Ethics reform is a top priority and already a significant achievement of the new Congress.

The House has adopted strong new rules on financial ethics and is working with the Senate to enact the rules into permanent law.

The new code of financial ethics was a major victory for Speaker Thomas P. O'Neill, Jr., who had committed himself firmly to reform, and for the entire Membership which strongly supported the new rules. The vote on adoption, coming when the new Congress was less than two months old, was an overwhelming 402-22.

The new code heads a considerable list of reform activities which also includes:

-- establishment of a House Select Committee on Ethics to issue regulations under the new financial ethics code and to facilitate enactment of the code into permanent law,

-- two inquiries involving Korea, one to determine whether any House Members, their families or associates accepted anything of value from the Government of South Korea; the other to study United States-Korean relations, including Korean CIA activities in the United States,

-- continuation of studies and recommendations on improvements in the day-to-day operations and functioning of House offices,

-- the adoption of new House rules requiring open House-Senate conference committee meetings and making other procedural reforms,

-- the launching of a landmark 90-day experiment in live telecasting of House proceedings, and

-- consideration of major changes in voter registration, public financing of congressional campaigns, abolition of the electoral college and revision of the Hatch Act, as proposed by President Carter.

Following are details on current actions and the record over the past few Congresses:

FINANCIAL ETHICS

The House March 2 adopted H. Res. 287 which added to House rules the comprehensive package of provisions on financial ethics recommended by the House Commission on Administrative Review.

(1) FINANCIAL DISCLOSURE: All House Members, officers of the House, principal assistants to Members and professional committee staff members are required to file annual disclosure statements showing items of income, including honorariums, from a single source aggregating $100 or more; gifts from a single source aggregating $100 or more in value, and gifts of food, transportation, lodging and entertainment worth more than $250. Gifts from relatives, gifts valued at less than $35, and gifts of personal hospitality of an individual are exempted from the disclosure provisions. Statements must show reimbursements over $250 from a single source; business holdings in excess of $1,000; debts exceeding $2500 except for mortgages on personal residences; and securities and real property transactions exceeding $1,000 (except personal residences). Business holdings, debts and securities transactions would be disclosed in "categories of value" – less than $5,000; $5,000 - $15,000; $15,000 - $50,000; $50,000 - $100,000; over $100,000.

Statements will be filed with the Clerk of the House who will transmit them to the Committee on Standards of Official Conduct, and in the case of Members’ statements, to the Secretary of State in the Member’s home state. The first filing will be on April 30, 1978, covering the period October 1 through December 31, 1977, but for the first filing capital gains and securities transactions will be exempt. Any Member who announces before April 30, 1978, that he will not be a candidate for re-election need only file under the existing House Rule on disclosure.
(2) GIFTS: All gifts from persons with a direct interest in legislation before the Congress, or from foreign nationals or their agents shall not exceed $100 a year. Exempted are gifts from relatives, gifts of personal hospitality of an individual and gifts valued under $35. Funds raised in testimonial dinners may not be converted to personal use.

(3) UNOFFICIAL OFFICE ACCOUNTS: Unofficial office accounts may be drawn down until January 3, 1978, by which date these accounts must be eliminated. Effective on adoption of H. Res. 287, no further contributions could be paid into these accounts. Effective retroactively to January 3, 1977, the allowance for "official expenses outside the District of Columbia" is changed to "official expenses." On January 3, 1978, these "official expenses" accounts will be increased to $7,000 annually from the present $2,000. Conversion of campaign contributions to personal use is now prohibited.

(4) FRANK: All franked postal patron mailings will go third class as soon as arrangements can be made with the U.S. Postal Service. Effective immediately, a sample or description of any postal patron mailing must be submitted to the Commission on Congressional Mailing Standards for an advisory opinion. Also effective immediately, any Member who is a candidate for state-wide public office may not send any mass mailing under the frank outside his/her congressional district, and a Member may not send any mass mailing under the frank less than 60 days prior to a primary or general election in which he/she is a candidate. Effective January 1, 1978, postal patron mailings are limited to six a calendar year (except mailings relating solely to notice of appearance or scheduled itinerary of a Member). Effective January 1, 1978, the cost of preparing and printing any mass mailing sent under the frank must be paid exclusively from public funds.

(5) TRAVEL: Lame-duck travel, except as provided in Members' official travel accounts, is now prohibited, and Members and employees are now prohibited from being reimbursed for any official travel expenses from more than one source.

(6) OUTSIDE EARNED INCOME: As of January 1, 1979, a Member may not have outside earned income, generated by personal services totaling more than 15% of his congressional salary. Exempted will be copyright royalties; payments or benefits of a pension, profit-sharing or stock bonus plan; and family business earnings not generated by a Member's personal services. As of January 1, 1979, a Member may not accept an honorarium of more than $750.

(7) SAVINGS: The new code is expected to save the taxpayers an estimated $7.3 million a year, for the increase in Members' official travel accounts, estimated at $2.2 million is more than offset by a $9.5 million savings through use of third-class mailings.

ONGOING REFORM: On June 4, 1976, Speaker Carl Albert appointed a Task Force on Accounts chaired by Congressman David Obey with Congressmen Lloyd Meeds and Norman D'Amours as members. It was charged with the responsibility of reporting to the Democratic Steering and Policy Committee how to "rationalize the accounts system of the House of Representatives, to improve accountability, and to assure both propriety and the appearance of propriety in the administration of House accounts."

On June 22, 1976, the Task Force reported 13 recommendations to the Speaker; the Democratic Caucus approved all but one the next day. Most of the proposals were directives to the Democratic Members of the Committee on House Administration, while others required action by the full House.

The House Administration Committee approved a series of orders June 28, 1976, to modernize and improve accountability in the use of funds. Among the major reforms approved were:

* consolidation of a variety of separate allowances and permission for Members to transfer funds from one account to another to better meet their individual needs,
* abolition of the "cash-out" system that allowed Members to withdraw in cash funds from their allowances for stationery, travel, and official expenses outside the District of Columbia,
* reduction of the mileage allowance,
* a requirement for monthly certification by Members, chairmen, and officers of the House on the salary and duties of their employees, and
* the issuing of quarterly reports on the spending of House funds. (See Congressional Record, June 30, 1976, p. H7019 for description of orders by Committee on House Administration)
The Rules Committee voted June 30 to report two other Task Force proposals and the full House approved them July 1. They were H. Res. 1372, adopted 311-92, which rescinded the authority of the House Administration Committee to expand, change the character, or create new categories of allowances for Members of the House without a direct vote on the House floor; and H. Res. 1368, adopted 380-30, establishing the 15-member Commission on Administrative Review, consisting of eight House Members and seven individuals from the general public. The Speaker appointed Congressman Obey to be Chairman. The Commission was directed to make a complete study of the House with respect to administrative, accounting and, purchasing procedures; office equipment and communication facilities; record keeping; and emoluments and allowances. The Commission recommended improvements in House scheduling and drafted the code of financial ethics adopted by the House March 2.

FUTURE COMMISSION WORK: Three task forces of the Commission on Administrative Review are now at work on further recommendations affecting the internal operations of the House. Reports are expected in mid-summer.

The task force on administrative units and functions, chaired by Congressman Meeds, is examining the House's financial management system, the procurement system, the property management system, and the organization and application of computer technology. It will also consider recommendations on an improved auditing system for the House.

The task force on work management, chaired by Congressman D'Amours, is studying the use of time, information and personnel in handling the House's workload.

Congressman Lee Hamilton's task force on financial management and accountability, which drafted the financial ethics rules for the Commission, is continuing its study of the nature of Members' allowances.

The commission, whose existence was continued into the 95th Congress by PL 94-440, will expire on December 31, 1977.

HOUSE SELECT COMMITTEE ON ETHICS

The House March 9 adopted H. Res. 383, to establish a temporary 19-member Select Committee on Ethics. The vote was 410-1. Creation of the Select Committee had been recommended by the Commission on Administrative Review. Rules Committee hearings and House floor action were completed within one week after House adoption of the financial ethics recommendations. Speaker O'Neill appointed Congressman Richardson Preyer of North Carolina to chair the new panel.

The committee is charged with two functions: (a) issuing regulations implementing the new financial ethics code and rendering advisory opinions on the code's application; and (b) drafting legislation to enact applicable portions of the new rules into permanent law. (The Senate has created a similar Select Committee on Ethics headed by Senator Adlai Stevenson of Illinois).

Once the permanent law is enacted, criminal penalties could be enforced by the Justice Department, and provisions could be extended to include non-incumbent candidates for Congress.

The House Select Committee is required to issue its regulations by December 1 and it will go out of existence on December 31, 1977.

INVESTIGATION BY COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

On February 9, the House by a 388-0 vote ordered a thorough inquiry (H. Res. 252) to determine whether any Member, his family or associates accepted anything of value from the South Korean government. The investigation is being conducted by the Committee on Standards of Official Conduct, chaired by Congressman John Flynt of Georgia.

A related inquiry conducted by Congressman Fraser's International Relations Subcommittee on International Organizations, is a foreign policy study of various aspects of U.S.-South Korean relations, including the activities of the Korean CIA in the United States.
TELECASTING OF HOUSE PROCEEDINGS

The House made history March 15 when it began a 90-day experiment in televising its floor proceedings. Authorized by the Speaker and conducted by the Joint Committee on Congressional Operations, and the Architect of the Capitol, the closed-circuit broadcasts to certain House offices are an experiment to evaluate the effects of television on the conduct of House business. Coverage begins at the opening gavel and lasts until the beginning of special orders on each legislative day.

The first House business to be televised was debate and adoption of H. Res. 404, a privileged resolution to authorize and direct the Rules Committee to investigate and evaluate the impact of the House broadcast test and report its findings, including whether or not the television coverage should be made available to the media. The resolution was adopted, 398-10.

OPEN CONFERENCES AND OTHER PROCEDURAL REFORMS

When the House adopted its rules for the 95th Congress January 4, it incorporated a number of significant changes intended to make its committee and floor proceedings more open and democratic. The changes were recommended by the Democratic Caucus in December, 1976. Among these new rules provisions were:

1. OPEN CONFERENCES: The new rule provides that House-Senate conference committee meetings shall be open to the public, unless the full House in open session votes to permit the closing of the conference. This further liberalizes the open conference rule adopted in 1975, which provided that a conference must be open unless a majority of conferees from the House or Senate voted to close it.

2. MEMBERS' ACCESS TO HEARINGS: A new rule prohibits any committee or subcommittee, except the Committee on Standards of Official Conduct, from excluding any Member of the House from attending any hearing, unless the full House votes to authorize such an exclusion.

3. CONFEREES: A new rule requires the Speaker to appoint as conferees Members primarily responsible for a piece of legislation, and to the fullest extent possible to include the principal proponents of the major provisions of the bill as passed by the House.

4. STAFF HELP ON AMENDMENTS: A new rule permits the sponsor of an amendment to have staff assistance on the House floor while he is presenting his amendment.

Other rules changes were designed to streamline the conduct of business on the House floor. Among these changes were: restrictions on quorum calls in the House and the Committee of the Whole; raising to 10 from one the number of Members who must object in order to stop a committee or subcommittee from meeting while the House is reading a measure for amendment; and giving the Speaker power to cluster votes on rules for bills.

The House also adopted a new schedule of House meeting times recommended by the Task Force on Scheduling of the Commission on Administrative Review. On January 4 the House adopted H. Res. 7, which arranged for the convening of the House at different times on different days. The new schedule allows more time for committee work until May 15, the deadline for reporting new authorizing legislation, and emphasizes floor sessions thereafter.

BACKGROUND: The House and the Democratic Caucus have made significant strides in democratizing procedures over the last few years. The major reforms of recent Congresses include:

* Open Committee Meetings-- House rules were changed to require that committee hearings and meetings, including markups, be open unless the Members in open session determined by roll call with a quorum present that the meeting shall be closed.

* Committee Chairmen-- Chairmen of full committees and appropriations subcommittees are now required to be elected in the Democratic Caucus by automatic secret ballot.
Subcommittee Chairmen-- Caucus rules were changed to restrict Members to no more than one chairmanship of a legislative subcommittee. This reform opened many subcommittee chairmanships to junior Members.

Restrictions on the Closed Rule-- Reformed Caucus rules require notice in the Congressional Record and a four-day layover before a committee can seek a closed rule. The new Caucus rule also permits any 50 Democrats to bring a proposed germane amendment before the Caucus and ask the Caucus to decide whether the proposed amendment should be allowed to be considered by the House.

Democratic Steering and Policy Committee-- The committee was expanded and made more broadly representative of the Democratic Membership, including the newer Members. It was given a wider role as a sounding board and policy recommending group, and in 1974 it was made the Committee on Committees with authority to nominate Members for committee assignments and full committee chairmanships.

"Subcommittee Bill of Rights"-- A new Caucus rule gave each committee's Democratic majority the power to pick subcommittee chairmen, fix jurisdiction of subcommittees, and assure consideration of important legislation.

Mandatory Subcommittees-- A House rule required that standing committees of more than 20 Members, except Budget, shall have at least four subcommittees. This meant, for example, that the Committee on Ways and Means could work simultaneously on various bills, such as unemployment compensation, trade, health and Social Security, rather than having to limit itself to one bill at a time.

Open Caucuses-- The Democratic Caucus voted to open its sessions on legislative matters to the press and public. In December, 1976, it opened its organizational meetings which chose the new Speaker, Majority Leader and Caucus Chairman and approved new rules for the House.

ELECTION REFORM

Congress is considering a number of election reform proposals recommended by President Carter in a March 22 message. Most of them, in one form or another, have been considered in Congress over the past few years but never enacted into law. The proposals would:

- open the electoral process to millions of Americans by making it easier to register to vote in federal elections,
- establish a system of public financing of congressional elections, through federal tax checkoffs, in time for the 1978 election,
- revise the Hatch Act to allow federal employees to participate more actively in political life, and
- abolish the Electoral College and replace it with direct popular election of the President and Vice President.

Under the proposed universal voter registration law, citizens qualified to vote under state law could go to their polling places on the day of a federal election, register and vote after proving their eligibility. State and local officials would continue to administer voter registrations and elections, and would register voters in the usual manner before election day. Federal financial assistance would be offered to states to employ additional registrars, to modernize state election procedures, or for other purposes. A new office in the Federal Election Commission would distribute the federal funds and oversee the program. States would be encouraged to adopt the registration-at-the-polls option for state and local elections.

Public financing of congressional elections through income tax checkoffs would extend to House and Senate races the plan implemented for the first time in the 1976 presidential primary and general elections. It would guarantee matching public financing to House and Senate candidates able to demonstrate citizen support through small private donations. Campaign expenditure ceilings would be established for candidates who accept public financing, but the ceiling would be increased appropriately for any
such candidate whose opponent declines public financing and spends beyond the ceiling.

Hatch Act revision would seek to permit federal employees fuller participation in the electoral process. Under present law, more than 2.8 million government workers may not run for partisan office, hold party positions or work actively in campaigns. Congress sought to revise the Hatch Act in 1976, but the legislation was vetoed by President Ford.

Abolition of the Electoral College and the substitution of direct popular election of the President and Vice President would eliminate a system that has, on three previous occasions, resulted in the election of candidates who did not win a majority of the popular vote. Congress passed a direct election amendment to the U.S. Constitution in 1969, but it was killed by a Senate filibuster.

BACKGROUND: Congress has moved aggressively in recent years to implement election reform and more open government. The Federal Election Campaign Act Amendments of 1974 (P.L. 93-443) are designed to restrict the influence of big money in federal elections. The law also established an independent Federal Election Commission (FEC) to supervise and enforce federal election laws, and the law strengthened the presidential campaign fund by making the fund self-approprating.

Following a Supreme Court decision that required modifications in the law, Congress responded with P.L. 94-283 of 1976, which revised provisions relating to campaign contributions and solicitations and re-established the FEC as a presidentially-appointed body.

The 92nd Congress completed action on two major election reform measures. The Federal Election Campaign Act of 1972 sought to place limits on political campaign expenditures and to require disclosure of campaign contributions, including names of contributors and recipients of gifts of more than $100. The second major act, the tax cut law of December, 1971 (P.L. 92-178), established an income tax credit for contributions to candidates for federal, state or local political offices in general, primary or special elections. The law also established a public campaign fund for presidential elections financed from $1 ($2 for married couples) checkoffs on income tax returns beginning in 1973.

Congress extended the Voting Rights Act for seven years in 1975, making it effective until August, 1982. Its coverage was extended to language minorities (P.L. 94-73). Congress also acted to set uniform procedures and assure the rights of U.S. citizens residing abroad to vote in federal elections (P.L. 94-203).

A law was enacted to outlaw the "lug" by prohibiting any state, local or federal official from seeking a contribution to a political party from any person seeking or holding a federally funded job or receiving a federally funded benefit (P.L. 94-453).