

MEMORANDUM FOR THE FILE

The original of this message to Sam Dash was given to Fred Slight who was having it personally delivered to Sam Dash.

Trudy Fry 10/22/76

No copies sent to Central Files at this time.

[filed 10/21/76]

THE PRESIDENT HAS SEEN. ~~SECRET~~

THE WHITE HOUSE

WASHINGTON

October 21, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CAVANAUGH

SUBJECT: Response to the Citizens' Committee
for Watergate Reform

The Citizens' Committee for Watergate Reform, put together by Sam Dash, Henry Ruth, and Chesterfield Smith, past president of the ABA, has sent a questionnaire this year to candidates for federal office. We have been informed that Jimmy Carter has responded to the questionnaire and that Dash will have a press conference in the next day or two to release the results of their study.

To ensure that they will not be in a position to say that you have not responded to their questionnaire, the attached letter has been prepared for your signature.

The letter incorporates the policy decisions which you made that were contained in your message to the Congress earlier this year on Watergate reform legislation.

The letter has been cleared by Ed Schmults, Dave Gergen, Bill Baroody, Paul O'Neill, and Jack Marsh.

RECOMMENDATION

I recommend that you sign the attached letter so that it can be dispatched promptly. We do not plan to release it to the press unless Dash mishandles it.

THE WHITE HOUSE
WASHINGTON

October 22, 1976

Dear Mr. Dash:

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During the past session of Congress, the Senate was considering a bill, S. 495. In its current form, S. 495 provides for the appointment of temporary special prosecutors to deal with allegations of wrongdoing by key members of the government. The proposed legislation also would establish the Office of Congressional Legal Counsel to represent Congress before the Courts, and it provides for public financial disclosure by high level personnel in the government.

Because of certain questions as to constitutionality and other practical problems, I have proposed a substitute to S. 495 that corrects the constitutional deficiencies in the bill and would also expand its scope so that it would apply in equal force to the President, the Vice President, major appointees of the Federal government, and Members of the Congress of the United States. I believe this new bill, which will be reintroduced in the new Congress, represents a sound constructive approach and I shall forcefully urge its adoption.

The highlights of the legislation that I have proposed to maintain the public's confidence in the integrity of our government are as follows:

My legislative proposal would establish a permanent Office of Special Prosecutor to investigate and

prosecute criminal wrongdoing committed by high level government officials. The Special Prosecutor would be appointed by the President, by and with the advice and consent of the Senate, for a single three-year term. Individuals who hold a high level position of trust and responsibility on the personal campaign staff of, or in an organization or political party working on behalf of a candidate for any elective Federal office would be ineligible for appointment. The bill would sanction removal of the Special Prosecutor only for extraordinary improprieties and in the event of removal, the President would be required to submit to the Committees on the Judiciary a report describing with particularity the grounds for such action.

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The Special Prosecutor would have plenary authority to investigate and prosecute matters within his jurisdiction, including the authority to appeal adverse judicial rulings. However, in the event of a disagreement with the Special Prosecutor on an issue of law, the Attorney General would be free to present his position to the court before which the prosecution or appeal is lodged.

My proposal would also institutionalize, by statute, the investigation and prosecution of violations of law by government officials and employees which do not fall within the jurisdiction of the Special Prosecutor. Title I would also establish by statute a Section on Government Crimes and an Office of Professional Responsibility within the Department of Justice.

I have also proposed a revised Title II that creates an Office of Congressional Legal Counsel and assigns the powers and duties of that Office. Like S. 495, this proposal gives Congress the legal assistance necessary to the proper discharge of its functions, but it does so in a manner consistent with the Constitution of the United States. Under my proposal, when the Attorney General certifies that he cannot represent Congress or a congressional entity, Congress or the appropriate house of Congress may direct the Congressional Legal Counsel to defend any legal action, enforce subpoenas, bring described civil actions, intervene in cases or appear as amicus curiae to defend the constitutionality of any law of the United States or the powers and responsibilities of Congress. Congressional Legal Counsel may request grants of immunity under the Organized Crime Control Act of 1970.

In all of these matters, my proposal, like S. 495, provides for exclusive congressional control and direction of the activities of the Congressional Legal Counsel.

My proposed bill recognizes and protects the public's right to be assured that public officials, regardless of which branch of government they serve in, disclose personal financial matters which could give rise to a conflict of interest in the performance of their official duties.

My proposal would require Federal public officers and employees to file financial reports with a designated office in their branch of government. In addition, public disclosure would be made of the financial statements of (i) all elected officials, (ii) high ranking officers or employees appointed by such officials, (iii) significant policy making and confidential employees, and (iv) other employees compensated at the rate of GS 16 or above (but not those in competitive civil service or who, save for certain legal exemptions, would be in the competitive civil service). My proposed legislation would also give the Comptroller General oversight authority to audit such statements as well as the authority to make findings of a conflict of interest and if the problem is not corrected, to make

those findings public. Thus, the public's right to have accountability from public officers and employees is doubly protected: first, by the executive, legislative or judicial branch office with which reports are filed, and secondly, by the Comptroller General.

In addition, my proposal would close certain loopholes contained in the current Senate bill. For example, the present proposal requires the reporting of any item received in kind whose fair market value "for such item" exceeds \$500. Such provisions would allow a series of gifts from the same source, each valued at less than \$500 to go unreported. Under my proposed legislation such gifts would be aggregated and hence require reporting. Moreover, my proposal would make clear that while property owned for personal use, such as the family home, furniture, jewelry, the family car, etc., need not be inventoried in disclosure forms, property of a business or investment nature must be reported. Assets unknown to the individual because they are held in a bona fide "blind trust" need not be identified, but the trust interest must be disclosed.

I believe these provisions better serve the public interest than those contained in S. 495.

I believe that Executive Order 11905 that I issued last March, and the guidelines for the FBI that Attorney General Edward Levi has issued, provide sufficient administrative controls over the activities of various agencies within the intelligence community. I refer the matter of Congressional oversight to the next Congress for their deliberations, for their role is one that they must determine.

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As we continue our efforts to make government more effective, my Administration stands ready to discuss these matters with representatives of your organization at any time. In a free society, the making of government policy and successful problem-solving involves much more than government. It involves a full partnership among all branches and levels of government, private institutions, and individual citizens. I know that we can count upon your continuing participation in this process.

Sincerely,



Mr. Samuel Dash
Citizens' Committee for Watergate Reform
Woodward Building
733 - 15th Street, N.W.
Washington, D.C. 20005

THE WHITE HOUSE
WASHINGTON

DATE: Oct. 22, 1976

TO: Judy Fry

FROM: JIM CAVANAUGH

SUBJ:

FYI _____

ACTION _____

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733 - 15th Street, N.W.
Washington, D.C. 20005

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Woodward Building
733 - 15th Street, N.W.
Washington, D.C. 20005

(202) 638-4392

October 1, 1976

Dear President Ford:

The Watergate hearings and the resulting criminal trials, as well as the more recent revelations of illegal activities of the FBI, the CIA, and major corporations, have focused public attention on the serious problem of official and corporate lawlessness. Responsible proposals for reform have been made by such organizations as the American Bar Association, the Office of the Watergate Special Prosecutor, and the Senate Watergate Committee. Yet more than four years after the original Watergate revelations, almost no significant reforms have been enacted. We, the undersigned Citizens' Committee for Watergate Reform, believe that in this election year it is important that the public know the views of the candidates on the various proposals. Accordingly, we are writing to candidates for federal office to solicit their views. The responses we receive will be made public.

Do you favor or oppose each of the following proposals:

- | | | |
|---|-----------------------------------|------------------------------------|
| 1. <u>Special Prosecutor</u> -- Legislation that would trigger the appointment of a temporary special prosecutor where the target of the investigation is a high government official. | Favor
<input type="checkbox"/> | Oppose
<input type="checkbox"/> |
| 2. <u>Division of Government Crimes</u> -- Legislation that would create a new division in the Department of Justice to investigate alleged violations of law by officials of all branches of government and violations of federal election laws. | Favor
<input type="checkbox"/> | Oppose
<input type="checkbox"/> |
| 3. <u>Financial Disclosure by Government Officials</u> -- Legislation requiring full public disclosure of the amount and source of all assets and income by Members of Congress, federal judges and high appointed officials of the executive branch. | Favor
<input type="checkbox"/> | Oppose
<input type="checkbox"/> |

4. Monitoring the FBI, CIA and IRS -- Legislation to strengthen Congressional oversight over the FBI, CIA, IRS, and other federal investigative agencies, including a delineation of jurisdiction and criteria for investigations, a prohibition on the use of such agencies for political purposes, and an assurance of Congressional access to information concerning the operation of such agencies. Favor Oppose
5. Prohibition of Political Appointees to High Law Enforcement and Other Sensitive Posts -- Legislation prohibiting the appointment as Attorney General, Deputy Attorney General, Assistant Attorney General, Director of the FBI, IRS or CIA and other intelligence gathering agencies of any person who has played a leading partisan role in the most recent Presidential election campaign. Favor Oppose
6. Public Financing of Congressional Elections -- Legislation providing public financial support either on a full or a matching basis for Congressional candidates at the Primary and general election level. Favor Oppose
7. Recording of Outside Contacts by Federal Attorneys and Investigators -- A law requiring that attorneys, investigators, and other high level officials of all agencies and offices of the executive branch keep a log of all contacts initiated from outside their agency regarding any matter under investigation or in the judicial process on which they are working. Favor Oppose

Please check the appropriate box next to each proposal and mail your response to

Citizens' Committee for Watergate Reform
Woodward Building
733 - 15th Street, N.W.
Washington, D.C. 20005

Your prompt attention to this matter will be appreciated.

Sincerely,

Samuel Dash,
Former Chief Counsel,
Senate Watergate Committee

Henry S. Ruth, Jr.,
Former Watergate
Special Prosecutor,
Watergate Special
Prosecution Force

Chesterfield Smith,
Past President,
American Bar Association

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