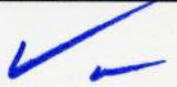


U.S. Congressman
Nick Rahall
WORKING FOR WEST VIRGINIANS



FOR IMMEDIATE RELEASE

CONTACT: STEPHEN SPINA

WEDNESDAY, NOVEMBER 8, 1989

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RAHALL URGES CAP OF PRESIDENTIAL EARNINGS

WASHINGTON, D.C.-- CONGRESSMAN NICK J. RAHALL, II (D-WV) ANNOUNCED TODAY THAT HE WILL COSPONSOR LEGISLATION TO CURB THE AMOUNT OF MONEY THAT FORMER PRESIDENTS MAY MAKE AFTER THEY LEAVE OFFICE.

"FORMER PRESIDENT'S HAVE A RESPONSIBILITY TO THE OFFICE THAT HAVE SERVED NOT TO DEMEAN IT OR EXPLOIT IT FOR PERSONAL GAIN," SAID RAHALL. "IT IS LUDICROUS THAT RONALD REAGAN SHOULD BE PAID OVER \$2 MILLION FOR A FEW HOURS WORK. WHAT DOES HE THINK THIS IS, HUD?"

THE NEW BILL WOULD ALLOW FORMER PRESIDENTS TO MAKE UP TO \$99,500, THE AMOUNT OF THEIR PENSION, WITHOUT PENALTY. ONE DOLLAR FOR EVERY THREE IN OUTSIDE EARNINGS ABOVE THE \$99,500 WOULD BE DEDUCTED FROM THEIR PENSION IN THE FOLLOWING YEAR.

"ANY MAN SHOULD BE ABLE TO LIVE OFF \$199,000 A YEAR," SAID RAHALL. "AND IF HE WISHES TO MAKE MORE, FINE. HE JUST CAN'T EXPECT THE GOVERNMENT TO PICK-UP THE TAB."

--30--

PETER A. DEFAZIO
4TH DISTRICT, OREGON

INTERIOR AND INSULAR AFFAIRS

SUBCOMMITTEES:
NATIONAL PARKS AND PUBLIC LANDS
WATER AND POWER RESOURCES
MINING AND NATURAL RESOURCES

PUBLIC WORKS AND TRANSPORTATION

SUBCOMMITTEES:
AVIATION
WATER RESOURCES

SELECT COMMITTEE ON AGING

SUBCOMMITTEE:
HUMAN SERVICES



Congress of the United States
House of Representatives

November 6, 1989

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"THESE PEOPLE ARE TRYING TO HIRE NOT CALVIN COOLIDGE, BUT A FORMER PRESIDENT OF THE UNITED STATES. I CANNOT DO ANYTHING THAT MIGHT TAKE AWAY FROM THE PRESIDENCY ANY OF ITS DIGNITY, OR ANY OF THE FAITH THE PEOPLE HAVE IN IT."

- CALVIN COOLIDGE

Dear Colleague:

Presidential pensions were established by law in 1958. During consideration of legislation to create a stipend for ex-Presidents, House and Senate committees concluded:

"We expect a former President to engage in no business or occupation which would demean the office he has held or capitalize upon it in any improper way. There are many ways in which a former President can earn a large income, but ought not to."

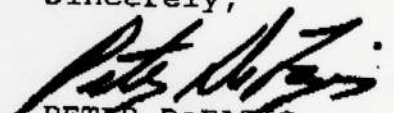
Many Americans were outraged when former President Reagan was given two million dollars by a Japanese corporation for a speaking engagement in Japan. The Reagan episode touched a raw nerve in the American taxpayer.

We owe it to our former Presidents and to our nation's honor to provide a reasonable presidential pension. But it's unseemly, to say the least, when a former President cashes in on his prestige. Let's face it - it's time to reconsider the manner in which former Presidents receive pensions and emoluments.

I've introduced legislation that will add a degree of fairness to the system. My legislation allows former Presidents to earn up to \$99,500, the amount of their pension, without penalty. One dollar for every three dollars in outside earnings above the \$99,500 would be deducted from their pension in the following year - a scheme similar to the Social Security earnings test.

If you have any questions, or would like to cosponsor this legislation, please contact me or Penny Dodge of my staff at 225-6416.

Sincerely,


PETER DEFAZIO
Member of Congress

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ELC

[DISCUSSION DRAFT November 2, 1989]

101ST CONGRESS
1ST SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. DEFAZIO introduced the following bill; which was referred to
the Committee on _____

A BILL

To reduce the retirement pay of former Presidents in cases where
their earned income exceeds a certain amount.

1 *Be it enacted by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*

1 SECTION 1. REDUCTION OF RETIREMENT PAY OF FORMER PRESIDENTS.

2 The Act entitled ``An Act to provide retirement, clerical
3 assistants, and free mailing privileges to former Presidents
4 of the United States, and for other purposes'', approved
5 August 25, 1958 (3 U.S.C. 102 note), is amended--

6 (1) in subsection (a) by striking out ``Each'' and
7 inserting in lieu thereof ``Except as provided in
8 subsection (f), each'';

9 (2) by redesignating subsection (f) as subsection
10 (g); and

11 (3) by inserting after subsection (e) the following
12 new subsection:

13 ``(f) REDUCTION OF ALLOWANCE.--

14 `` (1) IN GENERAL.--In any case in which the Secretary
15 determines that the earned income of a former President
16 exceeds the amount equal to the amount of allowance that
17 President is entitled to receive under subsection (a) in
18 any year, the Secretary shall deduct \$1.00 from that
19 allowance in the following year for every \$3.00 of earned
20 income above the amount equal to the amount of the
21 allowance. The determination shall be done one month
22 after the anniversary of the date the individual became a
23 former President.

24 `` (2) PROVISION OF INFORMATION BY FORMER
25 PRESIDENTS.--As a condition of receiving the allowance

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3

1 under subsection (a), each former President shall provide
2 to the Secretary the information required by the
3 Secretary to make the determination required by paragraph
4 (1).

5 `` (3) DEFINITIONS.--As used in this subsection--

6 `` (A) the term 'earned income' has the meaning
7 that term is given in section 911(d)(2)(A) of the
8 Internal Revenue Code of 1986;

9 `` (B) the term 'Secretary' means the Secretary of
10 the Treasury; and

11 `` (C) the term 'year' is the 12 month period
12 measured from the first day of the month in which an
13 individual becomes a former President.'`.