

MOST LUCRATIVE CAPITOL INVESTMENTS.

President Carter, travelling the country on his energy crusade this summer, has regularly berated Congress for failing to give support to his energy proposals, adding that he blames the oil lobby for the lack of progress.

His explanation for failure conjures up images of wealthy Washington lawyers besieging Congressmen in the corridors and in the restaurants of Capitol Hill. But the oil lobby is not a mysterious power broker. It is alive and well in Congress itself.

The Senate finance committee, which is responsible for putting together key energy tax laws including the windfall profits tax on oil companies (the cornerstone of the Administration's programme), is the energy lobby.

Its chairman, Mr. Russell Long, the democratic senator from the oil-rich state of Louisiana, just happens to own \$1.2 millions worth of oil and gas property; and it just happens that no less than six other members of his committee have extensive holdings in oil stock.

Indeed, members of the US Congress, who spend so much of their time examining presidential appointees about conflicts of interest questions, are completely surrounded by conflicts of interest of their own. It is estimated that no fewer than 54 out of the US's 100 Senators have conflicts between their personal financial interests and the jobs they perform for powerful Senate committees. And in the House of Representatives an estimated 105 members, out of 435, have potential conflicts.

Many of the conflicts are inconsequential since they are confined to small shareholdings in big corporations. But more serious is the case of the Senate finance and agricultural committees where the conflicts could be a real worry.

In the Senate agricultural committee for instance Senator Herman Talmadge, the Democrat from Georgia (who happens to be under investigation by the Senate ethics committee for improper financial dealings, owns a 1,388-acre farm worth \$2 millions. Two other members of the committee hold extensive agricultural interests.



The prevalence of conflict of interest was revealed last week in a series of reports and filings required by the Ethics in Government Act 1978. This Act was passed with the aim of improving morality in government in the post-Watergate era. It obliges members of Congress to disclose in detail their financial worth, holdings, business interests as well as income acquired through speaking engagements and work on behalf of special interest groups.

As well as disclosing extensive conflicts of interest the reports produced under the Act show that members of Congress in both houses are by no means typical Americans. The Senate, the more powerful upper house, is almost exclusively a rich man's club. Around one third of the Senators have a net worth of more than \$1 million and there is another large group not far behind. House of Representatives members are generally not short of the odd cent or two either; at least 25 of them are millionaires and several more near to that.

In contrast, only a handful of members of Congress have little or no outside income or financial assets. Senator Spark Matsunaga, Democrat of Hawaii, has no outside business earnings apart from \$7,000 in fees from lectures made in his role as a senator (there is an upper limit of \$25,000 on these kind of earnings). And Senator Les Aspin, of Wisconsin, reported he had no outside earnings. But there are few others.

Among the Senate and House millionaires there is a group which can only be classified as the superwealthy. The richest of them all is Senator John Heinz, heir to the H.J. Heinz fortune, whose stockholdings appear to be worth around \$50 millions - almost a million for each brand.

Senator John Danworth from Missouri is heir to the fortune based on the Ralston Purian company, which among other things is one of the US's biggest agricultural concerns, and is currently worth in the order of \$17 millions.

In the House the richest man is probably Mr. Fred Richmond, a Democrat from New York, who holds 748,000 shares in Walco, a manufacturer of small machinery, and this holding alone is worth \$16 millions. Among the 1980 presidential hopefuls Senator Edward Kennedy looks the most comfortable, although Senator Howard Baker, among the Republican candidates, is no pauper either. Senator Kennedy reported an unearned income of between \$288,401 and \$581,500



from family trusts and businesses last year. Even if one assumed he was only earning a modest 5 per cent on his investments held in family trusts this would suggest that his personal share of the Kennedy his personal share of the Kennedy family fortunes was at least \$28 millions.

Senator Howard Baker, of Tennessee, the strongest of the moderate Republicans seeking the 1980 nomination, has an unearned income of \$328,000 which came largely from sales and interest payments on his share of a property partnership. And Senator Thomas Eagleton, who had to drop out of the Vice Presidential stakes in 1972 when a history of mental problems was discovered, earns an income of \$100,000 a year from a family firm.

Being an astronaut can also pay off handsomely, Senator John Glenn, who after his 1962 space flight went to work for the Royal Crown Cola and other companies, amassed a huge personal fortune which produces him an income of between \$288,000 and \$412,000 a year. His investments include partnerships in several Holiday Inn hotels across America as well as substantial property interests.

The remarkable thing about the financial interests of most Senate and House members is how few of them have taken the trouble to place them in trusts to avoid any possible conflicts of interest with their work in the Congress. Many are still involved in the day to day decisions over their investments and the businesses which their families run. And unlike the House of Commons there is no formal tradition of announcing an interest before speaking on a subject in committee or to a Bill.