

HUMPHREY. ...a pattern which fits Mr. Nixon's concept of how he'd like to operate -- namely, with fewer and fewer people close at hand. That's the main reason for these super Cabinet posts, besides what the President will say -- namely, of being able to coordinate functions or coordinate activities that have some similarity.

But each of these departments will still be run, supposedly at least, under the jurisdiction of their same Secretaries. But the super Cabinet officers will be the ones that have close access to the President.

It poses another problem: are these counselors to the President or are these Cabinet officers? If they're counselors to the President, he can start to claim for them Executive privilege--and yet, as Cabinet officers, they are responsible in part to the Congress since they are set -- their ^{offices} ~~departments~~ established by Congress and the jurisdiction of their departments established by Congress.

The President has proceeded to ^{close} ~~pull~~ himself off more and more from the press,--which is the way that the public learns, or it is the way that the public has contact with public officials. He has removed himself more and more from consultation with the Congress and he has drawn a smaller circle around -- he has designed a smaller inner circle all the time for consultation and for the direction of governmental activities.

I think it's unfortunate because I believe -- it's my belief that the success of an Administration is in part related to the confidence that it deals with the public which means that it must communicate--and the President must communicate--and at a time when we have every conceivable means of communication he ought to be using it.

Particularly since the public seems to be very disenchanted with government as such--the feeling that government is unresponsive and that government is not doing its job.

And as far as the Congress is concerned, there is a feeling here which I have never experienced before--and I think I can say I've been around here quite a little while! Other days we've had people in government--in Congress--angry with Presidents. For example, when I arrived here in '49 there was bitterness or -- it was partisan, obviously partisan differences with Truman.

And it grew worse, it became more difficult--it grew worse, as we would say, into '50, '51 and '52. But there was still contact between the President and the leaders of Congress. And there was a great deal of contact between the President and the members of Congress -- not just the leadership.

Today that contact is limited and in many instances nonexistent. And there is a growing feeling of anger, discouragement on the part of a number of members of Congress.

I don't understand why the President does this. He won an impressive victory, it was -- frankly, it was unnecessary, particularly at this stage.

Q. What can Congress do about it, Senator? Not much--just sit and wring your hands?

HUMPHREY. Well, ~~MM~~ I think we can do better than that. There has been some action already been taken in caucus-- which is modest and somewhat mild--namely, that Cabinet appointees must at least assure the committees that they will be available for consultation, for testimony.

There are members of the Congress that are in key positions--for example, one Senator said the other day that his subcommittee on appropriations would hold no hearings, take no action at all, until a particular Cabinet officer was willing to sit down and respond to questions -- and not only respond to questions but to reverse actions which had been taken.

Q. Who was that?

HUMPHREY. I don't know if I should -- I don't believe I should say who it is.

Going back again, what can we do about it? I'd like to just broaden the subject, the discussion here a minute. I think in a battle between the Congress -- the President and the Congress -- that the President generally has the upper hand.

He's one voice. If he really wants to exert his influence as a leader. He can always find weaknesses within the Congress, because it is a multifaceted operation--many committees, many jurisdictions, subcommittees, many personalities.

The Congress over the years has been somewhat the --hasbeen treated by the media with a certain amount of jocular distain. Not that we didn't deserve it at times--or the institution didn't deserve it. But I think it's been somewhat overdone.

So the President has some advantage right off from the start. Now that advantage can be corrected--and I think this is important for the Congress to get down to business. We are as a body -- as an institution, the Congress today is out of date. It is behind the times. It has not organized itself for the current ⁿfuctions or government or the current responsibilities.

It's very difficult to reform the Congress because each member of the Congress that's in a leadership position has already gained what he was striving to obtain--namely, a position, an area of jurisdiction, power, prestige.

But in many areas the Congress is in trouble. I'll just start with the most obvious one: the President's battle with the Congress centers around, now -- outside of the for-
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eign policy, I speak on the domestic area now -- centers around spending, appropriations, taxation and budget -- the whole fiscal policy of our government.

The President comes in with a distinct advantage--he has the office of Management and Budget at his personal--under his personal control. This office gives him the statistical evidence that he needs in terms of appropriations, expenditures, the impact on the economy.

He comes into a Congress that has no way at this time of setting budget scenes, no way of synchronizing or coordinating expenditures--except on a department by department basis, catch as catch can.

And the President selected this area for the confrontation I think for two reasons: No. 1, the budget -- the Executive budget -- is in a miserable shape. It's been in deficit despite all the protestations of the Administration -- far beyond even the deficit of what we call a full employment budget.

The President also knows that the public does not want a tax increase, therefore he plays a little political demagoguery with this issue, saying that if the Congress has its way there'll have to be a tax increase.

Also I think the President has been very much angered by the way the Congress has revised his budgets in the past years--cutting substantially into defense and into space and into certain other programs which the President placed a higher

priority upon than the Congress did.

So Mr. President has decided to make this the battle-ground--where Congress is the weakest and/he is the strongest in terms of grabbing ahold of the handles of public opinion.

Now what can we do about it? A great deal. First of all we can set up in the Congress an office of budget analysis --budget analysis and control. We're going to talk about this in more detail. I've been doing a good deal of work on it. As a matter of fact, we have a number of meetings scheduled with people here at Brookings, and other people, to take a look at what we could do as mechanics within the Congress.

There are a number of proposals already in, as you know. Henry Reuss has one; there is this joint committee on the budget operation which is supposed to make a report to us very shortly.

But to simplify it, the Congress must be able to get a hold, get a handle on, its own appropriation process, over and beyond just each little -- each appropriation bill. It's got to have some sense of balance and it's got to be able to set its own spending ceiling. It's got to have the flexibility to revise that ceiling if it needs to.

6th add HHH

And the Congress must know what the impact of the budget is upon the economy--how can we fight inflation just listening to the Administration's interpretation of the budget's impact on the economy?

The Congress must be able to arrive at some semblance of priorities in its budgeting. And my own judgment is that the whole budget process is a year behind time at best. There is no forward look; there are no broad scale -- there's no broad concept of where we ought to be going two years, five years, three years down the road in terms of any of these commitments of expenditures.

So this year I would like to give a good deal of attention to two things: how we reform the appropriation and budget-making process of the Congress--not only to set a spending ceiling, but a budget analysis -- it's impact upon the economy, its impact upon going programs, setting programs within a time frame. This business of judging a program one year at a time is ridiculous--you ought to have a time frame in which you target a program as to what you seek to accomplish in a three-year period or a five-year period, and then have some way of monitoring your accomplishment year by year.

pu 7th add

The second thing I would like to emphasize is the absolute necessity -- and this will be my prime purpose in the next two years in Congress -- the absolute necessity of arriving at a mechanism that can help us achieve a balanced national growth and development policy.

We have got to come to some kind of planning in this country. I'm not talking about planning in strict perimeters or strict lines. I'm simply saying that we've got to have some machinery at both the Executive and the Legislative level -- an office of balanced growth and development at the Executive level, a joint committee at the Congressional level -- to take a long-range look within a time frame of goals and priorities and commitment of resources to the development of this country.

Q. Haven't we something like that now? Isn't there a branch that's supposed to be taking a long look at things? The name escapes me now, maybe the Joint Economic Committee.

HUMPHREY. Well, we have the Joint Economic Committee of the Congress, the J.E.C., which could do this job. But it isn't so structured. No, there is nothing really, except on goals in the most general look -- for example, I'll give you a

classic example of what we're up against right now -- the energy crisis.

Now who's fooling around with this? Everybody's got their fingers in it -- the Interior Committee of the House, the Interior Committee of the Senate, separately mind you now; the Department of the Interior, the Office of Emergency Preparedness. And most of it is patchwork, band-aids. Some of it is looking down the line, but insofar as any real plan of action is concerned, there is none.

Now you've got separate appointed committees--the President appoints a committee out here, there'd be an advisory committee to a committee in Congress--but there is no formalized machinery that has the responsibility of arriving at any kind of balanced national growth and development policy.

And all of this relates not just to an item like energy, but energy is related to urban life, it's related to the economics of the country. For example, gentlemen, I just visited with some people here recently from some international institutions -- it is estimated, estimated that by 1980 we'll be importing approximately \$20-billion of oil a year from the Middle East.

That puts \$20-~~MM~~ billion every year in the hands of a few people, in a few countries in the Middle East, where we have no way of selling them anything, particularly. Because their economies are not developed to a point where they can buy a great deal from us.

9th add HHH

Give them four or five years of \$20-billion a year -- dollars -- and pretty soon they control the dollar. The sheiks of Arabia, people who have had little or no responsibility to this country or, really, to what you might call international organization.

This is a major monetary problem as well as an energy problem--and there's no one really dealing with it except on a haphazard basis.

Now sometime this year we're going to start our hearings on this balanced national growth and development policy. I've spent two years -- with staff work and myself -- working on this. I've talked about it to the planners, to the municipalities and so forth, and we're ready to make some move on it.

It's going to take time, because it breaks away from a long-established tradition. We'll have it printed -- the print-out will be -- the hearings will start first with J.E.C., Joint Economic Committee. It does not have legislative jurisdiction, but I want it to get some ventilation, some airing, because we're not quite ready to finalize a product.

Q. Can you say something in ^{general} ~~general~~ about how such a system of goals and priorities would work, or is it too early?

pu 10th add

HUMPHREY. First of all, it would require -- we have to develop the structure, No. 1. You have in the Executive office, coordinating the utilization and the allotment of resources. What we call an office of balanced growth and development. It doesn't replace anything. As a matter of fact, there is no such office today.

There has been nothing since the National Resources -- what was that back in Roosevelt's time?

A. The National Resources Planning Board.

HUMPHREY. The Planning Board, that's the last planning instrument that this government has had.

Q. Doesn't it overlap the Economic ~~Board~~ Council?

HUMPHREY. No, the Economic Council would be brought within that framework. It would be the Office of Balanced National Growth and Development.

We will print within the next couple of weeks our tentative proposal, with a section by section analysis and a description of how this particular development would work. In the Executive Branch. And then we would have a joint committee at the Congressional level that would consist of people who are chairmen, ranking members, as well as some at-large from the Congress.

Q. The one effort I think the Congress made -- I think the year you got here -- for a couple of years they set a spending limit.

HUMPHREY. This goes far beyond that yearly spending limit. This looks down 10 years, five years -- it has short and

11th add HHH

long-range goals. It relates to the movement of population, it relates to the whole system of transportation and the relationship of population dispersal and transportation--the whole subject matter.

But not within strict orders -- I ~~MM~~ mean, it's -- to put at the official level much of what you call, like, the Committee of the Future and the Rockefeller Foundation studies, etc. -- all of which end up, by the way, in people's libraries but not as an official policy ⁱguide.

Q. Didn't Eisenhower go through this exercise with the National Goals Commission. Percy was head of it and then . . .

HUMPHREY. No, no -- he started with the National Goals Commission period. But it did not sustain itself as a continuing official body with authority. For example, this particular body I'm talking about with work with the Office of Management and Budget for long-term budgeting.

It would work with all the departments of government in terms of the allocation of their resources over a long period of time. It would help precipitate the definition of goals, priorities and allocation of resources within a time frame.

The Eisenhower commission was nothing more or less than, "what do you want, my fellow Americans, for the future?" It was a one-shot job. People of good will got together and said they'd like to have the following goals attained in American life period. Then they folded up their book and went home.

pu 12th add

That's not what we're talking about at all. We're talking about a sustained type of office of planning -- exactly as they have in other countries. This is the only country -- industrialized country -- in the world without it.

I
Now this is where ~~we~~ think that the Congress has to come to grips with matters of public policy, in order to reestablish its credibility. No. 1, it's got to get a hold of its own ~~appropriation~~ appropriation process and spending. It's got to set up, inside the Congress, a mechanism -- either with the G.A.O. as an arm of the Congress, or by some internal mechanism on the budget control and analysis of its own.

To set a spending ceiling, to be able to revise that spending ceiling, to find a way to hold the Congress appropriations within the spending ceiling and not depend upon the Executive Branch to tell us what it's going to be. That's where we start No. 1.

(u) Secondly, we've got to take a look at the total structure of the Congress. I have offered a bill for a citizens committee on Congressional reorganization. I have little faith in Congress reorganizing itself -- that is, being able to take an objective look at itself.

I think that just as you had to have the Hoover Commission for the Executive Branch -- which did a good job -- you're going to have to have some kind of a citizens committee for the Legislative Branch. To give you at least an outside view of how

that body ought to be organized, in reference to the jobs ahead and the relationship to the Executive Branch.

Q. Don't those committees already exist -- all sorts, Common Cause, people who want to reform government and have all kinds of ideas.

HUMPHREY. Common Cause was not appointed by the Congress, Common Cause has no official designation by the Congress of the United States. In other words, what I'm talking about is a body that we designate, that we give the official seal to, to do a job of taking a look at our structural and functional organization.

Not that we're going to follow every bit of it, but I'd like at least some kind of . .

Q. Isn't that all known?

HUMPHREY. No.

Q. Didn't they have, in 1946 and then again about two -- three years ago -- committess for the reorganization of Congress?

HUMPHREY. ~~WHEM~~ Within the Congress, the LaFollette-Maroney Committee. I'm saying that to do the job right you've got to do it with a committee that is essentially non-Congressional -- have some members of Congress on it so that you tie in the working operation of the Congress -- but to have what we call a blue ribbon citizens committee totake a good hard

14th add HHH

look over an extended period of time at how this Congress is organized and how it should function.

Q. But if I understand you correctly, this committee would not be able to impose any such reorganization on the Congress.

HUMPHREY. No, not a bit.

Q. What faith do you then have that the Congress would accept its proposals and reorganize itself?

HUMPHREY. I think I have the chance -- the background of history on this. Two things, for example, even the Congressional reorganization of LaFollete and Monroney was somewhat successful. The one in 1970 was likewise somewhat successful.

But the idea of a citizens committee with a good deal of public support -- once its recommendations are made public -- with the media, with the citizens groups -- along the way we had the Hoover Commission on the Executive Branch, I think could work.

I think it would be helpful. We've simply got to put our house in order.

Q. Would the proposed instrument for balanced national growth and development have an instrumentality in both the Executive Branch and the Legislative?

pu 15yh add

15th add HHH

HUMPHREY. Yes, with its directors, its staff, its systems of computers . .

Q. Has any preliminary consultation been undertaken with the Executive Branch to make this a joint enterprise?

HUMPHREY. Yes, some, with the O.M.B.

Q. One other question, if I may -- ~~MM~~ would the proposal to deal with the budget really be something almost equivalent of a Congressional management and budget division or instrumentality paralleling the Executive management and budget?

HUMPHREY. Yes, very definitely. And it would have within it the powers of monitoring ongoing programs as well as projection of future programs within the framework of budget. It would have, within the Congress, the same sort of thing that the Executive Branch has now in its O.M.B.

We would have within it an office of budget preparation and analysis. Now I haven't got all the final words of this -- I'm simply saying that we cannot win the battle with the President on the fight with Congress until we get our house in order.

And I believe that, despite all the rhetoric we engage in, that the public will ultimately come down on the side of the President in this unless we can show that we know what we're doing and that it's not a haphazard, hurried-up operation that we're trying to put together.

pu 16th add

Therefore, I believe that that is step No. 1 -- to get our budgeting in order.

Q. To me, you're really suggesting that there can only be effective consultation between equals?

HUMPHREY. Yes, I think we have to prepare ourselves for it.

Q. And you are attempting to create a legislative equal.

HUMPHREY. Absolutely. We're today in a situation where we cannot really bargain with the Executive Branch. And I think that what we -- we make good news for you, to be honest about it. Some of us get up and make a speech about the encroachment of the Executive upon the Legislative -- and he does. Every President likes power, this one likes it more than most.

He just relishes it. Now as long as the goodies are out on the table with no one to protect them, he's going to enjoy them. But there have to be co-equal branches of government -- we have it in theory but not in fact.

Q. Senator, is n't there an energy crisis within Congress? I'm serious. I mean, how long has it been since Congress passed the appropriations within the required time so that they were able to take effect on July 1st -- it's been well over a decade at least, has it not?

17th add HHH

HUMPHREY. Well, first of all I think it's ridiculous to have them on what we call a fiscal year. We come in here -- that's a reform we need to make -- we come in here -- that's a rule but it's not God-ordained, it's manmade, we ought to change it.

Q. They've already changed it fiat haven't they?

HUMPHREY. WE changed it by practice, but that still causes a problem of budgeting. We come in here in January, we live on a calendar year, and we try to operate our budget on a fiscal year from July 1 to June 30.

It is ridiculous, nonsensical and incompatible with good government.

Q. Congress has been in session 13 days, the Senate has done nothing, the House has done less. Now that's 13 days of wheel spinning.

HUMPHREY. That is not true. Let me say, this is where the public gets misled. Everybody knows that -- you know and I know, let's talk frankly with one another -- that until the President's State of the Union message, the processes of government between Legislative Branch and the Executive do not start to roll.

pu 18th add

This part is organization. Frankly, it's -- many a member of Congress is disappointed that they have to come back when the leadership comes back, like on the 3d. Now the reason that we do much of this is that so that we can get the committees organized -- which is a job within itself -- so that we can get our caucuses set up and change any rules that we wish to -- get that housekeeping out of the way before we set into the Legislative process.

So I don't think that we ought to complain about that. What I am complaining about is that the budget message gets down here sometime in February for a year that's supposed to start on July 1.

That budget message that comes in in February ought to be for a year that starts in on January 1, so that you've got time to take a look at the budget over the long period of the year.

Q. Why doesn't Congress change the fiscal year basis?

HUMPHREY. Primarily because of the whole bookkeeping system of the government for years. But it could be changed and I think it's one of the reforms that I would recommend to make in our whole budgeting process.

Q. If you had the Congressional Office of Management and Budget, how does that get translated into some sort of priorities when you have some 500 and some people up there each trying to get his own goodies off that table?

HUMPHREY. First of all we would have in this office an analysis of each of the President's budget itself, ^(h) wen it comes down. We would take -- we would call in -- we haven't worked out all the terms of this, it's just my idea, I haven't got any approval of it from anybody -- but we would have work-ign with this a committee of the Congress that would consist, you might say, of those with responsibility in the legislative sections andthe appropriations section, to arrive at^{what} they be-lieve would be as a tentative preliminary budget figure or budget ceiling.

Thatwould haveto be approved by the Congress itslef. I don't believe in having 25 to 50 people determine for me what the budget ceiling is going to be, any more than I think Mr. President ought to determine what the budget ceiling should be. There would have be approved by the ~~CONGRESS~~ Congress.

And then we would have a mechanism that permitted, during the year, the adjustments that may be necessary in light of what might happen in the economy -- the emergencies that might take place -- and at the end of the year, after we set the budget, ceiling, ~~MM~~ if we're over that budget we would have to make -- by Congressional action -- the necessary reductions to bring it within the ceiling.

Q. Senator, you spoke of President Nixon wanting power more than most. If Congress is unable to pull up its socks, how dangerous are the trends towards centralized power in the White House?

HUMPHREY. Well, Mr. President talks with two voices. On the one hand he talks of decentralizing government with more power, he says, going to the states and local governments.

On the other hand, he concentrates within the White House -- removed from Congressional investigation, scrutiny and monitoring -- more and more power in a handful of chosen counselors and executives. I think it's ^avery dangerous trend.

Plus that fact that you men of the media ought to know, that there is a determined effort under way to have less communication with the media, which is the one way that the American public has -- one of the ways the American public has -- of learning what's going on.

And, secondly, there are all kinds of things going on which smack of the odor of censorship in this country, either directly or indirectly.

Q. You're not saying that we're approaching anything like a dictatorship?

HUMPHREY. No, I don't think so. I don't think the American people will tolerate that. But I do think we're approaching what some people might call a constitutional crisis.

21st add HHH

Now that phrase has been greatly used -- and maybe overused. We can have a fight with the President in the Congress, and the public will suffer. Or we can try to get the President to recognize that partnership and cooperation is absolutely mandatory if this government is to function.

Q. What chance do you think there actually is that Congress will do what you're suggesting?

HUMPHREY. I think there's a fairly good chance. I think the spirit and the mood in Congress is decidedly different than it's been in the past. I've attended caucuses for 20 years and never seen anything like we've seen this year.

Q. Will you discuss the question that really follows on this other question, about impounding. What are you going to do about that? Is the President going to take the power of purse away from you?

HUMPHREY. First of all, I ~~mean~~ happen to believe that on impoundment we must set our own house in order -- that's what I was talking about on the budget.

Q. But you can't wait, this is going to come right away.

pu 22d add

HUMPHREY. We have a court case on t he Highway Trust Fund -- the Missouri case. I'm one of the plaintiffs in that case. We will -- we have other ways that we can try. We can order in legislation, we can mandate the expenditure of the funds.

For example, the R.E.A. -- this is one that you're all famliar with -- the R.E.A. Act of 1936 directs and empowers, authorizes and empowers -- the word is "empowers -- authorizes and empowers the Adminstrator to make loans under the terms of this section 3 of the R.E.A. Act.

I am introducing todaya bill which authorizes and directs the administrator of R.E.A. to make loans under the terms of the R.E.A. Act Section 3 insofar as those loans qualify within the purposes of ~~MM~~ this act.

And then I amend the Rural Development Act which makes it very clear that the funds that are available under rural development are supplemental -- they are not in lieu of, they are in addition to such funds as are available under R.E.A.

Now the purpose behind this amendment which, by the way will have broad co-sponsorship--Republican and Democrat--the purpose behind this amendment is to test once again whether or not we can compel the President to -- where the Congress specifically legislates, not merely authorizes and empowers but authorizes and directs -- whether or not we can compel the Executive to follow dictates out the/dictates or the mandate of the Congress and public law.

Now that undoubtedly would be tested somewhere along the line in court. But we think that's one of the ways that we can get it done.

Q. Senator, your bill is an acknowledgement then that what the President has done . . . (largely unintelligible)

HUMPHREY. Not at all. We make that equally clear, too. But sometimes it's a matter of interpretation, see. The President relies on the history of impoundment, just as he relies on the history of executive privilege. There is no law which extends Executive privilege -- not one piece of statutory law. There is no Constitutional provision for Executive privilege; there is no law on impoundment.

There is some tradition on impoundment. We happen to believe that the impoundment ~~has~~ has been used excessively and abusively. There is a question as to whether or not the President as Commander in Chief can impound, because he has a peculiar role as the chief executive officer--a unique role as the Commander in Chief over the armed forces.

But in the other departments of government, he is the administrator. He is the executive and the administrator -- not the commander in chief. And we believe -- those of us who are involved in this -- that he must follow the authorizations and the direction of the Congress -- if we direct it.

24th add HHH

Q. Senator, isn't the war issue critical here? I mean, if the President is able now to move toward a truce and a peace, isn't this going to strengthen him immeasurably^(a) in this battle with the Congress. And on all other issues, too.

HUMPHREY. Yes. Most of all -- let's put it the other way . . .

Q. I mean we've had this momentum in this other direction now because of what appeared to be the President's problems in resolving the war. Now it's moving in the other direction. Isn't this going to have a bearing on what you've been talking about all along here this morning?

HUMPHREY. The war itself has complicated the whole appropriation and expenditure problem. The war has, in a sense, partially immobilized this government to do the job that a government ought to be doing -- just as it has paralyzed the thinking of a large number of people in the intellectual community and in the political-social community. There's a fixation on the war, which has absorbed the energy, the attention of government and private individuals.

pu 25th add

25th add HHH

I think this is one of the casualties of the war; this is one of the unfortunate aspects of the war over and beyond the use of resources and the loss of life. Once this war is over -- if Mr. Nixon can achieve, which I think he will, a cease-fire and can come to some kind of negotiated settlement -- a good deal of the tension that now exists will have been at least momentarily, temporarily relieved.

But the problems will continue despite that. The energy crisis will still be here; the problem of urban life, the movement of population, the problems of education, of race -- all these problems are still going to be here in war or no war. They're just merely aggravated by the war.

So though we may have for a couple of months -- or three or four months -- a sort of a relaxation after the war has been brought to an end, or a cease-fire has been achieved, we still have the difficulties of the structure of the Congress. The Congress will not be improved because the war is over.

The problems of our country ^(r) are still here, ^{there's} ~~many~~ still going to be a shortage of oil, we've got an energy crisis. There's still going to be problems in education; there's still going to be a difficult problem in health delivery. It's all here.

pu 26th add

And that's something we ought to keep in mind: that even though there are people today who are all hungup by the fact that everything is due to the war -- all I'm saying is that the war merely made it worse, the problems are still here.

Q. When it's over, you're going to be dealing with a President -- certainly with a strong President.

HUMPHREY. We are right now.

Q. Yes, but without that resolving of the war he could be tottering and Congrass could move. But you're dealing with a strong President now, aren't you?

HUMPHREY. My judgement is that if the war is over, ~~when~~ we'll be able to deal with a more considerate President-- I'm being careful of my words here.

Q. Who's considerate of whom?

HUMPHREY. Both sides. Right now, when the war issue comes up, they sort of see red. There's an anger, there's a frustration, there's a lack of communication. Members of the Congress are so upset about the war and their failure to do anything about it -- and the actions of the President, where he doesn't consult them -- that there's no rational thinking about these things.

27th add HHH

Now I think once this is over, both sides -- whether it be the President or the Congress, particularly the leaders in Congress -- will be in a much more cooperative and rational mood.

Q. With the war over, though, doesn't the President look at that 51 per cent, 52 per cent victory and use this as a reference point as to what he does next? And doesn't Congress, too, look at that landslide victory -- and with a considerable amount of deference, even though they may not believe it entirely.

HUMPHREY. And there are those, Godfrey, who look at the Democratic landslide victory in the Congress. I think instead of looking at the victory we ought to look at the problems of the country and maybe we can get down to a calmer voice and a lowered level of rhetoric here, to get down to ~~MM~~ what we ought to be talking about.

How do we get this government established so that it functions?

Q. How do you turn 13 House seats into a landslide--I don't understand that.

pu 28th add

HUMPHREY. Well, I didn't make it into a landslide; I just thought we did well. I mean, when a President can gain over 60 per cent of the vote and ends up losing a couple of extra seats in the Senate and only gains 12 or 13 in the house, --let's put it this way: he didn't run off with all the prizes.

Q. No, but neither did you.

HUMPHREY. No, we didn't run off with them, but I just think that as a reasonably factual historian that a president that ~~MMMM~~ wins by 60 per cent and doesn't carry with him his Congress that he has not had what you call a national sweep or landslide. He has had a personal victory, but he did not get what I call a great political victory for his party or his philosophy.

Q. How much of this is the strength of Nixon, in your mind, and how much the weakness of McGovern?

HUMPHREY. I ~~MMMM~~ think it was in part both. I think that Mr. Nixon played it cool, he was riding a wave where the economy was better, where it appeared that the war would be over.

You know, I remember in '68 he had a secret plan to end the war. And in '72 peace was at hand. Those -- that kind of an atmosphere is conducive to a good deal of popular appeal.

So the President did have support. And our candidate^{and} the campaign that was conducted just didn't have it, that's all.

Q. Could we have run another candidate who would have done better?

HUMPHREY. Oh, I'm not going into that.

Q. Senator, what chance does Bob STRauss have to heal the fractures in the party and, secondly, ^{it} ~~was~~ was said that he made overtures to John Conally to come back in the fold?

HUMPHREY. I think Strauss will do a good job. The Democratic Party, defeated for the Presidency, will be in a certain degree in trouble. There are people that -- it will take some time for them to settle down.

Whenever you lose, you're always explaining why you lost and your supporters are doing a better job of it than you are. And it causes turmoil and trouble. But I think Strauss is a steady man, I think that is wise enough not to try to make the party in his own image. I believe that he will broaden the base of it, he'll rely a great deal on elected officials-- which is sensible, they're the ones who have a constituency.

In the past, we were relying a great deal upon people that had a constituency of one and a voice of a hundred. That doesn't really count.

He made one pass, so to speak, at John Connally--who is an old friend of his. I suppose that we're always trying to bring people home. I've always believed that ^{what} a political officer ought to try to do is to bring people in and not kick people out--that's the main thing.

But I doubt that Mr. Connally is going to come in. As a matter of fact, gentlemen, I kind of think that he'll be walking around the perimeters, the corridors of the White House over here in the not too distant future.

Q. Will that do him any good?

HUMPHREY. It may do him a lot of good. If I were Mr. Agnew, I'd be sure looking at him. And I'd keep a watchful eye on his operation.

Q. Do you want to be as bold about your own party as you seem to be about the opposition?

HUMPHREY. I'm much better on the opposition party!

Q. Is this budget reform idea, ~~SEN~~ Senator, coming out of your office or . .

HUMPHREY. My staff is working with a number of administrative assistants.

Q. But it's essentially your project?

HUMPHREY. Yes, sir.

Q. It isn't a committee deal.

HUMPHREY. Not yet, no sir.

Q. You said there had been some contact with officers of OM.B. Would you talk a little bit about the extent to which you've developed this?

HUMPHREY. This is on ~~NATIONAL~~ Balanced National Growth and Development, that's different than this budget analysis. The budget analysis office -- the budget application analysis is current -- relating to spending ceilings, appropriation process -- within the current fiscal year and the coming fiscal year.

Q. That's separate.

HUMPHREY. That's separate from the Office of Balanced National Growth and Development, which is a planning mechanism--long-term planning mechanism of a permanent nature within the Executive Branch, with a counterpart -- a joint committee -- in the Legislative Branch.

And we'll give you a good deal of material this year on it -- I've been working with the American Planners Association, I've been working with the National League of Cities, I've been wrking with the legislative -- the National Conference of Legislative Leaders, county officials. We have met with some of the people in the Office of Management and Budget to get technical data that we needed.

And we've met with people over here at Brookings, some university people from different public administration schools-- for example, the public administration school at Syracuse. We've had people in from different parts of the country working on it. It's about ready to be surfaced and once we surface it I do not want it to become a legislative -- for legislative action yet. I want a series of hearings to refine it.

Because this is maybe the most important piece of legislation that I've ever put my hand to, in terms of long-term needs of this country, and it'll take time.

Q. When you say "we," Senator, who do you mean?

HUMPHREY. My office, myself with my people that I've been working with.

Q. Who would hold the hearings then?

HUMPHREY. The Joint Economic Committee.

Q. Is the chairman sympathetic?

HUMPHREY. Yes, I'm happy to tell you, he is.

Q. Are we going to have complete stalemate on major legislation between Congress and the President on revenue-sharing, welfare reform and health legislation?

HUMPHREY. Pretty slow progress, very slow.

Q. Do you expect welfare reform to pass?

HUMPHREY. I really can't give you an objective analysis. Revenue-sharing -- not much.

Q. When you were saying a moment ago that you would think that President Nixon will get -- were you referring to a cease-fire or a cease-fire and a negotiated settlement.

HUMPHREY. I think it will be in stages, just like it's coming. Now he has stopped any offensive action. I think the next thing will be a cease-fire.

33d add HHH

Q. But you do think he will achieve the negotiated settlement?

HUMPHREY. Yes, I do. I do believe that in the very near future there will be a cease-fire. I think he's trying to get that before the Inaugural--I don't blame him for trying to do it.

But the details of the full agreement to be finally worked out may take a little longer. Now all of this can be derailed, they say, but I don't think so this time. I said last weekend I had a gut feeling that they were on their the course, on the path.

And I'll tell you one of the other reasons I feel it -- I think, again, that the Soviet Union is in such dire economic straits in terms of needs for the coming year, that a good deal of pressure is being put on Hanoi from that quarter. And the Soviet has the greatest influence in Hanoi, from all that we know.

pu 34th add

34th add HHH

I happen to believe that the Russians feel that their priority is not to accommodate Hanoi beyond being just a good friend. I think its priority is to keep up this mild, modest detente with the United States.

My impression of my visit there, again, was that they are going to be in great need -- I won't say critical, but substantial need -- of foodstuffs, credits and ^a certain amount of technology. ^{They're} Behind, the technological gap has widened rather than being closed (END TAPE SIDE ONE) ... their economy is in serious trouble -- not just at the agricultural front, but across the board.

And they are in desperate need of capital--no matter whether they run a Communist system or not -- they need capital. They've been expending a lot of it in foreign aid, they've been expending a great deal of it in military assistance. It's also cost them in North Vietnam and I think they would like (BREAK IN TAPE)

And we need to be ~~mm~~ able to judge our authorizations and our appropriations accordingly. Today we don't do that -- today we just don't do ~~mm~~ that, we just go willy-nilly ahead and do what we wish to on appropriations.

pu 35th add

And if we get in a jam, you come around and look at either two things: how big a deficit can you handle, or should you start to modify or adjust the tax laws.

I don't think there will be any tax increase-- that's my judgement that there will be none. And if the inflation should expand or get worse, w then you'd have to really face up to leader.

Q. We're about seven minutes beyond our usual ending point. One final question: about four years ago --three or four years ago you were here and I asked you about what your plans were for running for President and I think he asked you whether you were celebrating, and I think your ~~answer~~ answer was, no, you were licking your chops.

HUMPHREY. That was a great moment for me!

Q. I just wondered, it's a different world now, I'm sure, but have you ruled out the possibility of running again?

HUMPHREY. I have no plans to run for the Presidency at all, and I see no way in God's green earth that I would be a candidate. I want to stay healthy, I'd like to be a productive and constructive Senator and I came to the conclusion that to do that I'm going to have to concentrate my full time upon the office of the Senate. And I think I can do a good job.

I've got ~~some~~ things in mind: I'm tired of complaining about Congress, I want it to get its house in order. I want ^{us} to get our budgeting in order. I want us to get some planning for this country and I want us to start to take care of the human resources of this country.

And today I see Mr. Nixon waging a political battle with us rather than a struggle for improvement of government. I'm not interested in winning a debate with anybody--I want some action. So I'm not running for President.

Q. Well, thank you for coming in again.

HUMPHREY. I'm the best you can drag in -- I gave you a real workout.

Q. You really did, thanks so much.

HUMPHREY. And ~~MMM~~ thanks for the breakfast! I was really nice of you, Godfrey.

Q. You're not going to tell us that you didn't ~~MMM~~ eat breakfast, before you left home, after all the times you've been here!

HUMPHREY. I had a glass of orange juice and my bowl of Total.

If you don't mind, sometime in the near future when we get our Balanced National Growth Act ready for you -- before I start the hearings -- if you want me to come -- not necessarily for breakfast -- but if we could bring this group together and I'd give you an analysis of it section ~~MM~~ by section and then

37th add HHH

be willing to discuss it in greater detail.

Q. Very good. Give us three or four days before release.

HUMPHREY. That's what I meant, yes, we'll do that for you.

HUMPHREY. Yes, Henry is very good at this sort of thing. The other thing I didn't talk about here -- which I'm sorry I didn't get to this morning -- the No. 1 thing when this war is over is foreign economic ~~policy~~ policy. Trade -- this is where we're going to have a pitched battle in Congress.

Investment overseas, the tax rates. This is where the confrontation and the cooperation is going to take place from here on else.

Q. Do you think you can get Labor to go along with you?

HUMPHREY. Well, this is the hardest thing we've got right now. ~~MMMM~~ I met with Helmont Smith (??) and I've been meeting with people all around -- down in San Juan -- getting myself in position for Congress on foreign economic policy.

pu 38th add

38th add HHH

I'm the chairman of the Agriculture Committee -- foreign agriculture. Because Japan, the Common Market, Eastern Europe and the Soviet Union -- that is the ball game from here on out on economics.

We have really got ourselves a tussle because we're not equipped to really work in this area.

Q. Y0u mean Congress isn/t?

HUMPHREY. Congress -- and out whole attitude as a country. We're not export-minded, we've never been. We're always feeling that we're getting rooked, you know, on every deal -- to wit, the Soviet grain deal.

We're not even looking ahead as to what the possibilities will be for our trade. We're just ~~moaning~~ moaning that we're ^b \$7-billion in trade ~~deficit~~ deficit. We can't take a \$6.5-billion trade deficit -- it is impossible.

There's no way in God's green earth that you can have what we call a sound ~~income~~ incomes policy at home -- which relates to appropriations, wage-price control, taxes at home -- and have a \$7-billion foreign ^{trade} deficit.

pu 39th add

The minute you do that, you disrupt the entire base of your economy. And that's what we're running right now.

The dollar, by the way, has been pretty stable. I was interested in what Earl Smith had to say about the monetary reform, he said the best monetary reform is the sound American dollar. He said that all the currencies of the world are based on the dollar.

And he told me, just what I said to you, your rate of inflation here in the United States up until January was considerably less than it was in other parts of the world -- for example, France runs about 8 per cent, Germany runs about 7 per cent. The Japanese run less -- a little less -- the Japanese run about 6 per cent -- 5.5 to 6 per cent -- despite the fact that they have a 13.9 per cent growth rate and they have less than 1 per cent unemployment.

So they're running about the same as we are running.

Q. Where this interest in ~~the~~ foreign trade be expressed -- in the Joint Economic Committee or in Agriculture?

HUMPHREY. Three committees -- Foreign Trade and Foreign Affairs -- I'm trying to get Bill Fulbright to see that our committee on Foreign Relations ought to have a separate section on foreign economic policy.⁽¹⁾

Because once this war is over, that's going to be the ball game -- that's what it's going to be all about. And then I'm on the Committee, on ^{the} Joint Economic Committee -- we have a subcommittee that is known as Foreign Economic Policy and International Payments. That's Reuss as chairman, and I'm vice chairman--we alternate every other term in Congress.

Then I have just taken on the chairmanship in Agriculture -- or what was known as the Export Subcommittee, but I wanted to broaden it to Foreign Agricultural Policy. That gets into exports, it gets into research, it gets in meteorological work, stock reporting internationally -- we're just now going to put out our report on our visit to Russia and what happened ^e and why we got caught. Very interesting material.

On how we got off base there -- nothing corrupt, there was ^{no} deal. All this baloney that we went through

41st add HHH

during the campaign just wasn't true.

What really was wrong was that we had inaccurate weather reporting. To give you an example, we've got meteorological material -- we give it to an Air Force group in the United States -- it's over here in Arlington, Va. H -- five weeks later we get the analysis.

And five weeks ~~MMMM~~ in the Soviet Union, the entire crop turned around. That's why we were behind on our meteorological data. Just one simple thing.

Q. You used the words "dire straits" -- how basic is that?

HUMPHREY. I think it's very basic in everything they're doing now. They want two or three things: they want the European Security Conference to be a success -- it's kind of a political -- it's the politics of the Russian leadership -- they've been talking about ^{the} European security Conference for 10 years. They ^(v)e finally got the preliminary under way in Helsinki.

They'd like to have us b e a participant on the plus side -- not a foot dragger, but on the plus ~~MM~~ side.

pu 42d add

SEcondly, they are really worried about the Common Market and trade. They're looking, believe it or not --Eastern Europe more and more, including the Soviet Union -- for some opportunity for trade with the United States.

Thirdly, they need credits. Not just for soft goods. There's no way -- no way -- that the Russians are going to have enough food, no way, believe me. Even if they get a good crop, because their reserves are down and they're going to need it.

Now we got the exact data that the Russians themselves put into the hopper on wheat -- they're going to produce 80-million tons of wheat if they get a good crop; they need 100-million. They can get by on 90-million -- all depending on what their reserves are, and we don't know what their reserves are. We just have to assume that, with bad crops in '63 and '66, and another bad crop in '72, that the reserves can't be too good -- particularly with increasing demand of the consumers.

Q. Were they pretty candid when you were over there about this? Do they admit that they are in bad shape?

43d add HHH

HUMPHREY. They wouldn't admit they're in bad shape, but you just add up the conversations and you know that, for example, there's no way that they can produce enough soy beans or corn or wheat. They don't have the -- don't forget, in the 10-million or so acres on which they can produce, the kind of climate and soil that is conducive to this kind of crop -- there is no way! That vast area that you look at fools you. There's only a limited area that is good for certain kinds of crops.

Now if you're going to go into ~~animal~~ animal husbandry, for example, and dairy, which they want for lifting the protein intake, the diet, of their people -- for example, their people get 50 kilos of year of protein. We get 154, as an average, per capita. Three to one. They want to get it up to 80.

And if they want to get it up to 80 by 1980 -- by 1980 they want to get it to 80 -- that means that they've got to increase cattle production -- I've forgotten the figures now, but substantially. That means they've got to increase their intake of feed grains and soy beans and vegetable oils substantially.

There's no way they can do that without input -- just no way. Now they can get their cereals up. They could, with better care -- for example, they lose approximately 15 per cent of their crop, at the best year, they lose that to moisture, poor storage, bad distribution, etc.

pu 44th add

We lose 2 per cent -- a difference of 13 per cent. The last year, in '71 -- not this year, when they had a bad crop, but in 1971 -- they lost 22 per cent of their entire cereal grain crop -- one-fifth of it! -- to dampness, through poor storage, through bad transportation, through just bad handling.

Right now, for example, they can't -- the wheat is coming in but they haven't the facilities ^{at the ports} to take care of it. I just met with Butz yesterday -- they're going to have to extend the time for deliveries, ~~and~~ we're having to slow down the ships -- they can't take it.

Q. Has their agricultural technology improved materially in the last decade?

HUMPRHEY. Yes, on animal husbandry particularly.

Q. There was a time -- and it isn't too many decades ago -- when 48 per cent of the Soviet work force was on the farm. I understand it's down to 30-something now.

HUMPHREY. Yes, it's gone down appreciably. They have improved their technology; they've improved the quality of their seed, for instance. They've had a lot of what they call these experimental stations for different types of seed and different climatic and soil areas.

45th add HHH

But their distribution system is ~~MMMM~~ miserable. We have to depend, in this country for example, on drying ^{when} plants. Now/you produce corn or beans which mature or come to harvest late in the year, in the kind of conditions such as we have in the Midwest, you've got to be ready to put that crop immediately into drying facilities.

Now we lost a lot of our crop this year because of the very same conditions that are plaguing the Russians right now. In Illinois, 70 per cent of the soybean crop is still in the field. And they're out there trying to get it in out of the snow and out of the sleet -- and this is why there's a terrible shortage of soybeans. In Minnesota, 20 per cent of our crop was killed in the field.

Now the Russians have had worse than that -- they lose 20 per cent even when it's going ~~M~~ good!

Q. In all their crops -- the wheat grains ..?

HUMPHREY. What we call cereal grains -- feed grains and cereals. They lose anywhere from 15 to 20 per cent. They had a third of their crop in potatoes last year -- only a third. Now this is a highly potato economy, they use a lot of potatoes.

pu 46th add

They had to import potatoes from Poland. Ordinarily the Russians are exporting potatoes to some of their Eastern allies.

They're in serious agricultural difficulties. Now they won't tell you that; they won't admit it. But when I go to the World Wheat Council, their representatives are there, and they get up and say that they will produce 80-million tons and then other people that you talk to -- you have to check around, go to Germany, go to Poland and go to Britain -- and you talk to the permanent undersecretary of agriculture in Britain, you talk to the professional staff in Germany -- you give them the figures and and/you say to them: now what is your analysis?

They've lived with this -- this isn't something that came up because of the wheat deal. Like we get excited about it because we have a big wheat deal, but they live with it every day. And they'll say, look, there's no way that these people ~~aren't~~ aren't going to buy. now we have reason to know that, right now -- we've every reason to know that they're dickering around getting ready to make a big buy. We don't know whether they will or not, but we know they --

Q. Buy it from the U. S.?

HUMPHREY. We don't have it -- that's the problem. This is what we're really going to have to face up to in the committee.

The Australians have just had a crop failure.

There are four big wheat producing areas in the world: Canada, ~~MMMM~~ Australia and the Argentine. The Canadian wheat is all pledged to either the Chinese or the Russians or their normal other importers.

We have had the world reserves, and our reserves as of now are under 500-million bushels. Now that is nothing! A year ago we had a billion bushels. Now that 500-million includes the crop for the coming year, with our winter wheat crop in -- that's up to July 1st.

Now of that 500-million . .

Q. What were those four?

HUMPHREY. That's Canada, Argentine, United States and Australia.

Q. Are they pledged, Argentine?

HUMPHREY. The Australians had a crop failure; the Canadians -- most of their crop is pledged; the Argentines don't produce that much -- they have markets in Western Europe and that area.

We're the world reserve--we have been the world reserve on feed grains and wheat. When you talk about reserves, we had it, we're the ones who provided it.

Now we come up with Bangladesh, India -- right now they've got serious crop conditions. The possibility of the Russians -- you can't make that same prediction, I mean -- but if you were to judge as of now, our own specialists will tell you that now the Russians are in for trouble, seriously, because of the winter wheat damage.

That may correct itself --the spring wheat crop may be good enough so that they come out -- but I doubt it. Even then they will be short. At the closest, they'll have to import 5-million to 7-million tons. Even if they had a bumper crop. Most likely much more -- if they have any kind of crop trouble, they'll have to import -- they imported last year 18= million, they got 11 from us, 5 from the Canadians, 2 they picked up around the world. They'll have to import anywhere from 10 to 15-million tons if they have any kind of crop failure. Not only crop failure -- I mean crop troubles.

Now what does this ~~mean~~ mean to us? We've got to convince our farmers out there -- if we can -- that they ought to expand their production. Now why don't they want to expand their production? Well, we say, "they get paid not to." That's not the main reason.

They went through a couple of experiences. When we asked them, for example, ⁽¹⁾ in 1966 when we got on this business of trying to handle the Indians -- they needed something like 11-million tons of wheat at that time. And I remember and Freeman Johnson/talking about it.

So we went out and told the farmers ~~MMH~~ to open up that wheat acreage, plant. We had corn blight -- bad corn blight -- open up your corn, plant it. They had a bumper crop, the likes of which no one ever dreamed of in a hundred ~~MMH~~ years. And the granaries were filled and the prices went down and farmers have had this happen about three times in the last 15 years and they -- when you talk to them now they say, we're not just going to plant so much.

You've got to, therefore, come up with a program of what I call a good forum -- so that when they plant they're going to get a guaranteed price, in a sense. And then you've got to have that if they get a bumper crop, then you've got this ~~MM~~ reserve that you've heard some of us talk about, that we can seal this off from the normal marketing and really put it into an emergency reserve.

50th add HHH

That's going to take a lot of doing, because that's expensive -- in other words if the price went down and you had to give them that floor price, it would be a tremendous government outlay and the public might complain. Many urban Congressmen have worried about ~~a~~ that.

But the greatest chance, I feel -- the odds are 10 to 1 that there's going to be a tremendous demand/^{from} foreign markets.

Q. In the JOhnson-Freeman area, how did they get burned, because the foreign markets didn't develop?

HUMPHREY. Didn't develop, see, the Russians didn't buy from us in '66 like we thought. The Indians didn't need as much as had been earlier contemplated. And we had the best wheat crop in all the records of the government!

Q. And how ironical it is that the weather in ~~MM~~ Russia creates a cooperative attitude. What you mentioned earlier reminds me of the Thirties -- I wonder if we're going to go through a decade of dust storms and all that sort of thing. Do you recall that?

HUMPHREY. Yes, I do. And, of course, I'm kind of an old-fashioned guy about it and I think so. Let me give you the reason I think so:

pu 51st add

51st add HHH

Two years ago you had bad weater^(h) in Western Europe, and it moved -- the next area was in the Eastern countries. Last year it went into the Soviet. It's like a wave that goes across.

And there's this theory of cyclical weather systems. Now it's disputed ~~M~~ -- a lot of people believe it, some people don't. But there is reason to believe that when you see patterns in the winter, of the kind of abnormalities that we're seeing right now -- for example, in the wheat producing areas of the United States today/the temperatures are important, but no snow!

And that is just like being a farmer who depends on irrigation and has no water.

And we have a population crisis. The per capita amount of food is less now than it was five years ago. We judge everything so much ~~MM~~ from our own perspective -- but this is the world. When we look here and see the affluence that we have! I wish we could get people to ~~MM~~ appreciate what this cereal grain shortage would mean -- the feed grain shortage -- would mean to beef prices, pork prices, dairy prices. If you think we've got problems now!

pu 52d add

If we get a shortage of soybeans, we have to modify our entire animal husbandry economy -- or you have to keep the beans at the high prices that they are and that means that prices of poultry, hogs and cattle skyrocket -- just skyrocket. And corn prices are way up now, way up.

Just a few months ago we were talking about having three or four billion bushels of corn in surplus. That's nothing -- first of all, we consume in a year 5-billion for domestic use, the hogs just eat that up.

And the 3-billion that we were talking about was predicated on being able to get everything out of the fields. That's down to ~~MMH~~ 1.5-billion -- that's nothing! That's less than three months corn supply.

Q. When are you going to make a big speech and put this all in the Congressional Record, Senator?

HUMPHREY. We are going to do that.

Q. How soon?

HUMPHREY. Hopefully between now and the middle of February, because we're publishing our report next week.



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