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SENATE UNIT ASKS VOTE LAW CHANGE

It Would Exempt Companies
and Unions From Curb on
Certain Contributions
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WASHINGTON, Oct. 4— Without public hearings and with no advance notice, the Senate Rules Committee voted today to exempt corporations and labor unions from certain provisions of the 1971 campaign reform law.

Only a bare quorum of the nine-man committee was present as it held an impromptu, unannounced meeting in the office of the Secretary of the Senate and voted, 4 to 1, to amend the reform law that went into effect only five months ago.

The effect of the committee's action would be to exempt corporations and labor organizations from a provision in the law making it a crime for anyone holding a Government contract to make campaign contributions, directly or indirectly to any political party or candidate.

The provision, carried over from a 1940 law, was based on the premise that contractors making money from Government contracts should not be in a position to influence the political process through campaign contributions.

Earlier this week under a suspension of the rules, the House repealed the provision by a one-vote margin. The measure was brought to the House floor by the leadership with no specific notice to the members and without any public hearings by

the House Administration Committee, headed by Representative Wayne L. Hays, Democrat of Ohio.

Whether the measure will be whisked through the Senate, as it was in the House, depends largely upon Senator Mike Mansfield, the Senate majority leader.

Stand by Mansfield

Senator Mansfield announced last month that no legislation reported by a committee after Sept. 15 would be considered on the Senate floor this session unless it was "a matter of extraordinary importance" or noncontroversial. In an interview, Senator Mansfield declined to commit himself on whether he regarded the repeal measure as of "extraordinary importance."

In both the Senate and House, members are under considerable pressure from corporations, labor unions and the Administration to repeal the provision.

The pressure developed after Common Cause, the citizens' lobby group, won a lawsuit earlier this year forcing TRW, Inc., a Cleveland aerospace company with Government contracts, to dissolve a corporation campaign fund drawn from employe contributions.

Both the Administration and corporations became concerned that the law could be interpreted to curtail campaign contributions. Similarly, labor organizations, which mounted the

Capitol Hill effort to repeal the provision, were concerned that they might be covered by the law since some labor unions have Government contracts to administer manpower training and other Federal programs.

During the committee hearing, Senator Hugh Scott, the Senate Republican leader, was reported by colleagues to have said, "They want this bill downtown."

Common Cause, meanwhile, issued a statement after the committee action saying, "The procedures used to stampede this bill through the House and now apparently in motion in the Senate are nothing short of outrageous. They represent an abuse of legislative process in its most blatant form."

In another development related to campaign financing, the United States Court of Appeals were refused today to hear an appeal by the finance committee to reelect the President.

If upheld, the appeal could have blocked an attempt by Common Cause to force public disclosure of concealed contributors of more than \$10-million to President Nixon's campaign treasury.

The ruling appeared to open the way for a possible disclosure order before the Nov. 7 election, perhaps within a few weeks.