

THE PRESIDENT HAS SEEN. *df.*

THE WHITE HOUSE INFORMATION

WASHINGTON

September 5, 1974

MEMORANDUM FOR THE PRESIDENT

FROM: William E. Timmons *BT*

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SUBJECT: Senate Democrats

The Democratic Conference in the Senate met today and passed a resolution (in Tab A) recognizing the health of the economy as the number one issue and pledging to stay in session throughout the year.

Also attached in Tab B is statement by Mansfield in which he outlines several measures the Congress can pass during the fall term:

1. Campaign Reform
2. Nelson Rockefeller
3. Labor-HEW Appropriations
4. Military Construction Appropriations
5. Foreign Aid Appropriations
6. Agriculture Appropriations
7. Trade Reform
8. Consumer Protection
9. Strip-Mining
10. Urban Mass Transportation
11. Freedom of Information
12. Health Insurance remotely possible
13. Tax Relief for poor desirable
14. Some form of Unemployment Assistance

Whereas, the President of the United States, pursuant to Senate Resolution 363, passed in the Senate by a vote of 85-5, has convened a "Summit Conference" for the purpose of soliciting views and recommendations on the state of the national economy, and

Whereas, many members of the Senate shall participate in these preliminary and final conferences, and

Whereas, the Conference of Democratic Senators recognizes that the State of the Nation's economy is the most serious problem facing this country and the world, be it

Resolved that, the Democratic Conference of the Senate supports fully the President of the United States in his effort to give the highest priority to this problem; and urges that every alternative be considered by the "Summit Conference," and

Resolved further that the Conference of Democratic Senators stands ready to remain in session throughout the year, if necessary, to cooperate with the President in meeting the grave economic problems confronting the country.

STATEMENT OF SENATOR MIKE MANSFIELD (D., MONTANA)

before the Democratic Caucus

Thursday, September 5, 1974, S-207, U. S. Capitol

This Majority Conference is the first to be convened with Gerald Ford as President of the United States.

We convene at the end of a political nightmare. For the Senate the question of impeachment has been overtaken by events and is now moot. By endorsing the report of its Judiciary Committee the House has closed the matter for both parts of the Legislative Branch. Insofar as the events related to Watergate require further federal action at this time, the responsibility rests not with the President, not with the Congress but with the Attorney General, Mr. Saxbe, with the Special Prosecutor, Mr. Jaworski, and the Courts.

What remains for the Senate and House in this connection is the repair and rehabilitation of the nation's political institutions which were severely strained by Watergate. A highly responsible approach to the mid-term elections and careful compliance with existing federal campaign contributions legislation can be helpful in this regard. So, too, can the completion of action on the pending adjustments in this ^{the} legislation--on/new campaign act-- to which conferees have just been appointed.

As for the dozens of recommendations proposed by the Ervin Committee, with regard to the whole question of how this nation conducts and finances its electoral campaigns, particularly those involving the

selection of the President and Vice President, these are not matters that will be or should be disposed of this year. Consideration, however, should begin now and continue through succeeding Congresses because they are of sufficient importance, may I say, not to be wafted away in the fading smoke of Watergate.

In addressing these and other legislative matters, it should be kept in mind that after considerable discussion the Joint Leadership in the House and in the Senate are now agreed on an adjournment for mid-October. Whether it is to be a sine die adjournment remains undecided at this point. The intent is to terminate the 93d Congress in mid-October but certain essential business must be acted on before the date if it is to be realized.

In my judgment, for example, the nomination of Nelson Rockefeller as Vice President is properly subject to disposition in the 93rd Congress. Consideration of the nomination, however, will not be rushed through the Congress. Mr. Rockefeller's designation will be as thoroughly aired as was Gerald Ford's when he was named to be the Vice President. While the vacancy cannot be acted on in haste, it can be expedited by diligent consideration in Committee and on the floor. As I understand it, the Committee on Rules and Administration is in the midst of an investigation which is going to be thorough and comprehensive. There is no reason to assume that the Committee will not be ready to make its report to the Senate in time for consideration before mid-October.

Four appropriations bills remain to be acted on by the Senate. They will provide funds for Labor-HEW, military construction, foreign aid and agriculture. With regard to the Labor-HEW Appropriation, I would note that this bill is a source of perennial difficulty. It is, as the Conference knows, veto-prone. I would ask, therefore, that all Senators go as far as they can in trusting the judgment of the Chairman of the Subcommittee on HEW, Senator Magnuson, and his Republican colleague, Senator Cotton as to what is possible and what is not. To the extent that we can restrain ourselves from offering floor amendments to this measure, we will enhance the prospects of its prompt enactment.

Beyond the Appropriations bills, there is the trade bill, now pending before the Senate Finance Committee, and there is a good possibility that the Senate will have that measure to act on prior to adjournment. The fate of Consumer Protection rests on the cloture vote scheduled later this month. Strip-mining reform and Urban Mass Transportation ought to be cleared before adjournment. So, too, should the Freedom of Information Act which is in Conference.

As for health insurance and tax reform, they remain with the House which must act first. Senate action this session will depend largely on how expeditiously the House moves to process these bills. While the need for comprehensive health insurance is imperative, in my judgment, rather than respond to this need in haste, it would be preferable to be certain that we act with prudence. It represents a far-reaching adjustment and we should take care that it is very carefully designed for the needs of

tomorrow, as well as today. As for taxes, the conclusions of the impending Economic Summit Conference would be highly relevant to any broad adjustment in the present structure of taxation and it may be desirable to await its outcome. That should not rule out, however, the possibility of some prompt tax relief for the lower, fixed income groups whose burdens beyond all others have so obviously been multiplied by the inflation.

The Senate and the House have done their legislative work well to date and, I am confident, we will finish it well in the next few weeks. What looms ahead, however, in the closing days of this session and at the outset of the next is a new dimension of national difficulty. This government and this nation are most immediately confronted with the sputtering economic machine on which the material well-being of the people of the nation must be sustained.

Nor are we alone in this situation. Over those nations with whom we have been most closely aligned--the Western Europeans and Japan--the sky of economic recession is also lowering. Unless the present drift can be arrested, the portents are clearly those of depression. I need scarcely point out the devastating implications of this prospect to the hopes of Americans both individually and as a nation, not to speak of the dangers to international stability and human survival.

Our first responsibility in this situation is to our own people. It is for the Congress in concert with the President to determine what action is to be taken to stem a vicious inflation, to end the crisis in housing, to eliminate the threat of shortages in food and fiber, commodities and materials, to provide aid to those Americans who are bearing the brunt of the human burden of recession in the form of unemployment and inadequate income and to restore a tolerable momentum to our economic life. In exercising this responsibility, I would hope that we would be mindful at all times of the impact of what we do or do not do on other nations. We are in a very real sense all in the same boat.

In helping the nation focus on the economic issue, I would note the key role played by Senator Chiles, Senator Huddleston, Senator Nunn and others who proposed this full-fledged Economic Summit Conference. As you know, the President has acted on this suggestion and the preliminary meetings with representatives of the Executive Branch, the Legislative Branch and the private sector are already scheduled. What the results will be cannot be predicted. For now, all that we seem to know is that there are great divisions in this nation--inside and outside the government--as to what actions and what remedies might be effective. An opportunity presents itself in this impending economic conference to begin to put an end to those divisions and to set the nation on a common course of response to our difficulties. Insofar as this Conference and the Senate are concerned, it ought to be clear that we are ready and willing to work with the President to that end.