The original documents are located in Box 24, folder "Democratic Presidential Candidates (2)" of the Robert T. Hartmann Files at the Gerald R. Ford Presidential Library.

White House Report/Presidential staff continues growth under Ford

by Dom Bonafede

1110
8/2/75
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During the waning months of the Nixon Administration considerable attention was focused on the growth of the White House staff as a contributing factor to an "imperial" presidency. There were proposals to restrict the size of the President's staff as a way of curbing the centralization of power within the White House.

President Nixon himself conceded that the White House staff had "grown like Topsy." And in a report to the Senate Watergate committee, the National Academy of Public Administration said, "Centralization of power in the presidency has increased over the years to the present extreme situation in which the prevailing view is that the whole government should be run from the White House. The role of the principal assistants to the presidency has been virtually transformed to one of 'assistant Presidents.'"

The public administrators recommended that the senior White House aides be limited in number and subject to the Hatch Act prohibiting political activity by government employees. The Watergate committee, however, declined to involve itself in the issue of presidential authority or make recommendations concerning the size of the White House staff structure. *(See Vol. 6, No. 30, p. 1129.)*

Ford pledge: Shortly after succeeding Nixon, Gerald R. Ford pledged to reduce the size of the White House staff by 10 per cent, which would bring it down to less than 500 employees. However, according to the most recent statistics released by the Civil Service Commission, the White House in April had 578 employees—38 more than when Nixon left the White House in August 1974.

In the latest development, the House July 9 approved a bill (HR 6706) by voice vote that would set a 575 person limit on the number of White House and executive residence employees. Currently, there are 86 executive residence employees.

Loopholes: But, according to opponents of the bill—led by Reps. Patricia Schroeder, D-Colo., Morris K. Udall, D-Ariz., and Herbert E. Harris II, D-Va.—the alleged intent of HR 6706 is illusory and riddled with loopholes. They say that if enacted, the bill could lead to further abuses of the presidential staffing system. Specifically, they maintain:

- Ceilings on White House personnel are meaningless since the President is allowed to add to his staff an unlimited number of experts and consultants who can be hired for as long as he wants.
- The bill would lead to the increased use of the practice by the President of borrowing personnel from federal departments—known as "detailees"—particularly since the legislation does not require reimbursement of the parent agency for six months.
- The bill would reinforce the White House "palace guard" by almost doubling the number of supergrade White House aides, those earning $36,000 to $42,500 annually, from 54 to 95.

MORRIS K. UDALL
. . . opposes staffing bill

Opponents: Citing the opposition's demands for a tighter check on the White House staff and improved accounting and reporting of White House operations, Harris said during debate on the House floor July 9:

"It is time that we remove major policy making from a few cloistered, unknown, faceless special executive assistants and associate counselors to the President behind the impenetrable walls of the Executive Mansion.

"This Congress, of all Congresses, must stop a burgeoning bureaucracy in the White House to assure that another Watergate will not be perpetrated on the American people. This Congress must return government to the people, to our Cabinet officials where decisions should be made out in the open and where top officials are accessible and accountable."

Consultants: Critics of the bill note that in regard to the hiring of consultants, who are paid $101 to $153 a day, the White House is being shown special favor since there is a one year restriction on the employment of consultants by all other federal agencies.

The provision, said Harris, gives the President "the leeway to swell his ranks with outside consultants, subject only to budget limitations."

Detailees: As for the detailees, since 1971 when President Nixon presented what he called an "honest budget" that included detailees assigned to the White House for 90 days or more, White House spokesmen have pledged to reduce the number of detailees on the President's staff.

Donald Rumsfeld, assistant to the President who performs the functions of White House chief of staff, told reporters in December, "We are trying to reduce down the number of individuals who are, so to speak, detailed into the White House."

In response to a request from the House Post Office and Civil Service Committee, the Ford White House reported 20 detailees and 12 consultants on the President's staff as of April 1. The figures do not include an estimated 50 government employees, mostly from the State Department, who are detailed to the National Security Council.

Harris also said there was no indication of how many employees were detailed to the White House over the year, how many are detailed now or for how long. "I believe the public should know who is detailed, for how long, and at what cost to the taxpayer," he said.

In the past, it has not been unusual for a detailee to be assigned to the White House for a year or longer without his salary being reimbursed to his original agency by the White House. Consequently, the exact number of White House staff aides has been hidden.

The current White House position is that detailees are transferred to the White House only when their special expertise is needed.

However, Roderick M. Hills, a counsel to the President, reported during the recent furor over the detailing of CIA personnel to the White House that the general practice "is common."

Claim contested: During the House committee's consideration of the bill, Administration officials told the members that the White House did not really intend to fill all of the additional 41 supergrade positions provided in the measure and that the

This Magazine is in two parts. Part 2 is a report on Fashions of The Times.

The New York Times Magazine

AUGUST 24, 1975/SECTION 6/PART 1

Jerry Brown governs the biggest state by preaching that 'small is beautiful'—and wondering how a Governor differs from a shoemaker.

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NEWS

New York City Chosen for '76 Democratic Convention

The Democrats Wednesday unanimously chose New York City as the site for the 1976 Democratic National Convention.

New York Mayor Abraham Beame made what must be one of the most unique sales pitches ever offered on behalf of a convention city, Frank Reynolds (ABC) reported. Beame promised that the police will not strike, the garbage will be collected, the trains and buses will run, and the firemen will not allow Madison Square Garden to go up in flames.

Beame said (on ABC/NBC/CBS film): "The real clincher of our offer is the city itself. We're still the 'big apple,' the hometown for progress and change, for imagination and leadership. We're rich enough in spirit and human resources not to be afraid of the future."

Although it was generally agreed that Los Angeles' convention facilities were superior to New York's, Reynolds reported, the Democrats seemed anxious to demonstrate their concern for the nation's cities by picking the one most in trouble. The first ballot was inconclusive, but three Los Angeles supporters changed their votes and Reynolds said, "New York finally got something it wanted."

Democratic Party Chairman Robert Strauss denied influencing the committee members in favor of New York, saying (on NBC film): "I hope that they voted openly and freely in their own convictions. I don't think it could have gone wrong." However, although he did not "twist any arms," Leslie Stael (CBS) reported that "as often happens in the Democratic party these days, whatever Chairman Strauss wanted...Chairman Strauss got." -- AP, UPI, Networks (8/27/75)

Laxalt Says Reagan Won't Create Third Party

Sen. Paul Laxalt (R., Nev.) in an interview on CBS Morning News, said that although he is a supporter of Ronald Reagan for the Republican Presidential nomination, Reagan's candidacy will not result in a third party effort.

THE WHITE HOUSE

WASHINGTON

Robert T. Hartmann

Donald Rumsfeld

To: Philip Buchen

From: Jack Calkins

Date September 15, 1975

Bentsen in '76 Committee / William Lane, Chairman / Jack Blanton, Treasurer / 505 C Street, N.E. / Washington, D.C. 20002 / 202-544-1070

bentsen for president NEWS

A copy of our report is filed with the Federal Elections Commission and is available for purchase from the FEC, Washington, D.C.

September 3, 1975 Contact: Bob Healy 202/544-1070
FOR IMMEDIATE RELEASE:

Washington, D.C. - Senator Lloyd Bentsen (D-Tex.) charged Wednesday that General Counsel to the Federal Election Commission is seeking to open a "triple loophole" in the campaign funding law which would benefit only an incumbent President

In a letter to FEC Chairman Thomas B. Curtis, Bentsen responded to a request for comment on the opinion of FEC counsel John G. Murphy regarding a trip by President Ford to New Hampshire this month.

Murphy maintains that travel expenses for the New Hampshire trip should not be charged against Ford's expenditure limit as a candidate for President; that money spent by the Republican National Committee is not a contribution to the Ford campaign subject to a $5,000 contribution limit by political parties to candidates for their presidential nomination; and that, even if expenditure and contribution limits applied, the Ford campaign should be charged only the "equivalent commercial rates."

"The General Counsel reasons that a Ford appearance in New Hampshire -- five months before its important Presidential primary, on business that he admits is political -- will have a major impact only on the Wyman Senate candidacy and merely a 'carryover effect' on the President's expected candidacy in the New Hampshire primary," Bentsen said.

Noting that press secretary Ron Nessen has indicated that Ford plans to have the Republican Party pay for all his political trips this year, Bentsen said "each time my political committee receives a contribution in cash or in kind from a qualified political committee, those contributions are subject to a $5,000 limit."

"Each time I make an expenditure for campaign travel, those expenditures are charged to my $10 million primary expenditure limit -- even if I have been invited to speak on legislative matters before a Chamber of Commerce or other large group."

"Each time another political committee charters a plane for my campaign travel, the full charter rate is a contribution to my campaign and a charge against my overall expenditure limit."

"I do not advocate limiting the amounts paid by the Federal government to support the President in his official capacity while on his political travels. I am not seeking in any way to restrict or hamper the President in carrying out the duties of his office," Bentsen said.

"Nevertheless, where private money is used to defray the cost of political travels, the FEC should count the full amount as a contribution or expenditure. Surely, an incumbent President has enough advantages by virtue of his incumbency without the Federal Election Commission carving out additional exceptions from the law for his sole benefit," Senator Bentsen said.

-30-

S.K.King, 48-A Calle Aragon, Laguna Hills, Cal. 92653

How can one man be so beholden to so many and still be his own man? In addition he received illegal contributions from the Milk Fund. If I have to listne to him through one more campaign "I'll move to Canada".

Humphrey Trying to Settle '72 Campaign Debts for as Little as 3 Cents on Dollar

WASHINGTON (AP)—Sen. Hubert H. Humphrey (D-Minn.) is attempting to settle more than $900,000 in 1972 campaign debts for as little as 3 or 4 cents on the dollar.

That means he will be getting great amounts to campaign donations of up to $100,000 apiece from wealthy creditors, who include a jailed swindler.

The move appears to be quite legal. The Federal Elections Commission has ruled that this year's new ceilings on campaign giving will not apply until 1976 to donations to pay off old debts.

However, official reports of the Humphrey campaign debts omit certain required information, and they conflict with statements by Humphrey's spokesman and by the estate of a deceased creditor.

Quarterly reports to the Elections Commission show Humphrey has begun raising money on two fronts. The Committee for the Reelection of Sen. Hubert H. Humphrey took in $79,000 in the three months ending Sept. 30 for next year's Senate race. The unit had $53,000 left after expenses.

Meanwhile, the long-dormant Triple H Committee raised $40,000 in the same period to pay off about $925,000 in debts dating to Humphrey's attempt to win the 1972 presidential nomination.

Humphrey aide David Gartner said that that money would be applied to settling a few small debts for about 50 cents to 75 cents on the dollar. But he said the major creditors would be asked to swallow nearly all of their loans by settling for a few cents on the dollar.

"I don't see how in God's green earth we can raise the money to do any more than that," Gartner said.

By forgiving all but a small part of the debts, the creditors will in effect be donating the remainder to the 1972 Humphrey committees. The Elections Commission says it will allow such large debt write-offs until the end of the year.

The biggest debts are to old-line Humphrey backers who have donated large sums to his past campaigns. The debts include $175,000 to Joseph Cole, a Cleveland key manufacturer; $150,000 to Meshulam Riklis, head of a New York conglomerate; $85,000 to S. Harrison Dogole, an executive of a security systems firm in Philadelphia, and $73,000 to Walter Shorenstein, a San Francisco businessman.

Among the smaller debts is $22,000 to Stanley Goldblum, now serving an eight-year federal prison sentence after pleading guilty to fraud charges in the collapse of Equity Funding.

Humphrey has been mentioned frequently as a possible Democratic nominee for President in 1976, although he has not announced his candidacy.

Humphrey's official reports show some irregularities. Such required information as occupation and principal business address are often missing for key creditors. Gartner said two loans totaling $17,000 had been settled by the committee, but the reports show them as still owed.

Gartner said also that a key debt-holding committee had failed to report on time because it had "no activity," but later he said one debt held by the committee had been reduced by $1,600 during the reporting period.

Another discrepancy appears between the Humphrey reports and court papers filed by the estate of Irvin J. Kahn, a San Diego real estate developer who died on Sept. 11, 1973. Kahn's estate reported last month that it had written off a $41,500 loan to the Humphrey campaign as valueless. Yet Humphrey reports owing two debts to Kahn of $16,500 and $50,000. The extra $25,000 was not explained.

Other reported Humphrey debts include $65,000 to Daniel Schwartz, a Los Angeles movie executive and one time lawyer for singer Frank Sinatra; $65,000 to Eugene V. Klein, Los Angeles movie man; $50,000 to Gilbert Lerhman, a Harrisburg, Pa., businessman; $44,000 to Paul R. Thatcher, a Humphrey fund-raiser; $25,000 to Garrett Carlson, a Minneapolis businessman, and smaller sums to a dozen other persons.

White House Aide Robert Hartmann

1600 Pennsylvania Ave.

Washington, D.C. 20500

('76 campaign - JACKSON, Sen.Henry)

KENNEDY, Don

December 8, 1975

Dear Mr. Kennedy:

Thank you for your letter of November 25 and the information regarding Senator Jackson's candidacy.

I appreciate your thoughtfulness in keeping me informed on how the people in the great State of Washington feel about the important issues and national problems which we face. Please be assured the President will know of your views.

Incidentally, the President and I both enjoyed our recent trip to Seattle.

Sincerely,

ROBERT T. HARTMANN
Counsellor to the President

Mr. Don Kennedy
P. O. Box 1585
Bellevue, Washington 98009

RTH:DJS:nm

Doug
Pls advise your fellow Washington

Don Kennedy
SALES REPRESENTATIVE
P.O. BOX 1585 • (206) 232-0985
BELLEVUE, WASHINGTON 98009

November 25, 1975

Mr. Robert T. Hartmann,
Counselor to the President,
The White House,
Washington, D.C.

Dear Mr. Hartmann:

The President of the United States should never spend his very valuable time reading letters from persons such as I, way out here in the boondocks, far away from the glamour of Washington. So you are elected to receive this letter.

Enclosed is a form letter that I received this morning from Henry M. Jackson. If you will read it, as thousands of others surely will, that gent from Washington state, throws some pretty low blows at President Ford and his Administration.

Which brings up the major complaint about President Ford; that he is 'a nice fellow' but too 'soft' to lead America in these times of difficult national problems. That's what a lot of people think; that what America needs most right now is a 'give-em-hell president' who will not mince words about things he thinks are wrong.

Maybe President Ford is too much of a gentleman and too amenable to be a rock-em-sock-em President. If that is so, then the Party should hire someone with a killer instict to do the job for him. And surely that person should not be a woman, even Mrs. Smith.

Sincerely yours,

Don Kennedy

Don Kennedy

1776 1976

United States Senate
WASHINGTON, D. C. 20510

HENRY M. JACKSON

Dear Friend,

When I announced my candidacy for the Presidency last February, I stated that I intended to forego active campaigning for the next several months so that I could concentrate on my work in the United States Senate.

It was abundantly clear that much had to be changed in Washington if the nation was to pull out of its deepening economic trouble.

Inflation and unemployment plague our economy. My efforts in the Senate were dedicated to combating these two problems. And I hoped these efforts would win the cooperation of President Ford.

I could not have been more wrong.

Just as Richard Nixon did when he vetoed my energy program designed to marshal our country's resources to make us self-sufficient in energy, Gerald Ford has vetoed every major piece of economic recovery legislation passed by the Congress.

Mr. Ford has vetoed health and housing bills designed to raise the quality of life in America while spurring economic recovery.

He has vetoed emergency employment legislation designed to take Americans off welfare and put them back to work.

He has vetoed economic recovery. We have had 10% unemployment, 20% unemployment for young people and 40% unemployment for black youth. And the Administration's own projections of the results of their policies tell us to expect more of the same.

I ask you, what kind of a future is the Administration building for our country when it allows these levels of unemployment among our youth?

This Administration believes we <u>need</u> unemployment to fight inflation. So they have created a recession, and created unemployment. In the process they are producing a generation of young Americans, white and black, who have never had a decent job, never learned a trade, never been able to support themselves.

Over, please.

President Ford's economics have put them on a welfare program that under Nixon and Ford has become a permanent way of life rather than a temporary buffer against adversity. You and I pay to support them. We pay today and we'll pay tomorrow, too, unless we break this planned recession now and put people to work. In fact, a 1% increase in unemployment increases the Federal deficit by $16,000,000,000.

The President's program has given us the pain of recession, but has failed to stop the continuing inflation which is destroying the budgets of millions of American families.

In two years, the price of a gallon of gasoline has gone up 51%. The price of electricity is up 35% and home heating is up 71%. For millions of families, the tax rebate didn't even cover one month's utility bill.

And President Ford has proposed that oil prices be permitted to go up even more. He vetoed an extension of any limits on the price of oil.

If the Ford Administration has its way, the price of gasoline will be close to a dollar a gallon within two years. This is no accident, and this is no inevitable work of fate. Price increases are the deliberate policy of the Ford Administration.

Oil prices are only one example of how much the cost of living has risen under the Nixon and Ford Administrations.

Take food prices as another example. The dramatic increase in food costs in 1973 was the direct result of the Nixon Administration's Russian grain sale.

We should have learned from that experience. But instead, the Ford Administration was prepared to allow the Soviet Union once again to disrupt our food markets with massive secret purchases. That's why my investigating committee held hearings on the Russian grain purchases -- to try to stop more food inflation before it got started and to try to bring the Russian needs and plans out from under the table and into the sunlight.

Food prices, and energy prices, are just the beginning. Housing prices are soaring, too.

Thirty years ago, after the Second World War, a middle class family could work, and save, and afford to buy a home of its own. Home ownership was not just part of the American dream, it was a reality. Today, for millions of families, especially new young families, that's no longer true.

The cost of living -- the cost of having a decent life for ourselves and our families -- has skyrocketed. I've been trying to fight the increases. But the Ford Administration has refused to fight.

Gerald Ford has refused to stand up to the big oil companies and block price increases. Instead, he sides with them, and against the American consumer.

Gerald Ford has refused to stand up for our country's interests and prevent another great grain robbery by the Soviets. Mr. Ford's approach to foreign policy is bewildering. I call for fair bargaining on wheat, as on strategic arms limitations. I call for an America ready to stand for its principles of freedom in the Middle East, in Portugal, in the Helsinki talks and security in Europe. Instead, we have an Administration willing to sacrifice our principles and our interest because it is afraid the Soviets won't approve.

The American people deserve better of their government than they have gotten from either Richard Nixon or Gerald Ford.

As President, I believe I can do far better.

I need your support in the coming campaign. With the primary elections only a few months away, it is important that we begin now.

I will need 200,000 Americans to give me $25 each to run an effective national campaign.

Will you help?

Sincerely,

Henry M. Jackson

Henry M. Jackson

HMJ:tpl

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You can deduct your donation from your Federal income tax* in either of two ways:

1. Itemize a deduction from gross income not to exceed $100 for an individual or $200 for married couples filing a joint return.

2. Subtract one-half of the contribution from your actual tax owed to a maximum of $25 for an individual, $50 for married couples filing a joint return.

*Provided prior contributions to other candidates or committees have not been exhausted.

Because a Senator is prohibited from soliciting Federal employees, Federal employees should ignore this request for a contribution.

Dear Senator Jackson,

I am concerned about my country and want to take an active part in providing this nation with the type of leadership it needs. I am enclosing my personal check in support of your campaign for the Presidency.

☐ $15 ☐ $25 ☐ $50 ☐ $100 ☐ $250 ☐ _____

(Please make checks payable to: JACKSON FOR PRESIDENT)

Mr., Mrs., Ms., Miss _____

Home Address _____

City _____ State _____ Zip _____

A copy of our report is filed with the Federal Elections Commission and is available for purchase from the Federal Elections Commission, Washington, D.C.

Walter T. Skallerup, Jr., Jackson for President Committee Treasurer

news from:
senator henry m. jackson
Brian Corcoran, Press Secretary, 202-224-3441

Jackson file

FOR RELEASE: A.M.'s
Saturday, November 8, 1975

ADDRESS BY SENATOR HENRY M. JACKSON
to the
New England Society of Newspaper Editors
Friday Evening, November 7, 1975
Springfield, Massachusetts

The events of this past week are the final confirmation that the Ford Administration cannot provide us with the leadership we must have in the crucial areas of foreign and economic policy.

When Gerald Ford assumed office fifteen months ago, he faced two central tasks. The first was to conduct Soviet-American relations in a way that would serve the interests of world peace. The second was to restore the vitality of the economy.

Management of Detente

Soviet-American "detente" is the centerpiece of Mr. Ford's foreign policy. Mr. Ford demonstrates a dogmatic faith in the version of detente he inherited from President Nixon and Secretary Kissinger. His faith blocks an honest reading of the benefits the United States has derived from this policy. While the international position of the United States continues to erode, Mr. Ford's repeated celebrations of the successes of detente are an attempt to sell a false sense of security. But no one is buying -- not in the United States nor anywhere else -- except in Moscow.

For it is plain that Ford's detente continues to rest on a series of unequal bargains and unilateral American concessions. Mr. Ford is still prepared to operate on the premise that Soviet restraint can be purchased by American wheat, by American neglect of traditional allies, by American economic largesse and diplomatic passivity around the globe, and by the abandonment of America's traditional humanitarian and democratic values in issues of foreign policy.

And this week, the long series of concessions to Soviet sensibilities -- which included the snubbing of Nobel laureate Alexander Solzhenitsyn -- was extended. The President made an unprecedented addition. He silenced, within our own government, officials who raised the tough questions and who were not content with shallow rhetoric for an answer.

It is the mismanagement of detente, not the concept, which is at fault. There is nothing mysterious about international negotiations. You are supposed

to get something for what you give. We need not soft words from the Soviet leaders but real steps toward building a stable peace. Instead the Kissinger-Ford foreign policy has helped the Soviets become more powerful, more adventurous, and more threatening to the international order. The American people sense this. The fact that the President still does not, is shaking confidence in his ability to keep America safe.

Secretary Schlesinger took seriously his responsibility to the President and the country to state the facts as he saw them and to advise the President on the risks as well as the advantages of alternative policies. A President needs such honest advisers. A wise President, confident of his own ability to make difficult decisions, will encourage a vigorous presentation of genuine convictions. A person truly in command, a person of inner security and self-confidence, does not surround himself with yes-men and lackeys.

By dangling the prospect of the Vice Presidency before both Mr. Rumsfeld and Mr. Bush, President Ford is trying to insure that neither one of them will speak his mind.

For the first time, a President wants key national security institutions -- the Department of Defense and the Central Intelligence Agency -- run by men whose paramount concern will be their own political futures -- and his.

Let us be honest about it: Don Rumsfeld and George Bush cannot hold a candle to James Schlesinger and William Colby in terms of judgment, knowledge or intellectual ability.

On the basis of my present knowledge, I am not at all sure I can support the confirmation of both -- or either.

The Economy

As President Ford's conduct of foreign policy erodes our position abroad, his conduct of economic policy weakens us at home. The economic problems of the Nixon era -- the combination of unemployment, inflation, and record federal deficits -- have grown worse. Yet Mr. Ford sees no need to take a new course. He hails the stabilization of unemployment at eight per cent, and inflation at ten, as economic victories.

But for millions of American families the victory is hollow. Ten million Americans have been driven to the edge of insolvency by unemployment. Millions more fear they may be next. All Americans see their economic well-being corroded by uncontrolled inflation. As they face this stark reality, Americans find their President's self-satisfaction callous and incomprehensible.

Here in New England, the consequences of the President's insistence on

exorbitant energy prices are especially apparent. No part of America has suffered more from the past seven years of economic incompetence in Washington.

When Americans see the nation's assets squandered abroad, when vital domestic needs go unmet, when they see a President who will bail out foreign dictators but will push American cities into bankruptcy, I am not surprised at the loss of confidence in the federal government.

President Ford's simplistic answer to the crisis of confidence is to urge the dismantling of the government he heads. The central theme of the Ford Presidency has been to deride the capacity of the government to meet the challenges of our national future. But it is only Mr. Ford's government that has no place in our future.

The nation's energy needs will be met only by a bold government policy of developing our resources. Our shortage of new housing will be met only if federal action encourages -- not discourages -- its construction. Our coal reserves will replace expensive foreign oil only if our railroads can be rebuilt to carry that coal -- and this too requires a government ready to act. Our cities will flourish only if the federal government respects them as the home of millions of Americans, rather than regarding them as the enemy in a civil war. Our economy will produce the resources for our children's future, only if the federal government does not default on its obligations to the people of America.

The Recovery of Confidence

Under the Constitution, the government is charged with fundamental tasks -- the common defense, the general welfare, and the preservation of liberty. Today, the attention of government officials is focused not on these Constitutional responsibilities, but on palace intrigue, bureaucratic maneuvering, and personal empire-building. Self-serving political operators have made the Presidency captive, and are looking after everything but the nation's business.

The recovery of confidence does not demand the dismantling of our institutions or the abandonment of our governmental system. All it requires is men and women who will put the nation's business first and who will take seriously the responsibilities the people have placed in their hands.

SENATOR HUBERT HUMPHREY (D. Minn.)

MR. CLARK: Our guest is Senator Hubert Humphrey and with me is ABC Capitol Hill correspondent, Sam Donaldson, Senator, the Democratic presidential race got under way officially this week with the caucuses in Iowa and Mississippi. Whe have two early winners, Jimmy Carter in Iowa and George Wallace in Mississippi, and one dropout, Terry Sanford.

Have any of these developments changed your mind about getting into the presidential race yourself?

SENATOR HUMPHREY: Not a bit. Not a bit.

MR. CLARK: And then you have been getting some advice, we know, from some good friends and advisers, that you will not have a serious chance of getting the presidential nomination unless you get into some late primaries such as California.

Are you totally ruling out the possibility of your getting into any primaries?

SENATOR HUMPHREY: Well, I surely get that kind of advice, as you have indicated. There are a number of my friends who feel I ought to get into the primaries, but I have said I am not going to. It isn't because I have any disdain for the primaries; it is simply that I am not a candidate in the sense of going out and trying to wrap up this nomination.

I recognize that that, of course, puts you in a very limited position as to the possibilities of getting the nomination and I am perfectly content with that posture.

It is my judgment, however, that before this thing is through, we may very well find that no one candidate comes out with a commanding lead and, if that is the case, then the convention, of course, the delegates at the convention, will have to make the selection, and that is a possibility, as it relates to me.

I don't depend on it. I have said quite honestly I can live with what I am doing with considerable ease and no unhappiness, so there it is.

MR. DONALDSON: Senator, why should the delegates turn to you if you haven't entered the primaries? I cite specifically what Governor Carter says, which is that you have lost some elections for the Presidency, for the nomination, and if you don't demonstrate that you are not a loser by going into some of the primaries, that the delegates shouldn't turn to you.

SENATOR HUMPHREY: Well, Mr. Donaldson, I have been in the primaries, 1972, and I won four of them in a row and came in second in Florida, with only a two months campaign. I won Pennsylvania, Ohio, Indiana and West Virginia. It was a little hard to convey that message to the public, I must confess, but I did win them, so I know how to win a primary.

I was the Democratic nominee in 1968. I came out of that terribly difficult convention 22 percentage points behind, and I closed the gap within four-tenths of one percent in a six weeks' campaign. I know how to campaign. I have won a lot of them, you know. I have won a lot of them.

MR. DONALDSON: The question is "What have you done for me lately," though? That applies to politics. This is 1976. How can you demonstrate that you can win this year?

SENATOR HUMPHREY: Well, Mr. Donaldson, I am not a candidate. I don't have to demonstrate. That is the nice part of it. I don't even have to answer a question like that. I don't have to do it at all.

I am a United States Senator. I intend to run for reelection from the State of Minnesota. I hope I will be able to achieve the necessary support there to come back to the United States Senate.

In the meantime, I address myself to the basic issues that face this country, rather than running around looking for a delegate.

The American people want their public officials to be on the job, running the country rather than running around. I have very heavy responsibilities, as Chairman of the Joint Economic Committee, as the Chairman of the Subcommittee in Foreign Relations, in Agriculture, in many many programs. And I think the best politics is no politics. I think this country wants people that will tend to the business of the Republic. That is what I am going to do.

MR. CLARK: Senator, is there some implied criticism in what you are saying of those members in the Senate who are out campaigning in the primaries? You say the American people want their public officials on the job.

SENATOR HUMPHREY: Yes, that is my judgment. I am not criticizing anybody. I have done exactly what some of my colleagues are doing. They want to be President, and they have made the choice. I think they have done the right thing insofar as their own decision is concerned. They have decided that they would give their time for these few months to being active candidates for the Democratic nomination. Now that is a thoroughly honorable pursuit. I have just found out that you can't be the kind of a Senator that I would like to be and be the kind of a candidate that I think a man ought to be. You can't do both at the same time. So, like my colleague, Senator Mondale, I decided that it was perfectly suitable for me to stay where I am.

MR. CLARK: Do you think, Senator, that the liberals and some of those who are out running for President are going to gang up on this week's winners, on Jimmy Carter and George Wallace?

SENATOR HUMPHREY: I don't think so. I hope and pray they don't. One thing the Democrats don't need is some more ganging up, and they don't need to have any division.

You know, I look upon these early caucuses -- and that is what they have been, these haven't been primaries as such, these have been party caucuses and precinct caucuses -- this whole race for the nomination is like a 500 mile Indianapolis 500 mile speedway. Somebody is ahead on one lap and somebody is ahead on the second lap and somebody drops out. You know, you have watched those races.

What really is the test is who survives. How do you persevere, how do you stay in the race? It is too early to make any prediction as to what will happen.

MR. DONALDSON: Senator, about Governor Wallace, you say you think the convention will not turn to you, but it might. If it does, would you consider putting Governor Wallace on your ticket? Do you think he should be on the ticket this year?

SENATOR HUMPHREY: I would not recommend him if I were the nominee, that is number one, and I seriously doubt whether the convention would nominate him.

MR. DONALDSON: Would you support him?

SENATOR HUMPHREY: I said I would not recommend him, and I seriously doubt that the convention would nominate him, and I think any other question is irrelevant.

MR. DONALDSON: May I ask you just once more, because there are a lot of people I think who may want to know your answer to it. Would you support Governor Wallace if he was on the ticket?

SENATOR HUMPHREY: He isn't going to be on the ticket, and I think you know that, and I think I know that, and as Franklin Roosevelt said, never answer and "iffy" question.

MR. DONALDSON: You have said you are not going to be in the primaries. I was in New Hampshire Friday night, and at every place at a Democratic dinner, over a thousand people, here was this card saying "Write in Hubert Humphrey," and on the back a list of delegates who would be for you.

Do you disavow this?

SENATOR HUMPHREY: Yes, I do and you know that, Mr. Donaldson.

MR. DONALDSON: Are you saying to the people in New Hampshire you do not want them to write in your name?

SENATOR HUMPHREY: I am saying to the people of New Hampshire this is not sponsored by Hubert Humphrey. The person who is sponsored is not authorized by Hubert Humphrey. I will say I wrote to every candidate that is under the Elections Commissions' Ruling, who is an avowed candidate, I wrote each one of them a letter and said this was not my effort. That I disavowed the effort, period.

MR. DONALDSON: And you don't want them to write your name in?

SENATOR HUMPHREY: That is correct.

MR. CLARK: Senator, do you plan any efforts in you own behalf for the Democratic Convention or are you going to try to line up delegates, or are you just going to sit and wait for the lightning to strike?

SENATOR HUMPHREY: Can I make it clear once again, I am not a candidate. Now, I love both of you men; you are very good friends of mine. Now, if I wanted to be a candidate, I would come and tell you, and I would even tell my office staff, you know, and I would tell the Democratic party.

I am not a candidate. I have said exactly what I mean. Namely, that I intend to be an active man in the political life of my party and my country. I do not intend to enter any primaries. I have said I hope to be at the convention. If the convention turns to me, I want to be ready to go out and win that election.

MR. CLARK: Senator, correct me if I am wrong. I think you have been saying also you would love to be President, if the convention does turn to you.

SENATOR HUMPHREY: I haven't made it quite that enthusiastic. I used to say it that way.

MR. CLARK: Would you like very much to be president?

SENATOR HUMPHREY: I have said if my party turned to me I would hope to be ready in every way to carry out the fight and the challenge and to go out and to win and, believe me, I would do just that if the party turns to me.

MR. CLARK: The question again, if I may.

We all know you are not a candidate in the primaries. When you get to the convention, are you just going to sit there, or will you at that time start to try to organize delegates in your behalf?

SENATOR HUMPHREY: I think that is a fair question, Bob.

If at the end of all of these primaries there doesn't seem to be any commanding lead or any one or two of the candidates that look like they can put it together, then I think it would be only prudent on my part in light of what has developed, that I should sit down with a few of my counsellors and some of the leaders in the party and ask what, if anything, I ought to do.

That is just plain common sense and indeed, I would do that, but you know I am a realist about politics. You generally don't get what you do not work for and fight for and in this instance I think it is highly unlikely that I would be nominated. I don't think it is impossible, or I would have said so before. I think the conditions today are very different, with proportional representation, with the large number of candidates, it may very well be no one will come to that convention with enough delegates support to really get the nomination, and then the convention will do what it is supposed to do; it will make its selection. In the meantime, I am going to address myself to the President's budget, to the President's foreign policy, to the President's manpower and employment policy, to the President and his relationships with the Congress. There are issues that are fundamental. This country is in a housing depression; this country has over 11 per cent unemployment. As to what the Administrations says, 8.3, this country has slow economic growth, this country has a rising crime rate. This country has serious economic and social problems and I think that a man that has been in government as long as I have been and now has the responsibilities that I have and the opportunity to serve ought to address himself to those problems, and that is exactly what I am doing as Chairman of the Joint Economic Committee, and I think one of the reasons some of the people in America look to me with some favor is because they think I am really working on the problems that affect their lives, and I hope they do feel that way because that is exactly what I want to do. I want to do the very best I can in the time that I have as a Senator, or whatever public position I may hold, to address the nation's problems, and I think I know something about them.

MR. DONALDSON: Senator, I think we have to ask one more campaign-related question because we do want to get your views on those other issues.

There are several things in your background that some of the candidates and people are talking about and one is the way you settled your 1972 campaign debt; four cents on the dollar.

Would you explain to us why you think that was a fair settlement?

SENATOR HUMPHREY: Well, I wish it could have been better, but let me tell you, don't cry over the fact that some of those who got that limited amount of payment received only so little.

First of all, they were all people who knew me very well. They knew when they made the loan that there was a possibility that it couldn't all be paid back. They also are people that can well afford it and the most interesting thing about this, I keep getting questions from people about it, but the people that got paid back are not crying a bit. They are perfectly content. As a matter of fact, most of them would like to see me President of the United States. They would like to do it all over again.

I have told them that one of the reasons I don't want to run is that I am sick and tired of trying to face these problems of financing a campaign and I predict that every candidate will be saying that before they are through, even with public financing such as we have now, where in primaries you can get half of your total campaign expenditures.

I predict that you will have plenty of problems even under this situation.

MR. CLARK: In relation to your responsibility to the Joint Economic Committee, do you think additional tax cuts are going to be needed this year to stimulate the economy?

SENATOR HUMPHREY: Well, as you know, we have a budget process in the Congress for the first time, and we are very proud of it. I think we need to look at the entire fiscal picture, the budget picture, and then we need to keep a constant watchful eye on the economy.

I believe that is the sensible way to approach it. My own judgment has been -- and I so recommended in an interim report of the Joint Economic Committee, that we have a tax cut for the full year of around a $20 billion figure. The President has raised that to $28 billion with offsets and reductions in spending, which of course just neutralizes the expansionary stimulus effect of any kind of tax cut.

MR. CLARK: The President in his State of the Union address talked about a $10 billion tax cut this year.

SENATOR HUMPHREY: Yes.

MR. CLARK: Are you saying Democratics probably will not match that?

SENATOR HUMPHREY: No, I am not saying that. Of course he talked about a $10 billion tax cut, plus a $10 billion reduction in the budget. That would reduce his budget down again from 395 down to 385. And might I quickly add that the $395 billion figure was just picked out of thin air here a few months ago and now the President has come in and tried to get a budget that would meet that figure.

Mr. Ford has a problem. He comes up with these quick suggestions and then he has to reverse his field. For example, he asked, if you will remember, in December 1974, for a five percent increase in taxes. In January, however, of 1975, he came in and recommended that we have a substantial tax reduction. And I think that Mr. Ford again has got himself trapped into a situation where he has made a budget figure and now is trying to rationalize it. But again, on your taxes, we will watch it very carefully. I was the first man in Congress to propose, in the beginning of this recession, a very substantial tax cut. I believe that people with purchasing power do the best job of reving up the economy and getting the people back to work.

MR. DONALDSON: The President has proposed new payroll taxes, a lifting of the base on Social Security payments, saying the fund is going broke. Senator Long, however, the Chairman of the Finance Committee in the Senate, suggests that perhaps the best way to do it is to go into the general revenue fund. What do you favor?

SENATOR HUMPHREY: The payroll tax that the President has recommended is very hard on low-income people because remember, it only affects people with incomes under $15,000, the payroll tax. It is taxable for Social Security benefits and unemployment compensation. They are both paid by the employer, and Social Security in part by the employee. So it is a heavy cost on hiring new workers. It is a heavy cost on production. So the President's Social Security taxes, at this time, will have, I think, a very unfortunate effect upon

economic recovery. Also it will be a direct burden upon the lowest income people. I therefore believe that there is a better way. You can either raise the taxable base up to a higher figure, if you wish to , to get more revenue, or you can do as Senator Long had indicated: go to the general revenue for what additional monies you need. That would have to come out of general income taxes. Or you could have a better policy of investment of Social Security funds in securities that pay a better rate of interest.

We now have evidence that the American worker has subsidized this economy to the tune of many billions of dollars because of low interest rate investment.

MR. DONALDSON: When you explain some alternatives, which one do you favor?

SENATOR HUMPHREY: Well, I think if I had to, I would favor at this time no change in the taxes, right at this time. The main reason is that I don't want to in any way abort the recovery of --

MR' DONALDSON: Would you go to general revenues?

SENATOR HUMPHREY: Yes, if we had to, but I don't think we have to do it at this time.

MR. DONALDSON: Don't I recall, Senator, that in your 1968 presidential campaign you did propose as a major policy issue that we go to the general revenues?

SENATOR HUMPHREY: Yes. Yes, I favor that but not, let me say, at this particular time. When we have such a slow rate of recovery, I don't think we ought to rock the boat with any additional taxes, any additional drawdown. I isn't as if Social Security is going to go broke this year.

I think we have got to get the economy back on its feet and once you get the economy back and you get these ten million or more workers back to work paying Social Security, your fund will start to increase. That is much better.

MR. CLARK: I am still thinking back to that 1968 campaign, but that proposal you made to use general Treasury revenue for the Social Security benefits came under very heavy attack from those who think this would open the floodgates and destroy the Social Security System.

SENATOR HUMPHREY: I know, but many people have changed their minds, since then, fortunately, and I think we will have a much more objective view.

I might point out at that time we had 3.6 per cent unemployment. January 1969, gentlemen, 3.6 unemployment; quote, is 8.3, and the rate of last year's average rate of inflation was nine per cent. Double. Conditions are very different.

The important thing for us now is to get this country back to work. Get it back to work. Get it off of welfare. Get it off of waste, and what we have got here is what I call the three Ws. We have Welfare and Waste with this Administration and we Democrats want to put this country back to work; get people on jobs.

MR. CLARK: The Library of Congress, as you know, I am sure, has been rather rough on your program for putting the country back to work. Your unemployment bill, which would try to reduce unemployment to three or four per cent by the end of 1976, the Library of Congress made a study of two proposals, either reducing to the three of four percent level, said both of them would be extremely costly and would bring a resurgence of inflation up to the 10 or 12 per cent level.

SENATOR HUMPHREY: Well, let's take a look.

First of all, we are rewriting our employment bill completely, I think you should know that.

MR. CLARK: You are no longer supporting that?

SENATOR HUMPHREY: What we did here was to try to point out the imperative necessity of work instead of food stamps and welfare and unemployment compensation, and work gives people income and income permits people to pay taxes and to buy things which in turn puts this economy back where it ought to be.

If we could cut our unemployment today, Mr. Clark, by half, just half, we would have a balanced budget and state governments and local governments would have no problem at all.

The problem of the deficit in this government today, this fiscal deficit, budget deficit, is the cost of the recession and can I just continue here because this is important for the people to know: The cost of this recession, according to the government's own figures, from 1974 to 1980, is a trillion five hundred billion dollars in lost income. That is $7,000 for every man, woman and child in the United States.

Now, the job of a political party and political leadership, the job of a President and a Congress, is to get the American people back to work and Mr. Ford's budget just doesn't do that.

MR. CLARK: Senator, if I could just point out, this impartial Library of Congress study says that your program could cut unemployment in half, but would cost $35 billion in the first year, and would not balance the budget at all but create more inflation.

SENATOR HUMPHREY: That is a bargain, because the cost this year of unemployment benefits and of the social cost related to unemployment is over $40 billion. If I thought -- believe me, if I thought we could spend $35 billion and achieve a 4 percent unemployment rate this year, I would be on this program asking for a half hour just to explain it to the people and repeat it again and again.

The cost this year, Mr. Clark, is over $40 billion to keep, according to the Government's own figure, over 8 percent of the people unemployed. Why, it is a bargain. But I am telling you, I am more realistic. We have reanalyzed, we have analyzed our legislative proposals. I have had the best people in America look at it. We will present in a couple of weeks an entirely new manpower and employment program which we hope will bring down in the next three years -- not 18 months -- in the next three years, hopefully, unemployment down to about four percent. That would be a Godsend. This country will then have a balanced budget, and not only that, we will have something else: We will get our cities started, get our cities cleaned up, we will build up our railroads, we will clean up our parks, we will plant our trees.

Isn't it amazing that we can have adults by the millions standing around drawing unemployment compensation, food stamps and welfare, which this Administration hands out, and we are not doing a thing to clean up America, to fix up America?

Hubert H. Humphrey is a workman, and I will tell you, if I could take $35 billion in that budget and get America back to work, I would be elected President. There isn't any doubt about it. I wouldn't have to do a thing. I am here to tell you that is what this country needs.

MR. DONALDSON: Very quickly, another subject, foreign affairs. Another SALT agreement; apparently there is some progress on that, Secretary Kissinger reports, having come back from Moscow. Would you anticipate a SALT agreement this year, or do you think domestic politics in this country are such that it will work against concluding one?

SENATOR HUMPHREY: I only know what I have read about the SALT agreement. It reduces the Vladisvostok levels down from 24 missiles down to about 22 hundred or something in there. Anything like that would be helpful, if we can have it properly monitored and supervised, and I think we can. But I am not at all sure that we could do it this year. Nevertheless, I think it is important for the President and Secretary Kissinger to push the arms control effort. The biggest problem in the arms control today of course are the new weapons, the Cruise missile, for example, and once that gets loose in the arms field, all bets are off.

MR. DONALDSON: I am roally thinking about the political campaign. President Ford's problem with Ronald Reagan, let's say. How do you think that will impact on the possibility of an agreement?

SENATOR HUMPHREY: I don't know, but I would hope that our President -- and he is my friend, as well -- I would hope he would look over the horizon and just bypass Mr. Reagan. Mr. Reagan most likely will not be for any kind of an arms agreement, and he will undoubtedly want to attack. But if President Ford will do what he said in his State of the Union address: emphasize his foreign policy; and if he can get a further improvement in agreements with the Soviet Union, that are good agreements, it will strengthen him, not hurt him.

MR. DONALDSON: Do you think Governor Reagan is going to be the Republican nominee?

SENATOR HUMPHREY: No, I do not. I think President Fort is going to be the Republican nominee.

MR. DONALDSON: He will be then whose opponent in the fall? Who will be the Democratic nominee?
SENATOR HUMPHREY: I wish I knew. I wish I knew. You know, you know so much more about that. You really do, Mr. Donaldson. You are out on the hustings with them. I don't know.
MR. CLARK: Senator Humphrey, we are out of time. It has been a pleasure having you with us, candidate or non-candidate.
SENATOR HUMPHREY: Thank you.

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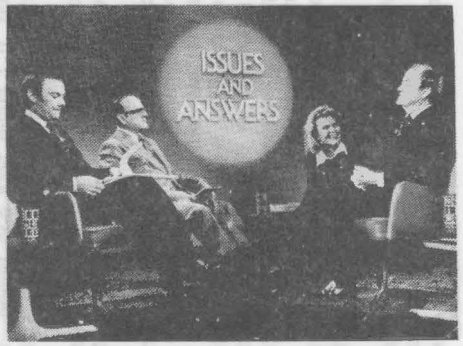

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