

Our agenda for our third century is to end the deadlock of democracy. We will end the paralysis of eight years.

In the last eight years, a progressive Democratic Congress has prevented the worst, but a Republican President has vetoed the best.

For eight years, we have not had a real government. We have had that a caretaker ~~who~~ took more than it cared.

For eight years, the Republicans have tried to prove that government can't work. What they have proved is that they can't make it work.

We can't go on like this.

We're going to get America moving again. And we will do it with courtesy, efficiency, and without waste.

We cannot afford more waste.

In welfare and medicaid, the Republicans have permitted massive fraud that is costing HEW millions each year.

In the Justice Department, the Republicans have spent nearly \$5 billion to fight crime. Yet crime is soaring in urban America, and now it's spreading rapidly into the rural areas and the suburbs. With millions upon millions of tax dollars invested, they haven't any better idea than they had back in 1968 of what works and what doesn't work against crime.

We need government programs that work, that are free of waste, and that are responsive to people.

Our Administration is going to simplify the maze of government agencies and grant programs. We're going to enforce laws against fraud and the abuse of government funds. And we will implement a "zero base" budget review of government spending. We will make careful evaluations and hard-nosed decisions about every government program and we're going to ask whether that program is really needed.

And as we make those decisions, we will make them openly, in full public view and with full public participation. They will be open decisions, openly arrived at. We will open the closed doors of government and let the sun shine in.

Jimmy Carter doesn't pretend that every problem in America can be easily or immediately solved, and neither do I. We do not ask to govern because we are sure of all the answers. We ask to govern because we want to take a fresh, new look at our problems.

We are a new generation of leadership. We are strong. We are experienced, and we are ready.

We pledge to give America leadership that will unite it in spirit and in purpose.

In the third century of our nation, we want at last to realize the American dream. South will unite with North. Black will join with White. The young will touch hands with the old. The rich will understand the poor. And compassion will embrace with justice.

The clarion of the next Administration will blow down the walls that have kept us apart.

We pledge a government that respects its people.

We pledge a government that listens to the idealism of the young and respects the wisdom of the old.

We pledge a government that places no child before another, that gives every child an equal chance.

We pledge a government committed to healing our wounds and to ending our divisions.

This country was founded by those who pledged their lives and sacred honor to unite this country in freedom and justice and decency.

They were proud to call themselves Americans. And as we begin our third century, we will be proud to call ourselves Americans once again.

LOS ANGELES TIMES BUREAU BREAKFAST AUGUST 11, 1976
Senator Walter F. Mondale

Q: Senator, I want to ask about, since you were on the CIA Committee, on the subject of FBI domestic burglaries. I know you took a special interest in the FBI aspects of the investigation. Does it seem to you that this means that the FBI is out of control?

A: Well I think there's some very serious questions that these latest revelations raise. You'll recall that I had a very bitter set-to with Attorney General Levi one day when I asked him to produce for the committee the lists of the, I think they call it "embarrassments", that the Bureau had prepared in response to Levi's request because it struck me as being very similar & to the request of horror stories that Schlesinger had demanded of all stations ~~in the CIA and which~~ from the CIA and which proved to be the sort of basis of a lot of the work we did on the CIA side of the study. And as you know we got into a very bitter set-to, ~~in which~~ in which Levi said that he wasn't going to produce it because he thought it'd be embarrassing. And I said, Well the CIA produced it, and he said, Well I'm not the director of the CIA and so on. And in fact I think if he had responded and the Bureau had responded we might have been able to uncover and disclose what at least Kelly now says was a failure of somebody in the Bureau of advise him of additional black bag jobs and so on that went into the seventies rather than having been terminated in '66 as they said.

I think there's something very instructive here. Mr. Colby who may have lost his job for telling all, may have done more to restore the CIA and get it back to work quickly with public confidence; and on the other hand the Justice Department and the Bureau have been reluctant to cooperate, have had a deep internal problem of their own, obviously, which resulted in the dismissal of some top Bureau people. Practically every week there's another disclosure of indiscretions, illegalities, which were not disclosed to the Committee. For example, I tried to follow on after that question to get a list of indiscretions. I was assured that there were ~~no~~ no further problems of that kind. And yet now we realize that there were. So the cloud still hangs over the Bureau, and hangs over the ability of Mr. Levi to manage that Department. And it's further, ~~compounded~~ compounded by the position of the Bureau, uh, position of the Justice Department which resisted any jurisdiction in the new Intelligence Committee over the intelligence operations of the Bureau. Now we forced that through in the rules, over their objections, but we had to fight that through and now ~~it's~~ it's their position that they ought to have authority to surreptitiously investigate Americans who are not thought to be committing crimes.

LA TIMES-
LA TIMES/Mondale 8/11/76 p.2

In other words, it seems to me that that would be the first official adoption of a theory that investigative agencies have a right to investigate Americans who are not guilty of anything -- except being Americans. And ~~xxxxxx~~
I think that would leave tremendous discretion in the Director and the Attorney General to investigate unpopular ideas as distinct from illegal conduct. And that's an ocean of ~~x~~ difference. So I think there's a lot of troubles there.

Q: What should be done now since the Director has ...
Are there things now that you see that could be done to make to keep the Bureau independent from politics and still make the Director ~~fm~~ more responsible to somebody's policy?

A: Well there are different kinds of accountability. The most important is court accountability -- to an independent tribunal -- and that's why I come down so hard on the requirement that investigations of Americans be tied to illegal conduct and the requirement of a court warrant. In other words, that's the single most important deterrent to the abuse of investigative police powers. If ~~they'd had~~ we'd had that and they'd obeyed it ~~x2x~~ there never would have been Cointelpro and ~~these~~ other things. And no Bureau Director could have gotten away with it, so that's number one.

Number two, it seems to me, it's absolutely crucial that the Attorney General control and direct far more closely than he does today, the operations of the Bureau. Now you need a Director but, as you know, for many, many years the Attorney General and the Director of the Bureau ~~be~~ barely maintained communications. As a matter of fact, Katzenbach testified ~~d~~ that the reason he quit as Attorney General was he realized he could not control the Bureau at all. And I still think, I can't prove this, but it seems to me that there's still a tremendous gap in communications and command ~~sz~~ control between the Bureau and the ~~Att~~ Attorney General.

Q: What about Kelly, though. Do you think he's shown any indications ~~x~~ at all that he's able to bring the Bureau under ~~sz~~ control. He's been in there, what, over three years and he says

A: Well, I like Kelly personally. But I do not think he's really got control of that, and I don't think he's got much time left to prove that he can control it.

Q: He's acquired a bureaucracy that's....

A: That's my point....

Q: ... totally responsible to somebody else, even if he's still dead.

A: Maybe that's why we can't find the Hoover papers. They go out and read them every night.

But you know there've been several embarrassments to Mr. Kelly that undermine his capacity to lead that Bureau. Number one, he assured ~~xxxx~~ the Committee that there were no black bag jobs after '66,; we now find out that there werex. In a couple of the ~~xxx~~ investigations, what happened to the Hoover papers, the Tolson will and some of those other matters -- the charges about excess payments to equipment purchasers, and so on. They've had to take some of those x investigations away from the Bureau, and it's, um, I think the Bureau is ~~fx~~ far from being out of the woods.

A

Q: Why can't a President tell his Att-orney General and his FBI Director that this has gone on long enough, that enough is enough, and the two of you are going to clean this upx and do it now?

A: He could, but he hasn't and he supported the Attorney General in resisting oversight of it at all. And the effort to require the Bureau to be more responsive to court supervision. And he's shown no inclination to insist on that. I think it's very important. I believe in a strong Bureau. I think it's a very important, crucial institution sx in American ~~xx~~ life. And I want a strong Bureau, but I want it to work within the law. And I want it to work on the real problems that ~~A~~ affect Americans. For example, I think there's evidence that the Bureau, ~~xxx~~ under Mr. ~~sz~~ Hoover's leadership, did not really emphasize efforts against organized crime or in the drug area. I think one of the reasons we got a separate drug enforcement act is that Hoover never really wanted to get into that field much. Well those are ~~xx~~ two of the most crucial law enforcement areas in America today: dealing with organized crime and dealing with drug enforcement. And I think there's much that needs to be done to restore the Bureau to an effective, hard-hitting and tough, but law-abiding, organization that has the respect of the American public.

LA TIMES/Mondale
8/11/76 p. 4

Q: Do you think Governor Carter has a ~~chance~~ chance to talk about this in any detail? (????)

A: No we haven't but I would hope that he would give this very high priority....

Q: Let me ask you, do you think any ...

A: ~~And~~ ... And I would urge him to do so. He's quite familiar with my work on the Intelligence Committee.

Q: Do you think that any man who has ~~been~~ been in the Bureau and particularly in the Washington hierarchy over a period of years is capable of cleaning up the corruption in it?

A:

Theoretically, ~~yes~~ yes. But I mean he would have to -- just as Mr. Colby came out of the (?) of the ~~CIA~~ CIA and did make that break -- but it's very, very hard for someone to do that. But if they're going, ... If they come in with that background, they come in with a credibility gap because the assumption is that you can't break with ~~a~~ old allegiances and you have to be all the more careful to do so. SO I would say it's possible, but it's tough.

x

Q: I mean for example Mr. Kelly brought in Mr. Held of Chicago to replace Mr. Callaghan and it turns out Mr. Held had been involved in Cointelpro projects himself.

A: And that's correct. And I ~~don't~~ think he denies it. Now it's just possible that Mr. Held if he got tough and strong, could ~~do~~ do it. I know Mr. ~~Held~~ Held. It's possible, I don't know if ~~he'd~~ he'd do it but it's possible.

Q: You talked about organized crime a minute ago. Your committee found out that that the CIA cooperated with organized crime to a substantial degree. Was there any indication that the FBI may have occasionally had similar working agreements with the mob?

A: Realize that when we're dealing ~~with~~ with the Bureau, we only dealt with that portion affecting domestic intelligence. I don't recall any evidence that they did so. However, there was evidence that the Bureau was aware that the CIA was working with the underworld in ~~an~~ an attempt to assassinate Castro, but I don't recall. I'll say I don't recall because I just don't remember anything like that.

LA TIMES/Mondale
8/11/76 p. 4

Q: Do you think Governor Carter has a ~~chance~~ chance to talk about this in any detail? (????)

A: No we haven't but I would hope that he would give this very high priority....

Q: Let me ask you, do you think any ...

A: ~~And~~ ... And I would urge him to do so. He's quite familiar with my work on the Intelligence Committee.

Q: Do you think that any man who has ~~been~~ been in the Bureau and particularly in the Washington hierarchy over a period of years is capable of cleaning up the corruption in it?

A:

Theoretically, ~~yes~~ yes. But I mean he would have to -- just as Mr. Colby came out of the (?) of the ~~CIA~~ CIA and did make that break -- but it's very, very hard for someone to do that. But if they're going, ... If they come in with that background, they come in with a credibility gap because the assumption is that you can't break with ~~a~~ old allegiances and you have to be all the more careful to do so. SO I would say it's possible, but it's tough.

x

Q: I mean for example Mr. Kelly brought in Mr. Held of Chicago to replace Mr. Callaghan and it turns out Mr. Held had been involved in Cointelpro projects himself.

A: And that's correct. And I ~~don't~~ think he denies it. Now it's just possible that Mr. Held if he got tough and strong, could ~~do~~ do it. I know Mr. ~~Held~~ Held. It's possible, I don't know if ~~he'd~~ he'd do it but it's possible.

Q: You talked about organized crime a minute ago. Your committee found out that that the CIA cooperated with organized crime to a substantial degree. Was there any indication that the FBI may have occasionally had similar working agreements with the mob?

A: Realize that when we're dealing ~~with~~ with the Bureau, we only dealt with that portion affecting domestic intelligence. I don't recall any evidence that they did so. However, there was evidence that the Bureau was aware that the CIA was working with the underworld in ~~an~~ an attempt to assassinate Castro, but I don't recall. I'll say I don't recall because I just don't remember anything like that.

Q: Senator what's your feeling _____ (?) about Johnny Roselli's murder. Do you think it.....

A: This is a very serious matter. You will recall that just before we heard Mr. Roselli we were scheduled to hear Mr. Giancana who was gunned down in his Chicago apartment and now Mr. Roselli has obviously ~~mm~~ been murdered in Miami after he testified before our Committee. The clear ~~xm~~ implication there is that there may be some relationship. (Laughter). But if you can get anybody to testify to it's the other thing.

But it ~~xxxxxxx~~ couldn't be a more fundamental assault on the due process powers and the discovery powers of the Congress. If people who testified or being asked to testify can lose their lives without those responsible being held accountable to the law, then I would think it would have a certain sobering effect on those being asked to testify.

Q? Should there be a Congressional investigation ?

A: Well I think the first step ought to be an immediate -- and I notice the Inouye Committee called for that yesterday -- and immediate FBI investigation. I haven't heard whether the Bureau has agreed to do that yet. But that ought to be an all-out, immediate investigation and I think they ought to do that immediately.

Q: Are you saying there should be a Congressional investigation ~~kxxx~~ too, or just....

A: I would think ~~kxx~~ that the Senate Committee ought to follow that very, very closely. In other words, the Senate Committee does not have the staff to go in and investigate something like ~~xyx~~ this. But they should be watching and following the Bureau very closelyx to see that there's an all-out effort to determine what happened there and to bring those responsible to account.

Q: Can you give us any indication at all what kind of testimony Roselli gave when he came before the Committee the last time that we ~~kxxx~~ knew nothing about, when it was closed session?

A: I cannot because I was not there and I'm not... I think he was called in ~~kxx~~ by the Hart-Schweiker subcommittee ~~x~~ to determine what relations it had to the Kennedy assassination. I was not there. I have not read the record.

Q: You don't know whether he gave any critical testimony, didn't hear that he did?

A: No. I just don't know.

Q: May I ask you something about your differences on issues with Carter? What are your major differences? One is I suppose isn't it, do you think the pardon should be an issue and he doesn't think it ~~wk~~ should be?

A: I think it's a question of emphasis there. I have felt ~~x~~ deeply about that pardon issue as a public policy matter since it happened. I said so, and spent considerable time on that issue in my book, I've spoken about it many, many times. Not that I'm questioning Mr. Ford's integrity, I'm not, or his motives, I'm not, but because of what that means to what I consider to be the crucial concept of equality before the law. And my statement in my acceptance speech was not something I cooked up for the evening. It was almost identical statement I'd made for a long long time. Governor Carter has said that he would not have done it, that he thinks it was wrong, but that he would not personally make it an issue. If asked, he would comment on it as he has, but he didn't intend to emphasize it as a political issue. I have, of course, done so. I don't intend to make this my dominant issue, and I think it fits into some of these other things we are talking about now. The whole effort to restore the simple notion of equality before the law and accountability of the law it seems to me is at the heart of this nation's discontent. You cannot have public respect for the law if it is not enforced or lightly enforced against the rich and the powerful. You cannot, I mean that is the beginning of trust and faith in American life. And we have had so much of this going on -- all across the board -- that the average American thinks that the full enforcement and harshness of the law is only for them and not for the big shots. And I think it is so crucial that I intend to keep talking about that question. I don't intend to make it the major theme -- there are many many other. For example, I think that probably the issue of the economy may be our best and most important issue in this campaign. The latest unemployment figures show the failure of their policies. But I intend to talk about that. It's a difference in emphasis I would say. So I have traditionally been opposed to capital punishment, and he has supported some sort of limited forms of capital punishment.

Q: How about gun control?

A: I think we are very similar on that. We both oppose registration of long guns. We would permit registration, but not taxation of long guns for law enforcement purposes, and we would prohibit the manufacture and sale of so-called Saturday night specials. I think we are identical on that issue.

Q: Governor Carter has no objection to your using that as a fairly strong talking point -- the pardon?

A: We talked about it yesterday, you might say after the Star interview, and there is that difference.

Q: And the polls show that that is a pretty good issue, don't they?

A: But that is not why I am using it. I would talk about that if nobody did. I just feel so deeply about that. And my work on the Intelligence Committee convinced me more and more that there is a fundamental notion that is seeped into government life that somehow the law and ethical behavior was for somebody else. Just read that record. Mr. Helms saying, "well, it is distasteful to try drugs out on unsuspecting Americans, but we have to keep up with the Communists. Mr. Sullivan saying that never once in the ten years that he headed the CIA, the Domestic Intelligence, FBI, did he ever hear the legality, ethics or morality of an issue ever brought up. When the famous Houston Committee got together representing everyone of the major intelligence agencies of America, every one of them, and signed off on a document, which on its face was illegal, the participants there testified that no one ever raised the question of illegality. So I think it is a... I think that this thing is eating at the fundamentals of American life, and it has got to be discussed, and one of the (LAUGHTER) I see Segretti's back in town. (LAUGHTER)

Q: What purpose would it have served to have brought Nixon through the legal process, and then pardoned him?

A: A crucial purpose because there would be a public description... I am having a hell of a time.

Q: (Laughter) Tryouts for White House entertainment!

A: ..of what had happened.

Q: But the public would still have felt that the rich and the powerful are still beyond the scope of the law.

A: Yes, it would be different, because he was the President of the United States, but I think, at the very least there ought to be a precise indictment by a grand jury describing what the President was alleged to have done. And as you know, Mr. Carter said that there should have been a trial following the trial. Right now, as you know, he received a blanket pardon with no description whatsoever. At least in the Agnew case, there was a public description of what happened, not by a grand jury, but it was done.

Q: Talking about trials, how did it happen that no action was ever taken against Helms?

A: Well, you have that, and then you have the recent document in the Justice Department explaining why none of the people who were illegally opening mail were indicted or prosecuted on the grounds that there was a "continuum of Presidential authority. First of all, we couldn't find that authority, though I have always suspected

that it existed. One thing we found out in this effort is that they don't keep normal business records on a lot of this (LAUGHTER) so you have to use common sense. There is nothing in the Constitution of the law permitting the President to disobey the law or to order its disobedience. There is nothing that justifies or permits a government employee to follow an order to commit an illegal act. It's illegal -- it is a very simple proposition. Running through the whole fabric of public life has been this growing private assumption that you had the right to take the law in your own hand. You can't run the society on this basis. You can't do it.

Q: You think someone should be prosecuted for the FBI blackbag...

A: Let me put it this way. We have had the blackbag jobs, we have had the mail openings, we have had the illegal testings, we have had all of that, and I think I am right that no one has ever been prosecuted in any of them. In the domestic report I put in there that that is no way to establish the role of law. The people violate the law, it is not just enough to start with a new team, but you also, in my opinion, have to make it clear that those who have done so must pay the price of doing so.

Q: You think then, that it is fair to prosecute street level agents who did what they thought what they had been instructed to do, and who thought that they had authorization from higher authority to do, and not try to get at, say the Attorney General might have known about it?

A: Those responsible are guilty for violating the law. And I don't think you can draw distinctions.

Q: I think Norman's point is that ...where do you stop? Is it the guy who does it, or the guy that orders it, or is it both?

A: My understanding of the law is if it is illegal, it is everyone involved who has violated the law.

Q: Did your committee know that FBI informants were committing blackbag jobs?

A: Ask me that again.

Q: Did you know that paid informants were breaking into places and stealing records as agents?

A: Is that that recent case that came up?

Q: Yeah, the recent case in Denver where they have the records that have happened, and there is also substantial hints that the other records they got as a result of that that this was not a nice way...

A: By the time we got half through going to _____ such subtle distinctions didn't seem to make any difference. I don't remember

Q: Senator, getting back to the IDS amendment, why did you decide to press forward with it in the Finance Committee after the Ways and Means Committee voted it down twice, and the Treasury had expressed its opposition to it?

A: For the reasons I have just expressed.

Q: Pursuing the idea of not wanting to distort capital flows, and obviously this is just a minor point in the bill, but I think the issue is worth pursuing a little bit, my understanding of the services decision was to put this asset on a footing with, let's say, savings accounts, and other similar instruments where the holder is taxed on his interest, year by year.

A: I don't have the materials freshly in mind, but there is a term life insurance policy that is almost identical to this that is more analogous to the face certificate. In any event, it had practically no revenue implications, it continued the tax treatment not for IDS, but for the holder, and I wish I had that similarity. So it is a very minor matter.

Q: But, of course, so many of the provisions, that is one of your colleagues will raise a provision that has a very minor revenue effect, and if there seems to be sort of a logrolling situation, there is no direction or control...

A: And that's partly why you need Presidential leadership... I made that point. Also, if you look at my record you will find many many cases I lead tax reform fights that "adversely affected interests in my own states." I helped lead the fight to help close these tax shelters. I helped lead the fight to tighten up the minimum tax, I lead the fight against that maximum tax ceiling on unearned income. I helped lead the fight on the oil depletion allowance. On a whole range of those issues, I think I have shown that I can stand up to interests in my own state. I am not one of those who has been pandering to a series of preferences in my own state. And I think that one example is an example of a case that could be made that is not irresponsible.

Q: Senator, do you think that whoever is the Vice Presidential nominee for the Republicans has the responsibility now to release tax information?

A: Let me say what I did. I had Mr. ^{Horrock} ~~Horrig~~ working on me for two weeks and he not only went through my taxes, and my FBI file, but I think he went completely through my capallary system (LAUGHTER) and all of that with my approval. We gave him everything. Everything he wanted. Doctor's files, FBI files, all of the tax returns. Any business information he wanted. Talked to former law partners. We gave him everything. And I think that somebody who is going to run for Vice President should absolutely just open everything up and let the public see it. And not to do so I think raises suspicions, and after what we have been through, I think, proper suspicions.

observing that, but that would have been a minor occurrence.

Q: Senator, on the subject of the importance of equality before the law, you talk about the tax writing process. You are involved in that, and the Senate has just finished working on a bill that has a hundred different sections. A good deal of those sections involve provisions that effect only a few taxpayers, and you yourself, I think, got some notoriety for your IDS amendment. I am just wondering if you could say if there is any better way to go about writing tax law than the way we do it?

A: First of all, let me tell you a little bit about my record on tax law. I have always been a so-called tax reformer. I think my record in the Senate is as good as anyone in tax reform. I have tried to be a practical tax reformer, and develop positions that are realistic, and balanced. In other words, I think there are some reformers that think that all you have to prove in order to prove you are a reformer is to prove you are against business. I think there are business problems, too that need to be kept in mind. Capital accumulation problems, and so on. But one of the reasons that I am against a lot of these preferences is that they distort capital flows, and they are not only unfair to the average taxpayer, they are unfair to the businesses who do not benefit from preferences that their competitors or different kinds of businesses do. The tax shelters are a classic example. I have helped lead a whole range of fights in the field of tax reforms. I think my record is good. The IDS issue in my opinion, once it is understood is a very minor problem. They have what you call a face-amount certificate. Traditionally a holder of a face certificate pays income taxes on the gain, that is the interest earned on the time he or she receives the payment. That is the way it has been until last year when the IRS ruled that they had to pay each year when the money was deposited to their account even though it hadn't been paid. It isn't IDS that pays the tax, it is the holder that pays the tax, and it has practically no revenue implications. It was just a question of when you pay the tax..whether it is deferred or not, and it wasn't IDS it was the individual holders. And the...So I don't think that.. it may not be a good investment, but it, in my opinion does not at all deserve the _____, one of those outrageous tax loopholes. Secondly, to get more serious about it, because there are many things about this bill I personally fought, as you know. I think true tax reform requires Presidential leadership. First of all, we know that if we get profound tax reform we are going to get vetoed. Now, if you get vetoed you have to have two-thirds to override, and we don't just have two-thirds. We are lucky sometimes to have 50 percent. A lot of times you don't get that. So I think that in order to have tax reform you have to have not only concerted Congressional interest in the problem, but you also have to have Presidential support. And it is clear to me that Governor Carter intends to provide that.

Q: That Flower Fund that you had when you were Attorney General can you tell us generally what that was?

A: For many many years, and long before I got there, there was a small fund, and I am trying to find out, it has been many many years, and I am trying to find out what its size was. I think it was \$200 at the maximum. And it's one that we all contributed to, to do minor things like, you know, a lot of young lawyers are having babies.. We would send flowers then, we would have farewell parties, things like that that we did together. And I contributed to the fund along with everyone else. None of it ever went to me. I didn't amount to everything, and it was never an issue in Minnesota politics. I don't think it ever came up. That is the other thing I gave was the response to the Kirbo inquiry. I don't recall that ever being an issue at the time. I didn't start it, it was there when I came in, I wasn't involved in its administration at all, and I think it continued some years after I was gone.

Q: Was it imperative for the person to contribute to the fund?

A: No, it had nothing to do with employment whatsoever.

Q: Where there ever any political uses made of that...In other state governments, Illinois, for example, the Flower Fund is a euphemism for collecting campaign money for your boss. That's not true in this case at all?

A: No, as I say, I am trying to find out, it has been so many years, but I think it was just a couple hundred bucks for these kind of minor...

Q: I think a couple people have told us when we were in Minnesota that , and of course it started under Miles Lordin , that when you traveled around the state to give speeches you used a little for gasoline, etc.

A: I don't think we even did that, but let me check on that. This fund went clear back before Miles Lordin.

Q: I was going to ask you the question about Connolly. Do you think that Connolly would be an asset to Ford assuming Ford is the nominee.

A: I certainly do. (LAUGHTER)

Q: You mean in the _____ anything would help?

Q: Have you and Governor Carter agreed on whether the milk fund ought to be an issue?

A: You mean vis-a-vis Connolly? We haven't had a chance to talk about that yet.

Q: Do you think it would be likely to come up if he was the nominee?

A: Yeah, but I don't want to get into that at this point.

Q: Senator, have you been functioning...

A: May I have some more coffee, by the way!

Q: Have you been functioning to reassure the Senators about Governor Carter? Do you feel that there is getting to be a better feeling in Congress now for him, that he wasn't really out after them when he was talking about Washingtonians?

A: I think there has been a very important change there. You know he spent a great deal of time on both sides of the Hill. He's talked to a great number of Members of Congress personally. He's met with them, he's gone to the DSG dinner, the Class of 1974 fundraiser, and in a host of different ways, I think he has done an excellent job of establishing a closer working rapport with the Congress, and I would like to think that maybe my nomination has also been helpful. Because I have spent a lot of time since my nomination working with my friends on both sides of the Hill. And I think that this is very important for public policy. One of the important issues of this campaign...crucial issues... must be the deadlock and suspicion and posturing that exists between the Congress and the President. For eight years we have had government by veto, they have dealt with the politics of the problem and not the problem, we had an effort to find out who would be responsible for the problem not being solved rather than the solution. And that is not going to be solved under a Republican President. It can only be solved by a Democratic President who has got the respect and confidence of the Congress. Mr. Carter will have that respect. And we can finally have a government that governs. And I think that that is at the heart of much of the frustration in American life today that they don't see any of their problems being solved. Instead of that they see papers coming out on whose at fault. And they are not interested at whose at fault, and they are not interested at that sort of thin partisan advantage, but they are very interested in getting some of these problems solved. Getting jobs, getting some housing, getting some medical care, and some of their other problems. And I think that one of the great advantages that Mr. Carter offers that about which there is no hope under the continuation of a Republican President, is to end this deadlock that has been at the heart of so many of our difficulties.

Q: Can you clear a phone call for example, if somebody has a problem and wants to talk to him about it, can you sort of set him up with a phone call.

A: Yes, and I have done so. And I have taken care of a lot of that myself, and he has taken care of a lot of it. I was just going to say about that. That guy has an unbelievable amount of energy. I said, the day after I was nominated, that I intended to work an hour later, and get up a half hour before him every

day, and that was the first promise I broke. (LAUGHTER)

Q: Have the two of you had much opportunity to talk about the kinds of people or specific people you would like to bring into your Administration? He has talked a great deal about a new sort of perspective, instead of this inbred Washington view of things. I notice that two of the people retired...Joe Califano and Clark Clifford are holding some meetings down at the Metropolitan Club on transition, which hardly seems like he is bringing in a new perspective.

A: Joe Califano wasn't hired as you know. He's a lawyer here in town who is handling one subject, which incidentally he is very well qualified for. Namely, family policy in American life. Or to put it more accurately, the role of the federal government as it affects family life. I have been interested in these panels that he has brought to Plains in the number of new faces that I have not heard about. He has some of the old faces, and I think he should. I think experience counts for a lot in government. I remember coming down here as a Senator for a couple years it was pretty baffling, to get enough understanding and comprehension of the process to deal responsibly. So I think you need both. He has assembled a team that advises him in Atlanta, which is his closest team -- Brandon, Jack Watson, Stu Eisenstadt, and others. And he has picked, but he is not limiting himself to that. I don't think he intends to move citizens of Washington out of town the way rural Cambodians did in Phnom Penh. I think he wants to draw on the best in town, and use their experience for the purpose of deeply reforming this government. And mark my words, this is going to be a central theme of this man's Administration. He feels very deeply about a governmental reform. And he talked very candidly to the Senate caucus the other day about that. He intends to shake this government up and make it work. And he is not going to be co-opted by old patterns and old communities of thought. But he wants to talk to people who understand it. I think Clark Clifford is an important person to talk to. Among other things, I think he is the man who helped turn this country around the war in Vietnam. He's shown...got some courage and some great wisdom. It's a question of balance, and how you use these advisers, and how you bring in fresh thoughts and how you bring them together. You know, few people have ever been in a better position to be independent than Mr. Carter. He got nominated without the support of most of the establishment, and without any entangling alliances. He's running without any need to raise private funds in the general election, and he benefitted from the new financing system in the primaries. And he's not got a lot of entangling alliances here in Washington, he's seen Washington from the outside, from the state and local level, and as a citizen who has not lived here, and he, it's hard to imagine a person coming into this town in a better position to do what makes sense without irrelevant conflicts. And add to that he is a very capable person. He has a very fast mind. He reads prodigiously. I think

he is going to be very well informed, and he's a man of strong will, and he's got a deep sense of system and business management, which was a part of his background. And I believe that Americans that want to see a government reorganized, make it work, reduce waste, make it responsive with sensitive concern for local government, and who want to see government govern through the ending of this deadlock and through the institution of sound management, there probably hasn't been a time in this century when we had a better chance than with the election of Jimmy Carter. I want that when I'm done, it came out pretty well! (LAUGHTER)

Q: On the question of the deadlock, Senator,,,

A: Send that to him, right away!

Q: (LAUGHTER) In the last few years in Congress, in both Houses, there has been an institutional move towards asserting authority in certain fields which have not been traditional in Congress and over a generation, particularly in foreign affairs. Do you see Congress with the inception of the Carter Presidency, just dropping that fight for increased authority?

A: I have been talking to Governor Carter about this very issue, because I believe that it is crucial to his relationship with the Congress, and he has been very receptive, and I would hope that he might make a statement on it during the campaign. I think one could sit down and agree on what the legitimate powers of the two bodies are, and if a President would concede at the outset, the traditional powers of the Congress, including the restoration of the powers that have fallen into disuse, particularly in the foreign field, because we have gone quite a way on toward the restoration of our powers in the domestic field, through the Control and Impoundment Act, particularly. And then, say those are your powers, and I am going to respect them. And here are my powers, and I think you should respect mine. Because what had happened because of the Nixon excesses is that...and the shattering of that mutual confidence, is that we started doing certain things in order to effect, inhibit, control, and hedge Executive discretion, because we feared its abuse and we didn't know how else to control it. For example, under the Trade Expansion Act, you have to bring all kinds of stuff back up to the Hill subject to the veto, and we have seen a growing use of the single House veto, and so on. If you had a President... And you remember, the Arms Sales Act, as an example...If you had a President that would work respectfully with the Congress and help, for example, deal, if he would himself put a ceiling on Arms Sales...then I don't think it would be so necessary to keep trying to entangle the Executive in that way. We could reach an accommodation...If we could agree that these Executive Agreements would be subject to full disclosure and Congressional approval. That all that were appropriate in treaty form would be sent up in treaty form and we could deal with it I think the way the Constitution intended. That we wouldn't see the exaggerated use of Executive Privilege, and separation of power, and national security to keep information from

the Congress. I think with those kinds of concessions to what I think are the legitimate Constitutional powers of the Congress, the President would be in a much better

Change tape

Side Two

A: Beginning of the nation... The member of the Cabinet would go down on the Floor of the Senate and the House and answer the questions of all participants. And as you know, this was something that Kefauver tried to institute. He's for it, I'm for it. We could pass a bill like that, that would make Members of the Cabinet at the invitation of the Senate or the House, come down on the Senate Floor or the House Floor in front of the media, all of it, and answer questions on a crucial issue. I think there is a lot that could flow from that. Better information coming to the Congress, and less of a contrived environment for hearing information. I am a great supporter of Congress, but I think many times a Cabinet officer and the Committee that he deals with the most tends to get cozy. Many times there are questions that should be asked that aren't asked. For example, you can't use this, but I want to talk about it, because I think it is very good.

(OFF THE RECORD)

I can remember as a member of the Space Committee in the 204 disaster when I asked Webb whether there was a thing called the Phillips Report that showed that whole program was in disastrous trouble, and he mumbled around and hightailed it up to my office and asked who had authorized me to ask that question! (LAUGHTER) Had I cleared it with the Chairman? And didn't he realize that we were both Democrats and that sort of thing. My point is that we have to open up the process, and it's not only valuable it seems to me to install confidence in the Congress, but I can't think of anything that is more helpful to a President than to see how well his Cabinet officers perform. I have had others like Trudeau say that the best thing that has happened in our government is the question-report period. If we have got a bad policy, you start smelling immediately. And secondly, you can find out which Cabinet officers can perform and which can't.

Q: Senator, is it your concept to have this on more or less regular schedule, would it be ad hoc as problems arise, how would it work?

A: It would be more in the ad hoc basis, and the theory would be that you would call them down on central issues. Like energy. Maybe down on greased turkey, whatever is hot. And you could have them down there on a given subject, and they would take questions from all comers, in front of national media. And I think it would be good.

Q: Doesn't this sort of thing you are talking about, the coziness between agency officials and Committee Chairman and what not, make it very very tough, if not impossible for Governor Carter to do the type of streamlining and slimming down as he wants to do.

A. Governor Carter, intends, he tells me, and he told the Corps the other day, to procede on the Georgia format, where he would ask for generalized authority to reorganize government subject to Congressional veto. And he would draw the best minds in the country, consult closely with the Congress, and then announce an overall comprehensive plan of government, not bit by bit, but overall. And make that the focal point of a broad reorganization. His study convinces him, and I believe he is right that the piecemeal long-term reorganization plans are not going to work, that you have to do it comprehensively. And I would hope that we could move so that the Congress and Executive reorganize at the same time together and in relation to each other, because you know, there is a lot of relationship there, as you know. We do have the Culver Commission at work now. And if we could restructure them together so that they dealt functionally with each other and they fit and we reorganized the Exeuctive and Legislative Branch in terms of today's problems, and anticipated problems rather than vestigial problems we have from older days, I think it would help a lot. And I believe we have a once in a lifetime chance to do it. I remember Lyndon Johnson tried to do it piecemeal. No man at that time had that kind of influence and power and understanding of Congress than Lyndon Johnson. And he had an awful time, you know. While he was able to get the Department of Transportation and there were still a lot of problems he could not solve and so on.

Q: Senator, you talked a little bit ago about the need for action on housing and on jobs, and you have been very active in promoting larger federal child care programs, many people are expecting that if you and Governor Carter are elected, there will be a return to the days of active expansion of programs like that. How are you going to pay for that and what sort of disillusionment may lie in wait for people who have high expectations. There really isn't much difference between the Congressional budget ceiling and President Ford that has been talked about.

A: There is a crucial difference. The ceiling that we operate on is against a backdrop against-a of an absolutely incredibly badly managed economy. In other words, the reason we are in deep deficit now is almost exclusively recession related. In just one year of this Administration, we racked up a deficit that was equal to all ...that was greater...than all the deficits accumulated in the eight years of Kennedy and Johnson. Because of the recession. So we have had to deal with this shrinking pie in America, and I have been one of those on the Budget Committee that has had to do it, and it was an economy that was not producing new revenue on existing rates because of growth, but shocking deficits and recession related expenditures because of the recession, so that they key to our strategy is going to be the restoration of a growth policy, which we think can be done within a...Because I don't think there is any question if you ask most economists they would say that one of the most greivous errors of this Administration and Mr. Nixon was to almost consistently overrate the fear of inflation arising from fear

of full employment. So that even when you get to 6 and 7 percent real unemployment, they still argue that you have to dampen demand to prevent inflation. This is the old Phillips Curve idea. I don't think that Mr. Phillips would recognize his curve anymore. Because unemployment...just as soon as the stories come out that some Americans are going back to work, I think they hit the panic button, have an emergency meeting, and get Arthur Burns, Mr. Simon, Mr. Greenspan, and all those folks full of heart together, and they say, "we have got to do something about that, somebody got a job. Stop it. Raise interest rates. Tighten credit. Tighten the budget, teach-the teach them responsibility. And that is what has happened. And we think that first of all, we can put millions of Americans back to work, approach much fuller employment, without in any way contributing to inflation. At some point, of course, you do arrive at that place where macroeconomic policies approaching full employment will help contribute to inflation. We are no where near that. At that point we think there is some microeconomic policies that can be very helpful. Pinpointing employment, for example, in the pockets of high unemployment can be very helpful. You can do that without overheating the general economy. Economists tell you that you can pick up almost a full percentage point by those kinds of carefully targeting employment practices. We think that we can set up some systems for monitoring crucial shortages, bottlenecks in the economy. If its paper, if its steel, whatever it is, and try to work policies out that anticipate those bottlenecks and prevent them. With crucial reserve. Let me just make a few points, and we will get back to me. And try to get some crucial standby reserves as well. Thirdly, we think that a much stronger system of antitrust law enforcement. To try to get some competition in the American economy and in the administered price sectors can be very very helpful. And finally, we think that that whole range of regulatory agencies and so on can be handled in a way to improve competition and reduce prices. And then also, the possibility of an incomes policy. The Republicans have been almost ideologically paralyzed in the use of almost any of these tools. They're afraid to approach full employment, and as soon as it is seen on the horizon, everything stops. They're afraid to use any of these microeconomic policies because it might bestir the ghost of Adam Smith, and they don't. They won't use an incomes policy, they won't do any of it. And the result of it is that most of America has had to suffer. And we think that we can do a much better job with economic policy than they have. And we can have less inflation and fuller employment.

Q: Senator, I think that you didn't get to Dick's question about where the revenue would come from? Because you get back to full employment, and you wipe out the deficit, but when you get to full employment, you can no longer deficit spend, you need to get some more revenue to pay for these programs.

A: That's right. I said in my acceptance speech, that we are not claiming that we have all the answers and we are not claiming that we can do all of this stuff immediately. We have to stage it, we have to do it prudently, and we have to do it within economic

constraints and budget constraints. We have no illusions about that. And I think that is the way the American people want us to proceed. But we estimate that within a few years with decent economic policies we will be back to a balanced budget, and we will have the kind of economic growth that will permit us to move toward these programs such as decent health care...and this is definitely needed in this country. And we can move in these areas, and do so in an intelligent system that makes economic system.

Q: But you are saying that it would take some years to do that?

A: Yes. We are not claiming that we are going to do everything next fiscal year. We never have. There are other things that go into this. We can have tax reform that can produce revenues, but what we would like to do basically there is to swing revenues picked up through tax reform in the form of tax relief for persons of low and moderate income.

Q: I just have one more question to follow up, and then I want to ask you one more on the FBI, and then I know you want to go. Francis was giving me the high sign twice! I want to ask how you get back to a growth policy with full employment without doing some abuse to environmental concerns, especially since so much of this is directly dependent on energy, mining a lot more coal, and building a lot more nuclear power plants, and producing a lot more automobiles. Certainly environmental control is a large part of it. What I am asking is how do you do all of this and do it in a short span of time without doing greivous damage to environmental concerns?

A: It seems to me you have to consider an intelligent person keeps several factors in mind at the same time. I think one of the criticisms of this Administration is that they can only think of one thing at a time. If it is energy, whatever it is, it is what you do, and you worry about inflation and unemployment later. You have to look at all the problems. You have to look at the economy, you have to look at energy needs, you have to look at the environment, and you have to look at them at the same time. You know, this strip mining dispute is a good example. I think that strip mining legislation is good legislation is good legislation, because on the long run, by ending a great range of unpredictability, it will actually encourage coal mining, but it will encourage it in a largely environmentally-sound way, through restoration and rehabilitation of the land. And through some decent concern for the water needs of farmers and the people that have to live in that area. It is a measure, that in my opinion, balances energy needs with the environment needs and does so well. And then you add the coal mining leasing act, and I think that is similarly true. There we try to pass an act to create more competition in coal, and to try to prevent, if we can, the situation where big oil companies come in and buy leases and sit on it, and to try this use or or lose it idea that they've got to begin producing in ten years to permit some of the independents in the act. So we are trying to deal with competition, energy, environment, decent concern of the people that live there, and I think that is the kind of balance we need.

Q: Can I ask you just one question in closing about the FBI? Do you think that the Ford Administration's failure to clean up the corruption in the FBI is an issue, and that the Carter Administration will bring in a new Director?

A: I can't answer that last question, because I haven't talked to Mr. Carter about it. Let me, if I might, just put it in a broader context. I think that the notion of effective law enforcement that is within the law and consistent with the Constitutional rights of the American people, and based on a single standard of the law is the most crucial missing ingredient, has been the most crucial missing ingredient, in American public life. And I think Governor Carter and I see eye to eye on that being a central and crucial effort, and I feel very deeply about this. I spent a lot of my recent life on that problem, and I am going to use all of my influence to try to bring that about.

Q: But you are saying that that is true of the Ford Administration as well as the Nixon Administration?

A: Well, I think Ford is a nice guy, and I think he is an honest guy. And that is not at issue. But I don't see that he or those around him have implemented the concepts I have talked in this government. You have got the pardon, you have got the treatment of Mr. Agnew, you have got the fact that those who have committed crimes by and large have not been prosecuted, you have got their resistance to all of the Watergate reforms. If anything calls out for reform, it is the independent prosecutor. Otherwise you have a privileged sanctuary for the most serious crimes of America...political crimes... resisted that until the day after our convention. They resisted the establishment of an independent committee to oversee abuses that have been disclosed. They resisted including oversight of the Bureau and its Domestic Intelligence Activities, and I think there is a pattern there, which despite the niceness of Mr. Ford, and I can see that, I like Mr. Ford, I think he is a good guy, indicates that they are not willing to root out and eliminate this private notion that I referred to earlier that somehow inside government, if you are in a high enough position of power and influence, the law is not for you, and I don't think you can live with it.

Q: Thank you very much, Senator.



MINNESOTA HISTORICAL SOCIETY

Copyright in the Walter F. Mondale Papers belongs to the Minnesota Historical Society and its content may not be copied without the copyright holder's express written permission. Users may print, download, link to, or email content, however, for individual use.

To request permission for commercial or educational use, please contact the Minnesota Historical Society.



www.mnhs.org