secretary for the

Majority  
and

(b)

Secretary

Minority

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\* S. Jour. 247.



Majority is the supervisor of the employees of his office;  
and

(i) the Minority Leader is the supervisor of the Secretary for the Minority. The Secretary for the Minority is the supervisor of the employees of his office.

3. This rule shall take effect ninety days after adoption. [41.3]

#### RULE XLII<sup>1</sup>

[42]

#### CONTRIBUTIONS

1. A Senator or person who has declared or otherwise made known his intention to seek nomination or election, or who has filed papers or petitions for nomination or election, or on whose behalf a declaration or nominating paper or petition has been made or filed, or who has otherwise, directly or indirectly, manifested his intention to seek nomination or election, pursuant to State law, to the office of United States Senator, may accept a contribution from— [42.1]

(a) a fundraising event organized and held primarily in his behalf, provided—

(1) he has expressly given his approval of the fundraising event to the sponsors before any funds were raised; and

(2) he receives a complete and accurate accounting of the source, amounts, and disposition of the funds raised; or

(b) an individual or an organization, provided the Senator makes a complete and accurate accounting of the source, amount, and disposition of the funds received; or

<sup>1</sup> S. Jour. 247, 90-2, Mar. 22, 1968.

(c) his political party when such contributions were from a fundraising event sponsored by his party, without giving his express approval for such fundraising event when such fundraising event is for the purpose of providing contributions for candidates of his party and such contributions are reported by the Senator or candidate for Senator as provided in paragraph (b).

- [42.2] 2. The Senator may use the contribution only to influence his nomination for election, or his election, and shall not use, directly or indirectly, any part of any contribution for any other purpose, except as otherwise provided herein.
- [42.3] 3. Nothing in this rule shall preclude the use of contributions to defray expenses for travel to and from each Senator's home State; for printing and other expenses in connection with the mailing of speeches, newsletters, and reports to a Senator's constituents; for expenses of radio, television, and news media methods of reporting to a Senator's constituents; for telephone, telegraph, postage, and stationery expenses in excess of allowance; and for newspaper subscriptions from his home State.
- [42.4] 4. All gifts in the aggregate amount or value of \$50 or more received by a Senator from any single source during a year, except a gift from his spouse, child, or parent, and except a contribution under sections 1 and 2, shall be reported under rule XLIV.
- [42.5] 5. This rule shall take effect ninety days after adoption.

RULE XLIII<sup>1</sup>

[43]

## POLITICAL FUND ACTIVITY BY OFFICERS AND EMPLOYEES

1. No officer or employee whose salary is paid by the Senate may receive, solicit, be the custodian of, or distribute any funds in connection with any campaign for the nomination for election, or the election of any individual to be a Member of the Senate or to any other Federal office. This prohibition does not apply to any assistant to a Senator who has been designated by that Senator to perform any of the functions described in the first sentence of this paragraph and who is compensated at a rate in excess of \$10,000 per annum if such designation has been made in writing and filed with the Secretary of the Senate. The Secretary of the Senate shall make the designation available for public inspection.

2. This rule shall take effect sixty days after adoption.

RULE XLIV<sup>1</sup>

[44]

## DISCLOSURE OF FINANCIAL INTERESTS

1. Each Senator or person who has declared or otherwise made known his intention to seek nomination or election, or who has filed papers or petitions for nomination or election, or on whose behalf a declaration or nominating paper or petition has been made or filed, or who has otherwise, directly or indirectly, manifested his intention to seek nomination or election, pursuant to State law, to the office of United States Senator, and each officer or employee of the Senate who is compensated at a rate in excess of \$15,000 a year,

<sup>1</sup> S. Jour. 247, 90-2, Mar. 22, 1968.

shall file with the Comptroller General of the United States, in a sealed envelope marked "Confidential Personal Financial Disclosure of -----

(Name)

-----", before the 15th day of May in each year, the following reports of his personal financial interests:

(a) a copy of the returns of taxes, declarations, statements, or other documents which he, or he and his spouse jointly, made for the preceding year in compliance with the income tax provisions of the Internal Revenue Code;

(b) the amount or value and source of each fee or compensation of \$1,000 or more received by him during the preceding year from a client;

(c) the name and address of each business or professional corporation, firm, or enterprise in which he was an officer, director, partner, proprietor, or employee who received compensation during the preceding year and the amount of such compensation;

(d) the identity of each interest in real or personal property having a value of \$10,000 or more which he owned at any time during the preceding year;

(e) the identity of each trust or other fiduciary relation in which he held a beneficial interest having a value of \$10,000 or more, and the identity if known of each interest of the trust or other fiduciary relation in real or personal property in which the Senator, officer, or employee held a beneficial interest having a value of \$10,000 or more, at any time during the preceding year.

If he cannot obtain the identity of the fiduciary interests, the Senator, officer, or employee shall request the fiduciary to report that information to the Comptroller General in the same manner that reports are filed under this rule;

(f) the identity of each liability of \$5,000 or more owed by him, or by him and his spouse jointly, at any time during the preceding year; and

(g) the source and value of all gifts in the aggregate amount or value of \$50 or more from any single source received by him during the preceding year.

2. Except as otherwise provided by this section, all papers [44.2] filed under section 1 of this rule shall be kept by the Comptroller General for not less than seven years, and while so kept shall remain sealed. Upon receipt of a resolution of the Select Committee on Standards and Conduct, adopted by a recorded majority vote of the full committee, requesting the transmission to the committee of any of the reports filed by any individual under section 1 of this rule, the Comptroller General shall transmit to the committee the envelopes containing such reports. Within a reasonable time after such recorded vote has been taken, the individual concerned shall be informed of the vote to examine and audit, and shall be advised of the nature and scope of such examination. When any sealed envelope containing any such report is received by the committee, such envelope may be opened and the contents thereof may be examined only by members of the committee in executive session. If, upon such examination, the committee determines that further consideration by the committee is warranted and is within the jurisdiction of the



committee, it may make the contents of any such envelope available for any use by any member of the committee, or any member of the staff of the committee, which is required for the discharge of his official duties. The committee may receive the papers as evidence, after giving to the individual concerned due notice and opportunity for hearing in a closed session. The Comptroller General shall report to the Select Committee on Standards and Conduct not later than the 1st day of June in each year the names of Senators, officers, and employees who have filed a report. Any paper which has been filed with the Comptroller General for longer than seven years, in accordance with the provisions of this section, shall be returned to the individual concerned or his legal representative. In the event of the death or termination of service of a Member of the Senate, an officer or employee, such papers shall be returned unopened to such individual, or to the surviving spouse or legal representative of such individual within one year of such death or termination of service.

- [44.3] 3. Each Senator or person who has declared or otherwise made known his intention to seek nomination or election, or who has filed papers or petitions for nomination or election, or on whose behalf a declaration or nominating paper or petition has been made or filed, or who has otherwise, directly or indirectly, manifested his intention to seek nomination or election, pursuant to State law, to the office of United States Senator, and each officer or employee of the Senate who is compensated at a rate in excess of \$15,000 a year, shall file with the Secretary of the Senate, before the 15th day of May in each year, the following reports of his personal financial interests:

(a) the accounting required by rule XLII for all contributions received by him during the preceding year, except that contributions in the aggregate amount or value of less than \$50 received from any single source during the reporting period may be totaled without further itemization; and

(b) the amount or value and source of each honorarium of \$300 or more received by him during the preceding year.

4. All papers filed under section 3 of this rule shall be kept [44.4] by the Secretary of the Senate for not less than three years and shall be made available promptly for public inspection and copying.

5. This rule shall take effect on July 1, 1968. No reports [44.5] shall be filed for any period before office or employment was held with the Senate, or during a period of office or employment with the Senate of less than ninety days in a year; except that the Senator, or officer or employee of the Senate, may file a copy of the return of taxes for the year 1968, or a report of substantially equivalent information for only the effective part of the year 1968.

STANDARDS OF CONDUCT APPLICABLE  
TO THE EXECUTIVE BRANCH

Certain legal requirements governing the standards of conduct and potential conflicts of interest are applicable to each member of the Executive Branch. Additionally, all employees paid at a level equivalent to GS 13 and above, including consultants, are required to complete and file certain forms calling for employment and financial information.

(a) Authorities. Each officer and employee of the Executive Branch is subject to regulations promulgated by his agency under the authority of Executive Order 11222 (May 8, 1965) governing his or her conduct. Additionally, certain types of conduct are proscribed by the federal conflict of interest statute (18 U.S.C. 201 et seq.).

(b) Conflicts in General. A "conflict of interest" refers to any situation in which a government official has an actual or apparent personal interest in the outcome of a matter which he or she is in a position to influence through decision, recommendation, advice or other formal or informal action. A violation of law does not require an intent to favor one's personal interest, and cannot be overcome by a showing of the absence of such an intent. Participation, by itself, in a matter in which one has an interest is unlawful.

(c) Other Constraints. Set forth below are a number of illustrations of prohibitive conduct:

- Regulatory Agencies. Executive Branch personnel are generally prohibited from making contacts with regulatory agencies regarding matters under adjudication or within the rule-making process. Moreover, any contact with such agencies normally requires clearance by an official at the policy-making level.



- Lobbying. If carried on with appropriated funds, lobbying is expressly prohibited by law.
  - Political Activity. Political activity by Executive Branch personnel is subject to numerous criminal and civil restrictions.
  - Misuse of Information. Disclosure of classified or other confidential information is, of course, prohibited. Additionally, Executive Branch personnel must avoid the fact or appearance of using information obtained in the course of one's official duties for private gain.
  - Gifts. Receipt of gifts, payment of travel, lodging, entertainment and other expenses, or receipt of speaking honoraria are generally prohibited.
  - Appearance of Impropriety. Executive Branch personnel are directed to be ever sensitive to avoid the appearance of acting on behalf of some private interest or of a conflict or other impropriety which can be fully as damaging as the real thing.
- (d) Objectives. As a general statement, it might be said that the statutes and regulations which are applicable to personnel within the Executive Branch are directed to insure the achievement of the following objectives:
- The fair, impartial and equal treatment of those dealing with the government;
  - The assurance that government decisions will not be influenced by an employee's private interests;
  - The maintenance of public confidence in the integrity of government operations;
  - The prevention of use of public office for private gain; and
  - The prevention of any impediment to the efficiency and economy of government business.

THE WHITE HOUSE

WASHINGTON

December 14, 1976

MEETING WITH LEGISLATIVE LEADERS  
(TWO SEPARATE GROUPS)  
ON THE REPORT ON EXECUTIVE, LEGISLATIVE, AND  
JUDICIAL SALARIES (PETERSON COMMISSION)

Tuesday, December 14, 1976  
Republicans - 8:00 a.m. (1 hour)  
Democrats - 10:00 a.m. (1 hour)  
Cabinet Room

From: Mike Duval *Mic*

I. PURPOSE

To solicit the opinions and recommendations of Congressional leaders on the Peterson Commission report.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: The report of the Peterson Commission recommended that you meet with Congressional and Judicial leaders prior to making your decisions on their recommendations. You are scheduled to meet with the Chief Justice on Wednesday.

B. Participants: See Tab A.

C. Press Plan: Announced, no press photo.

III. AGENDA

See Tab B.





PARTICIPANTS

(8:00 a.m. Meeting)

The President

HOUSE

Bob Michel  
Jack Edwards  
Barber Conable  
Guy Vander Jagt  
Del Clawson

SENATE

Hugh Scott  
Bob Griffin  
Carl Curtis  
Mark Hatfield

STAFF

Jack Marsh  
Dick Cheney  
Phil Buchen  
Max Friedersdorf  
Jim Cannon  
Jim Lynn  
Mike Duval  
Ed Schmults  
Jim Cavanaugh

REGRETS

HOUSE

John Rhodes  
John Anderson  
Sam Devine  
Lou Frey  
Jimmy Quillen  
Bill Frenzel  
Ed Derwinski  
Floyd Spence

SENATE

John Tower  
Bob Stafford  
Ted Stevens  
Hiram Fong



PARTICIPANTS

(10:00 a.m. Meeting)

The President

HOUSE

Jack McFall  
Jim Wright  
Mo Udall

SENATE

Mike Mansfield  
Gale McGee  
.

STAFF

Jack Marsh  
Dick Cheney  
Phil Buchen  
Max Friedersdorf  
Jim Cannon  
Jim Lynn  
Mike Duval  
Ed Schmults  
Jim Cavanaugh

REGRETS

HOUSE

Carl Albert  
Tip O'Neill  
John Brademas  
John Flynt

SENATE

Howard Cannon  
Quentin Burdick  
Robert Byrd



TAB B  
AGENDA

## AGENDA AND TALKING POINTS

- The Commission on Executive, Legislative, and Judicial Salaries, chaired by Peter Peterson, issued its report which contains two key recommendations:
  1. That there should be substantial pay increases for high-ranking governmental officials amounting to approximately 29% for the Legislative Branch, 32% for the Executive Branch, and 44% for the Judicial Branch.
  2. These salary increases should be coupled with the imposition of a new code of conduct on all three branches.
- The Commission's report raises serious issues dealing with the amount of public confidence in the Federal Government and the quality of people which serve in it.

The report suggests that I solicit the opinions of Legislative and Judicial Branch leaders prior to making my decisions on the report's recommendations.

Some of the issues which I hope we can discuss today are:

Should there be a substantial increase in the compensation of Members of Congress, Justices of the Supreme Court, and Judges, and Presidential appointees in the Executive Branch?

If substantial increases are justified, should they be tied to a new code of conduct?

Should such a code of conduct apply to all three Branches and how should it be developed?

If a substantial increase is required, how should we deal with the issues of: linkage between the various jobs within each branch, the correct salary levels, special allowances for relocation and the second residence of Members of Congress and a mechanism for dealing with cost of living increases?

- I'd like to hear your views and recommendations on these and any other related issues.

[Congressional leaders present their views]

- I'll be meeting tomorrow with the Chief Justice to discuss the Commission's recommendations as they relate to the Judicial Branch. As you know, I'm required by statute to reflect my decisions on the Commission's report in the Budget message which I will send to Congress this January. I appreciate very much your giving me your views and recommendations.

THE WHITE HOUSE

WASHINGTON

MEETING WITH CHIEF JUSTICE BERGER

Wednesday, December 15, 1976

5:30 p.m. (30 minutes)

The Oval Office

From: Mike Duval

*Mike*

I. PURPOSE

The Chief Justice has requested this opportunity to discuss with you the recommendations of the Commission on Executive, Legislative and Judicial Salaries to the extent the report relates to salary levels of members of the Judicial Branch. This meeting was set up at your invitation for you to solicit the Chief Justice's views concerning the Peterson Report.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: The Chief Justice supports the increases in judicial salaries recommended by the Peterson Commission. He has also provided a substantial compilation of materials relating to the Standards of Conduct already applicable to the Judiciary [see attached summary provided by Phil Buchen's office at TAB A].

B. Participants:

The President  
The Chief Justice  
Phil Buchen  
Dick Cheney  
Mike Duval  
Jim Lynn

C. Press Plan: Announced, no press photo.

III. AGENDA

1. Appropriate salary levels for Members of the Judiciary and their relationship to appropriate salary levels for Members of Congress.
2. The need, if any, for a new Code of Conduct binding upon the Judicial Branch and any potential Separation of Powers problems posed by such a Code.



STANDARDS OF CONDUCT  
APPLICABLE TO JUDICIARY

Almost 50 years ago, the American Bar Association formulated the original Canons of Judicial Ethics. Those Canons, occasionally amended, have been adopted in most states. In 1969, the Association determined that current needs and problems required revision of the Canons. The revision process resulted in the Code of Judicial Conduct which was approved by the ABA House of Delegates in 1972 and thereafter adopted for federal judges by the Judicial Conference of the United States in 1973. Additionally, P.L. 93-512, which was signed into law on December 5, 1974, provides a statutory footing for many of the constraints imposed by the Code.

The Code of Judicial Conduct may be outlined as follows:

- Canon 1. A judge should uphold the integrity and independence of the judiciary.
- Canon 2. A judge should avoid impropriety or the appearance of impropriety in all his activities.
- Canon 3. A judge should perform the duties of his office impartially and diligently. The Standards which have been drafted pursuant to Canon 3 provide for the disqualification of any justice, judge, magistrate or referee in bankruptcy of the United States in those cases which present, in fact or in appearance, a question of judicial bias, prejudice, or conflict of interest. The standards governing potential financial conflicts are much more stringent than comparable provisions governing the Executive and Legislative Branches. For example, a "financial interest" is defined to reach any legal or equitable interest, however small, with no de minimis exclusion.
- Canon 4. A judge may engage in activities to improve the law, the legal system and the administration of justice. The standards carrying forward Canon 4 generally prohibit any outside employment by a judge apart from writing assignments.

- Canon 5. A judge should regulate his extra-judicial activities to minimize the risks of conflict with his judicial duties. The standards here substantially restrict the investment options of a judge.
- Canon 6. A judge should regularly file reports of compensation received for quasi-judicial and extra-judicial activities. Although a judge does not have to file any statement of assets and liabilities, he is required to report outside compensation allowed under the Canons.
- Canon 7. A judge should refrain from political activity inappropriate to his judicial office. Generally, a judge is prohibited from engaging in political conduct.

The Advisory Committee on Judicial Conduct performs the duty of issuing advisory opinions on matters of judicial ethics and judicial conduct requested by judges.

In addition to the foregoing there are, of course, many other statutory restrictions on judicial activities. Under Section 454 of Title 28, for example, it is made unlawful for any justice or judge to engage in the practice of law. There are various laws relating to nepotism. For example, the son, daughter, nephew or niece of a judge cannot be employed as a law clerk. (This was enacted at the request of judges.)

Finally, new controls have been placed on the acceptance of fees and honoraria by judges through the Federal Elections Campaign Act as recently amended, 2 U.S.C [1976 supp.] §441i. This new legislation applies in terms to justices and judges. (The power of Congress to legislate on these matters as to the Judicial Branch has not been judicially determined but the Judicial Conference has accepted the binding effect of these statutes, since they are largely declaratory of earlier action taken by the Judicial Conference.) These judicial officers are limited to honoraria in an individual amount no greater than \$2,000, excluding expenses, for any one lecture or speech. Judges are also subject to the annual limit of \$25,000, in common with Members of Congress.

THE PRESIDENT HAS SEEN....

THE WHITE HOUSE

WASHINGTON

December 15, 1976

MEMORANDUM FOR:

THE PRESIDENT

FROM:

MIKE DUVAL

*Mike*

SUBJECT:

Peterson Commission Report

Attached at Tab A are staff recommendations concerning the pay increases recommended by the Peterson Commission. Jim Lynn will have his recommendations completed shortly.

As you know, Alan Greenspan and Bob Hartmann recommend against an increase.

Specific staff comments are attached at Tab B.

Attachments

TAB A



	<u>PETERSON COMMISSION RECOMMENDATION</u>	<u>PHIL BUCHEN RECOMMENDATION</u>	<u>JIM CANNON RECOMMENDATION</u>	<u>JIM LYNN RECOMMENDATION</u>	<u>JACK MARSH RECOMMENDATION</u>	<u>BRENT SCOWCROFT RECOMMENDATION</u>	<u>BILL SEIDMAN RECOMMENDATION</u>
VICE PRESIDENT	\$ 80,000	\$ 74,200	\$ 80,000	\$	\$ 75,000	* \$ 70,000	\$ 80,000
CHIEF JUSTICE	80,000	74,200	80,000		75,000	70,000	80,000
SPEAKER	80,000	74,200	80,000		75,000	70,000	80,000
ASSOCIATE JUSTICE	77,500	71,700	77,500		70,000	67,500	75,500
EXECUTIVE LEVEL I	67,500	65,700	67,500		70,000	65,000	67,500
PRESIDENT PRO-TEM, MAJORITY & MINORITY LEADER	65,000	59,800	65,000		65,000	60,000	65,000
COURT OF APPEALS JUDGE	65,000	56,800	59,500		65,000	53,000	65,000
DISTRICT COURT JUDGE	62,000	54,000	57,000		48,000	51,500	62,000
EXECUTIVE LEVEL II	60,000	53,800	59,500		49,000	52,500	60,000
SENATORS AND REPRESENTATIVES	57,500	56,800	59,500		50,000	50,000	65,000
EXECUTIVE LEVEL III	57,000	51,000	55,000		47,000	49,500	57,000
EXECUTIVE LEVEL IV	53,000	47,700	50,000		43,000	47,500	53,000
EXECUTIVE LEVEL V	49,000	44,500	46,500		-----	45,000	49,000

\*Gen. Scowcroft does not recommend any increases. However, if an increase is to be proposed he recommends above figures in three yearly tranches with top ceiling \$70,000.

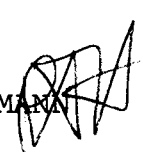
TAB B

THE WHITE HOUSE

WASHINGTON

December 14, 1976

MEMORANDUM TO: MIKE DUVAL

FROM: ROBERT T. HARTMANN 

SUBJECT: Peterson Commission Report

I am opposed to all these huge increases (maybe Federal judges deserve a little more, but not up to what the Chief Justice makes now!) -- why do we help Democrats get richer? Let them eat peanuts or pass their own raises without our connivance. The public is going to be outraged. I do think, however, that regular cost of living increases for Federal employees should apply to the upper levels as well, despite Congress' election year spirit of sacrifice.

THE WHITE HOUSE

WASHINGTON

December 14, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: PHILIP W. BUCHEN *P.*

SUBJECT: Recommendation on Salary Levels for  
Positions Covered by Peterson  
Commission Report

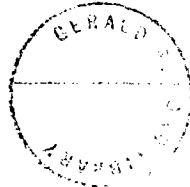
The attached recommendations by dollar amount are arrived at as follows:

1. The Peterson Commission recommendation of \$57,500 for Senators and Representatives is adjusted to \$65,000 so as to be in line with the Court of Appeals Judges.
2. Then, after this adjustment is made, all recommendations of the Commission are adjusted to achieve 60% approximately of Commission-recommended increases.

This method has the virtue of not materially disturbing the relations between the Commission-recommended increases for the different positions, while at the same time reducing the total dollar amount of each increase. Alternatively, the figure in item 2 of the calculation method could be 50% instead of 60%.

Attachment

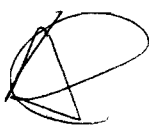
	PETERSON COMMISSION RECOMMENDATION	RECOMMENDATION BY: <u>P.W.B.</u>
VICE PRESIDENT	\$ 80,000	\$74,200
CHIEF JUSTICE	80,000	74,200
SPEAKER	80,000	74,200
ASSOCIATE JUSTICE	77,500	71,700
EXECUTIVE LEVEL I	67,500	65,700
PRESIDENT PRO-TEM, MAJORITY AND MINORITY LEADER	65,000	59,800
COURT OF APPEALS JUDGE	65,000	56,800
DISTRICT COURT JUDGE	62,000	54,000
EXECUTIVE LEVEL II	60,000	53,800
SENATORS AND REPRESENTATIVES	57,500	56,800
EXECUTIVE LEVEL III	57,000	51,000
EXECUTIVE LEVEL IV	53,000	47,700
EXECUTIVE LEVEL V	49,000	44,500



THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

December 14, 1976

MEMORANDUM FOR MIKE DUVAL

FROM: ALAN GREENSPAN 

This is in response to your request for my comments on the salary schedule proposed in the Peterson Commission report on executive, legislative and judicial salaries. I do not feel that the CEA has sufficient expertise to comment on the structure of the salary scale, that is, on the relative salary rankings for the various positions listed in your memo.

However, as I indicated in detail in my memo of December 8 to Jim Connor (copy attached), I believe that the salary increases recommended by the Peterson Report are far too large and should not be approved by the President. The Peterson report did not offer adequate evidence that large salary increases are warranted at this time. There is no clear evidence that the current salary schedule fails to attract and retain high quality persons. On the basis of empirical studies, it appears that the salary compression may be due to civil service salaries for the super-grades that are too high, rather than executive salaries that are too low. Given the continued high level of unemployment, our efforts to discourage high wage increases in the private sector, and our objective of limiting the growth in the Federal sector, I believe it would be inappropriate, as well as embarrassing, to endorse salary increases of 22 percent to 47 percent as recommended by the Commission.



THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

December 8, 1976

MEMORANDUM FOR JIM CONNOR

FROM: ALAN GREENSPAN

SUBJECT: Report of Commission on Executive, Legislative  
and Judicial Salaries

The report does not offer convincing evidence that the current pay schedule for high-level government officials, civil service or appointed, is inefficient for satisfying the government's requirements for executives. I have no objections to the overall structure of the report. However, the report does not adequately establish the case for the proposed salary structure. It would be difficult to defend a sudden increase of 20 to 47 percent for high-level government officials given that they did not experience unemployment in the last few years. Gradual increases would be viewed as more reasonable. Since the proposed wage increases are arbitrary, the Administration is best off endorsing the principle of gradual increases, without endorsing the particular magnitudes. The standards of conduct (item 8 below) should be sufficiently broad as to avoid particular problems that specific standards might entail. The report could be released in the interest of promoting full public discussion of these issues, with a Presidential endorsement of relaxation of salary caps and stronger conflict of interest provisions, but without endorsing the specifics of the Commission report. Some more detailed comments follow.

(1) The report indicates that nongovernmental executives tend to view a government job as a form of investment in training. The sacrifice of earnings to take the job (23 percent on average) is more than compensated for by the rise in earning opportunities after leaving government (on average an 84 percent rise in salary over the government level when return to private sector.) Apparently, the government employment broadens their experiences and makes them more valuable in the private sector. The report does not present evidence that these persons are less



effective in the government job than others who prefer not to undertake this form of investment.

(2) The report indicates that among career civil servants in the super-grades the cap on salaries makes government jobs less attractive than private sector jobs. This ignores many attractive benefits of government employment including the relatively high pension with early retirement provisions and the stability of employment. In part, middle-level private sector executives receive high salaries because of the uncertainty of employment and problems of reemployment if they lose their job. The attractive alternative for super-grades appears to be retirement with the government pension, rather than leaving government for another executive position prior to retirement age. This raises the question as to whether the pension is too generous for the super-grades. In addition, the report ignores the problem of grade-inflation in the last few years.

(3) The report does not address the issue of the beneficial effects of turnover among executives through retirements when civil service restrictions make replacement difficult if not impossible. Raising salaries relative to pensions would decrease retirements, but would require more aggressive policies to replace high-level civil servants who are no longer as productive as their salary and position would require.

(4) There is a serious problem of salary compression, where GS-15 (higher steps) to GS-18 earn the same salary, which now exceeds that of Executive Level V. Studies of the earnings of Federal Government and private sector workers of the same measurable characteristics (e.g., age, schooling, work experience, area, etc.) suggest that Federal civil service earnings exceed those of the private sector. (The popular view of low government salaries is supported by studies of state and local government workers.) In addition, the fringe benefits (health insurance, pensions, and stability of employment) are generally superior in the Federal sector. The compression appears to be the result of salaries that are "too high" for the lower grades near the compression (GS-14-16) rather than too low at the upper end (GS-17-18, Executive Level V). Unfortunately, the report does not consider this problem when mentioning the problem of salary compression.



(5) The report correctly points out that there is no necessary link between the salaries in the three branches of government. Separate salary schedules would be more appropriate.

(6) Since most persons in Executive Level I-V positions are in government temporarily, and withdraw their contributions to the pension fund upon departure, the recommendation that they be permitted to defer contributions to the pension plan until the fifth year seems warranted. In the jargon of the report, this would ease their cash flow problem.

(7) The recommendation of a \$5,000 per year housing allowance for members of Congress with two residences seems unwarranted. We should move away from categorical, non-taxable supplements to income to a system in which compensation is in the form of salaries subject to taxation. This facilitates the public's awareness of the income of members of Congress and promotes greater equity between members of Congress with different levels of other income.

(8) With regard to conflict of interest, the Commission recommends:

- a. periodic disclosure of financial affairs -- income, by source and amount, gifts, debts and personal holdings.
- b. Rigorous restrictions on outside incomes.
- c. Strict conflict of interest provisions with regard to investments (blind trusts).
- d. More consistent and explicit rules on post-service employment. Implicit call for ending the "revolving door" between government and industry, but no time frame indicated.

(9) The Commission report calls for a permanent Quadrennial Commission, consisting of private citizens, to review salary levels and pension provisions.

THE WHITE HOUSE

WASHINGTON

December 14, 1976

MEMORANDUM FOR: THE PRESIDENT

FROM: JACK MARSH 

Below follow my recommendations on the salary levels:

Vice President	\$75,000
Chief Justice	
Speaker of the House	
Associate Justice	\$70,000
Executive Level I	
President Pro-Tem	\$65,000
Majority Leaders	
Minority Leaders	
Judges--Circuit Court of Appeals	
Senators	\$50,000
Representatives	
Resident Commissioner of Puerto Rico	
Judges--Court of Claims	\$48,000
Judges--Court of Military Appeals	
Judges--Court of Customs & Patent Appeals	
Judges--U. S. District Court	
Judges--Customs Court	\$45,000
Judges--Tax Court	
Executive Level II	\$49,000
Comptroller General	\$49,000
Executive Level III	\$47,000
Assistant Comptroller General	\$45,000
Dir., Administrative Office-- U.S. Courts	\$45,000
Executive Level IV	\$43,000

I have not gone below the pay chart for Executive Level IV. However, I would recommend raises that are commensurate with the increases shown above.

I do, however, think a 20% increase for Bankruptcy Judges is sufficient.

TABLE 2  
COMMISSION ON EXECUTIVE, LEGISLATIVE AND JUDICIAL SALARIES  
RECOMMENDED SALARY LEVELS

THE PRESIDENT HAS SELECTED...

	PRESENT	RECOMMENDED	PERCENT INCREASE
Vice President	\$65,600	\$80,000	22.0%
Chief Justice	65,600	80,000	22.0%
Speaker of the House	65,600	80,000	22.0%
Associate Justice	63,000	77,500	23.0%
Executive Level I	63,000	67,500	7.1%
President Pro-Tem; Majority and Minority Leaders	52,000	65,000	25.0%
Judges - Circuit Courts of Appeals	44,600	65,000	45.7%
Judges - Court of Claims	44,600	65,000	45.7%
Judges - Court of Military Appeals	44,600	65,000	45.7%
Judges - Court of Customs and Patent Appeals	44,600	65,000	45.7%
Judges - U.S. District Courts	42,000	62,000	47.6%
Judges - Customs Court	42,000	62,000	47.6%
Judges - Tax Court	42,000	62,000	47.6%
Executive Level II	44,600	60,000	34.5%
Comptroller General	44,600	60,000	34.5%
Senators, Representatives, Resident Commissioner of Puerto Rico	44,600	57,500	28.9%
Executive Level III	42,000	57,000	35.7%
Assistant Comptroller General	42,000	57,000	35.7%
Director - Administrative Office - U.S. Courts	42,000	57,000	35.7%
Executive Level IV	39,900	53,000	32.8%
General Counsel - GAO	39,900	53,000	32.8%
Librarian of Congress	39,900	53,000	32.8%
Public Printer	39,900	53,000	32.8%
Architect of the Capitol	39,900	53,000	32.8%
Commissioners - Court of Claims	37,800	53,000	40.2%
Deputy Director - Administrative Office - U.S. Courts	37,800	53,000	40.2%
Bankruptcy Judges (full time)	37,800	53,000	40.2%
Executive Level V	37,800	49,000	29.6%
Deputy Librarian of Congress	37,800	49,000	29.6%
Deputy Public Printer	37,800	49,000	29.6%
Assistant Architect of the Capitol	37,800	49,000	29.6%
Bankruptcy Judges (part time)	18,900	26,500	40.2%
Board of Governors, U.S. Postal Service	10,000	10,000	0%



	PETERSON COMMISSION RECOMMENDATION	PHIL BUCHEN RECOMMENDATION	JIM CANNON RECOMMENDATION	JIM LYNN RECOMMENDATION	JACK MARSH RECOMMENDATION	BRENT SCOWCROFT RECOMMENDATION	BILL SEIDMAN RECOMMENDATION
VICE PRESIDENT	\$ 80,000	\$ 74,200	\$ 80,000	\$ 75	\$ 75,000	* \$ 70,000	\$ 80,000
CHIEF JUSTICE	80,000	74,200	80,000	75	75,000	70,000	80,000
SPEAKER	80,000	74,200	80,000	75	75,000	70,000	80,000
ASSOCIATE JUSTICE	77,500	71,700	77,500	72.5	70,000	67,500	75,500
EXECUTIVE LEVEL I	67,500	65,700	67,500	65	70,000	65,000	67,500
PRESIDENT PRO-TEM, MAJORITY & MINORITY LEADER	55,000	59,800	65,000	65	65,000	60,000	65,000
COURT OF APPEALS JUDGE	65,000	56,800	59,500	65	65,000	53,000	65,000
DISTRICT COURT JUDGE	62,000	54,000	57,000	55	48,000	51,500	62,000
EXECUTIVE LEVEL II	60,000	53,800	59,500	52.5	49,000	52,500	60,000
SENATORS AND REPRESENTATIVES	57,500	56,800	59,500	55	50,000	50,000	65,000
EXECUTIVE LEVEL III	57,000	51,000	55,000	50	47,000	49,500	57,000
EXECUTIVE LEVEL IV	53,000	47,700	50,000	47.5	43,000	47,500	53,000
EXECUTIVE LEVEL V	49,000	44,500	46,500	45	-----	45,000	49,000

\*Gen. Scowcroft does not recommend any increases. However, if an increase is to be proposed he recommends above figures in three yearly tranches with top ceiling \$70,000

THE WHITE HOUSE  
WASHINGTON

December 15, 1976

MEMORANDUM FOR:

THE PRESIDENT

FROM:

MIKE DUVAL

*Mike*

SUBJECT:

Peterson Commission Report

Attached at Tab A are staff recommendations concerning the pay increases recommended by the Peterson Commission. Jim Lynn will have his recommendations completed shortly.

As you know, Alan Greenspan and Bob Hartmann recommend against an increase.

Specific staff comments are attached at Tab B.

Attachments



	<u>PETERSON COMMISSION RECOMMENDATION</u>	<u>PHIL BUCHEN RECOMMENDATION</u>	<u>JIM CANNON RECOMMENDATION</u>	<u>JIM LYNN RECOMMENDATION</u>	<u>JACK MARSH RECOMMENDATION</u>	<u>BRENT SCOWCROFT RECOMMENDATION</u>	<u>BILL SEIDMAN RECOMMENDATION</u>
VICE PRESIDENT	\$ 80,000	\$ 74,200	\$ 80,000	\$	\$ 75,000	* \$ 70,000	\$ 80,000
CHIEF JUSTICE	80,000	74,200	80,000		75,000	70,000	80,000
SPEAKER	80,000	74,200	80,000		75,000	70,000	80,000
ASSOCIATE JUSTICE	77,500	71,700	77,500		70,000	67,500	75,500
EXECUTIVE LEVEL I	67,500	65,700	67,500		70,000	65,000	67,500
PRESIDENT PRO-TEM, MAJORITY & MINORITY LEADER	65,000	59,800	65,000		65,000	60,000	65,000
COURT OF APPEALS JUDGE	65,000	56,800	59,500		65,000	53,000	65,000
DISTRICT COURT JUDGE	62,000	54,000	57,000		48,000	51,500	62,000
EXECUTIVE LEVEL II	60,000	53,800	59,500		49,000	52,500	60,000
SENATORS AND REPRESENTATIVES	57,500	56,800	59,500		50,000	50,000	65,000
EXECUTIVE LEVEL III	57,000	51,000	55,000		47,000	49,500	57,000
EXECUTIVE LEVEL IV	53,000	47,700	50,000		43,000	47,500	53,000
EXECUTIVE LEVEL V	49,000	44,500	46,500		-----	45,000	49,000

\*Gen. Scowcroft does not recommend any increases. However, if an increase is to be proposed he recommends above figures in three yearly tranches with top ceding \$70,000.

THE WHITE HOUSE

WASHINGTON

December 14, 1976

MEMORANDUM TO: MIKE DUVAL  
FROM: ROBERT T. HARTMANN  
SUBJECT: Peterson Commission Report

I am opposed to all these huge increases (maybe Federal judges deserve a little more, but not up to what the Chief Justice makes now!) -- why do we help Democrats get richer? Let them eat peanuts or pass their own raises without our connivance. The public is going to be outraged. I do think, however, that regular cost of living increases for Federal employees should apply to the upper levels as well, despite Congress' election year spirit of sacrifice.




THE WHITE HOUSE

WASHINGTON

December 14, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: PHILIP W. BUCHEN 

SUBJECT: Recommendation on Salary Levels for  
Positions Covered by Peterson  
Commission Report

The attached recommendations by dollar amount are arrived at as follows:

1. The Peterson Commission recommendation of \$57,500 for Senators and Representatives is adjusted to \$65,000 so as to be in line with the Court of Appeals Judges.
2. Then, after this adjustment is made, all recommendations of the Commission are adjusted to achieve 60% approximately of Commission-recommended increases.

This method has the virtue of not materially disturbing the relations between the Commission-recommended increases for the different positions, while at the same time reducing the total dollar amount of each increase. Alternatively, the figure in item 2 of the calculation method could be 50% instead of 60%.

Attachment

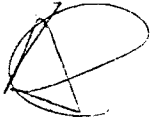
## EXHIBIT II

	PETERSON COMMISSION RECOMMENDATION	RECOMMENDATION BY: <u>P.W.B.</u>
VICE PRESIDENT	\$ 80,000	\$74,200
CHIEF JUSTICE	80,000	74,200
SPEAKER	80,000	74,200
ASSOCIATE JUSTICE	77,500	71,700
EXECUTIVE LEVEL I	67,500	65,700
PRESIDENT PRO-TEM, MAJORITY AND MINORITY LEADER	65,000	59,800
COURT OF APPEALS JUDGE	65,000	56,800
DISTRICT COURT JUDGE	62,000	54,000
EXECUTIVE LEVEL II	60,000	53,800
SENATORS AND REPRESENTATIVES	57,500	56,800
EXECUTIVE LEVEL III	57,000	51,000
EXECUTIVE LEVEL IV	53,000	47,700
EXECUTIVE LEVEL V	49,000	44,500

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

December 14, 1976

MEMORANDUM FOR MIKE DUVAL

FROM: ALAN GREENSPAN 

This is in response to your request for my comments on the salary schedule proposed in the Peterson Commission report on executive, legislative and judicial salaries. I do not feel that the CEA has sufficient expertise to comment on the structure of the salary scale, that is, on the relative salary rankings for the various positions listed in your memo.

However, as I indicated in detail in my memo of December 8 to Jim Connor (copy attached), I believe that the salary increases recommended by the Peterson Report are far too large and should not be approved by the President. The Peterson report did not offer adequate evidence that large salary increases are warranted at this time. There is no clear evidence that the current salary schedule fails to attract and retain high quality persons. On the basis of empirical studies, it appears that the salary compression may be due to civil service salaries for the super-grades that are too high, rather than executive salaries that are too low. Given the continued high level of unemployment, our efforts to discourage high wage increases in the private sector, and our objective of limiting the growth in the Federal sector, I believe it would be inappropriate, as well as embarrassing, to endorse salary increases of 22 percent to 47 percent as recommended by the Commission.



THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

December 8, 1976

MEMORANDUM FOR JIM CONNOR

FROM: ALAN GREENSPAN

SUBJECT: Report of Commission on Executive, Legislative  
and Judicial Salaries

The report does not offer convincing evidence that the current pay schedule for high-level government officials, civil service or appointed, is inefficient for satisfying the government's requirements for executives. I have no objections to the overall structure of the report. However, the report does not adequately establish the case for the proposed salary structure. It would be difficult to defend a sudden increase of 20 to 47 percent for high-level government officials given that they did not experience unemployment in the last few years. Gradual increases would be viewed as more reasonable. Since the proposed wage increases are arbitrary, the Administration is best off endorsing the principle of gradual increases, without endorsing the particular magnitudes. The standards of conduct (item 8 below) should be sufficiently broad as to avoid particular problems that specific standards might entail. The report could be released in the interest of promoting full public discussion of these issues, with a Presidential endorsement of relaxation of salary caps and stronger conflict of interest provisions, but without endorsing the specifics of the Commission report. Some more detailed comments follow.

(1) The report indicates that nongovernmental executives tend to view a government job as a form of investment in training. The sacrifice of earnings to take the job (23 percent on average) is more than compensated for by the rise in earning opportunities after leaving government (on average an 84 percent rise in salary over the government level when return to private sector.) Apparently, the government employment broadens their experiences and makes them more valuable in the private sector. The report does not present evidence that these persons are less



effective in the government job than others who prefer not to undertake this form of investment.

(2) The report indicates that among career civil servants in the super-grades the cap on salaries makes government jobs less attractive than private sector jobs. This ignores many attractive benefits of government employment including the relatively high pension with early retirement provisions and the stability of employment. In part, middle-level private sector executives receive high salaries because of the uncertainty of employment and problems of reemployment if they lose their job. The attractive alternative for super-grades appears to be retirement with the government pension, rather than leaving government for another executive position prior to retirement age. This raises the question as to whether the pension is too generous for the super-grades. In addition, the report ignores the problem of grade-inflation in the last few years.

(3) The report does not address the issue of the beneficial effects of turnover among executives through retirements when civil service restrictions make replacement difficult if not impossible. Raising salaries relative to pensions would decrease retirements, but would require more aggressive policies to replace high-level civil servants who are no longer as productive as their salary and position would require.

(4) There is a serious problem of salary compression, where GS-15 (higher steps) to GS-18 earn the same salary, which now exceeds that of Executive Level V. Studies of the earnings of Federal Government and private sector workers of the same measurable characteristics (e.g., age, schooling, work experience, area, etc.) suggest that Federal civil service earnings exceed those of the private sector. (The popular view of low government salaries is supported by studies of state and local government workers.) In addition, the fringe benefits (health insurance, pensions, and stability of employment) are generally superior in the Federal sector. The compression appears to be the result of salaries that are "too high" for the lower grades near the compression (GS-14-16) rather than too low at the upper end (GS-17-18, Executive Level V). Unfortunately, the report does not consider this problem when mentioning the problem of salary compression.

(5) The report correctly points out that there is no necessary link between the salaries in the three branches of government. Separate salary schedules would be more appropriate.

(6) Since most persons in Executive Level I-V positions are in government temporarily, and withdraw their contributions to the pension fund upon departure, the recommendation that they be permitted to defer contributions to the pension plan until the fifth year seems warranted. In the jargon of the report, this would ease their cash flow problem.

(7) The recommendation of a \$5,000 per year housing allowance for members of Congress with two residences seems unwarranted. We should move away from categorical, non-taxable supplements to income to a system in which compensation is in the form of salaries subject to taxation. This facilitates the public's awareness of the income of members of Congress and promotes greater equity between members of Congress with different levels of other income.

(8) With regard to conflict of interest, the Commission recommends:

- a. periodic disclosure of financial affairs -- income, by source and amount, gifts, debts and personal holdings.
- b. Rigorous restrictions on outside incomes.
- c. Strict conflict of interest provisions with regard to investments (blind trusts).
- d. More consistent and explicit rules on post-service employment. Implicit call for ending the "revolving door" between government and industry, but no time frame indicated.

(9) The Commission report calls for a permanent Quadrennial Commission, consisting of private citizens, to review salary levels and pension provisions.

THE WHITE HOUSE  
WASHINGTON  
December 14, 1976

MEMORANDUM FOR: THE PRESIDENT

FROM: JACK MARSH 

Below follow my recommendations on the salary levels:

Vice President	\$75,000
Chief Justice	
Speaker of the House	
Associate Justice	\$70,000
Executive Level I	
President Pro-Tem	\$65,000
Majority Leaders	
Minority Leaders	
Judges--Circuit Court of Appeals	
Senators	\$50,000
Representatives	
Resident Commissioner of Puerto Rico	
Judges--Court of Claims	\$48,000
Judges--Court of Military Appeals	
Judges--Court of Customs & Patent Appeals	
Judges--U. S. District Court	
Judges--Customs Court	\$45,000
Judges--Tax Court	
Executive Level II	\$49,000
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Assistant Comptroller General	\$45,000
Dir., Administrative Office-- U.S. Courts	\$45,000
Executive Level IV	\$43,000

I have not gone below the pay chart for Executive Level IV. However, I would recommend raises that are commensurate with the increases shown above.

I do, however, think a 20% increase for Bankruptcy Judges is sufficient.



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FROM: Jim Cannon  
TO: Dick Cheney for  
the President

DEX \_\_\_\_\_  
DAC 224  
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GPS \_\_\_\_\_  
PAGES 1  
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FOR IMMEDIATE DELIVERY

THE WHITE HOUSE  
WASHINGTON

December 31, 1976

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MEMORANDUM TO THE PRESIDENT

FROM: JIM CANNON  
SUBJECT: Comments by Jim Wright

Representative Jim Wright mentioned, after I notified him today of your Puerto Rico announcement, that he would like to convey this message to you:

- I. He talked with Governor Carter on Wednesday night about the Peterson Commission Report on pay increases. Carter said he believed that some increase was appropriate but he had not studied the report in detail. In addition, Carter said that he felt that any increase of more than 40 percent would be perceived by the public as excessive and would make it difficult for the new administration to hold the line against inflationary increases in government and the private sector.
- II. Governor Carter also said that he was not going to say or do anything to "sandbag President Ford" on his proposals. Wright quoted Carter as saying: "The President has been too nice to me for me to do anything like that."
- III. Representative David Obey and Lee Hamilton have promised Wright that they will have substantive recommendations to reform and strengthen Congressional ethical standards by February 10.
- IV. Wright has talked with his colleagues in the House and concluded that if the pay issue does come to a vote on the floor of the House, it would be rejected.

Determined to be an administrative marking  
Cancelled per E.O. 12356, Sec. 1.3 and  
Archivist's memo of March 16, 1983

By DAD NARS date 3/1/84

~~CONFIDENTIAL~~



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CLASSIFICATION

FOR COMMCENTER USE ONLY

FROM: Jim Cannon  
TO: Dick Cheney for  
the President

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THE WHITE HOUSE  
WASHINGTON

December 31, 1976

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Determined to be an administrative marking  
Cancelled per E.O. 11659, Sec. 1.3 and  
Archivist's memo of March 16, 1983  
By DRD NARS date 3/1/84

MEMORANDUM TO THE PRESIDENT

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