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Senator Edmund S. Muskie Interviewed by a Discussion Group at the Beverly Wilshire Hotel, Los Angeles, California

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SENATOR EDMUND S. MUSKIE DISCUSSION GROUP CHAMPAGNE ROOM, BEVERELY WISSHIRE HOTEL NOVEMBER 7, 1971

Thank you very much Paul, and thank was all of you for being here for your interest and for your curiosity. I'm not here to make a speech as I hope has been made clear. I would like to say a few things at the outset. First.of all, welcome back home Pat. Last time I was here Pat was on his way is on foreign journeys. I hope that his journeys have been as productive as mine have been. I'm here to answer questions and to get down to the nity grity of what is on your mind, not that I'm suggestioning that there is nity grity on your mind. But I know you have questions or you wouldn't be here. I hope you have some curiosity as to who I am and what I represent and that you hay be satisfied to some extent on that score before this afternoon is over. As I contemplate the almost endless round of audiences and people I'm asked to speak to and produce fof, I'm often reminded of what Judge Skunk, a very celebrated Maine comedium you're getting to know out here in California, once described as the shortest will in the history of Maine. It was just ten words, which constitutes a pretty good Maine speech most of the time. And the ten words are these: Being of sound mind and body, I spent it all. And I sometimes feel that I spent it all when I think of the next exertion of energy that I am called upon to make. What I am about, of course, is the possibility of Exceeding the top leadership mark of this country next year. You know that and I know that. In due course I'll make a decision that I don't think is very doubtful at this point, but in the process of making decision, it's important that I examine and that you examine who I am, what I am, what I believe, what I think about for the future. And so I would hope now, in not more than a few seconds, you will begin to direct questions to me, as straight questions and as direct questions, ax trusting questions as you may like. I've promised to answer them all to your satisfaction, I'll try to answer them to my satisfaction.

Q: Senator, the administration's foreign aid bill can't hear the rest of the question on the tape.

ESM: I would have moted for final passage of the bill, and yet I don't regard the Senate's action as irresponsible or as a disaster. I regard it as an opportunity to begin the process of reshaping our foreign assistance programs because I think unless we do reshape them and redirect them, that we are likely to lose what other support remains for that kind of a national effort. I think the vote last week was not so much a reaction to the development of the United Nations that suggested from time to time, as it was a culmination of frustations that had been mounting over a number of years, and I can suggest some of them. One of them of course revolves around military assistance. That bill involved about 55 to 60 per cent of military assistance, and I think that following the revolations as to how our military assistance has been used in places like Pakistan and India, Greece, Brazil and other countries, not to overlook Southeast Asia, there is a growing disillusion about the program of military assistance. I think that disillusion has undermined support

for the economic and humanitarian aid programs which I think have concerned you here in this room. With respect to economic assistance, our programs have been less effective than they should have been. Phase I, to use the new terminology, Phase I of foreign assistance, of course, was the Marshall Plan and it worked in Europe. But we never succeeded in modifying the program to bring it to bear with precise forcus upon the problems of developing countries. And even here economic assistance has tended to increasingly in recent years to emphasis supporting assistance so called. That is, as a part of a complement to military assistance in countries like South Vietnam and other countries that we could mention around the world where it is intended to serv e our stragic interests rather than the economic and humanitarian interests of the countries involved. I think that there is a case for economic assistance and humanitarian assistance that rests in the conscious of the American people. But for a quarter of a century we've been justifying aid in terms of American stragic interests. We sold it in the first place as a instrument of the cold war. We sold it as a way of using foreign bodies instead of American bodies on the front lines of the cold war confrontation. That was a purswaysive argument for the American people for all of the early years of the aid program but I think it was a disservice for the long range objectives of the aid program. I don't think the American people need to be deluded by their own fears into supporting the legimate aspirations of the developing nations of the earth. And that's what I think we now have to do if we're really to do what I think ourconscious tells us we must do to help developing countries to improve their own circumstances and the lives of their own people. So we have a new series of foreign aid bills in the Senate. The effort was made to make it three. An economic assistance bill, the humanitarian bill, and a military assistance program, which of course, would include Isreal, which is of interest to many in this room. I think that that's the way it ought to be in that each of these programs ought to rest on it's on leg, and I think that if we'd make thecase on the merits the American people would support it.

Q: I'd like to ask you a question about education. One part, your feeling about the House bill that evidently is going to slow down busing as one way of fighting the integration problem. The second, which is more important here in Ios Angeles especially, what can the Federal Government do, if anything, for us where we have earthquake damaged schools, no money for them, across there are other school districts that are already closed down. Does the Federal Government have a roll that it can increasingly claim thinks park education of this aspect let alone the whole integration aspect question?

ESM: Well, with respect to the House action, I detour that action. I would not support it in the Senate. I understand how emotional an issue busing is. My view of it is this: that busing does not get at the fundamental inequity or injustice and it can't by itself correct the conditions that lead the segregation in the schools and the deprivation from quality education of blacks and other minorities. But nevertheless, it is a tool that can be useful immany cases, maybe the only one, and we should be willing to use it. I think we have to go beyond that to get at the fundamentals conditions which have been structured into our society in our housing problems, into the political fragmentation of local government in metropolitan areas, employment patterns, transportation patterns,

the development of the suburbs. These are the institutions that are responsible for segregation. And indeed ME refelect the urge to segregation in the past. And to change those conditions, you know, is something that isn't going to be comfortable. There's no easy way to break away from the barriers that separate different groups in our society. It's going to be uncomfortable. So busing is marker uncomfortable. Basically what underlines the resistance to it is fear because so many Americans view the ratial question as a confrontation leading to potential violance and they look upon busing as a requirement of their children to take their places in the front ranks on the cutting edge of that potential violance. It's fear I think that underlines the resistance to violance. I think the only answer to it is to do our best and I think it's the responsibility of leadership to help in this regard to do our best to get Americans to look at the reality of what it is that we're dealing with and I think that through the right kind ofleadership and the rightkind of educational effort we can move the American people into the direction of justice. With respect to the overall question of federal aid to education, I've seen it, of course, I've seen federal support for education move from zero when I first went to the Senate 13 years ago to a multi-billion dollar program today. It will continue to grow. As a matter of fact the programs of that the Congress has authorized haven't been fully funded and if they were Federal aid for education would be massively greater than it now is and I don't know of any initiative up to now directed toward the particular problem of earthquake damaged schools. That hasn't been brought to my attention nor has it been the subject of any initiative in the Congress to the best of my information. The federal support of public education I think is going to have to increase. We're going have to increasingly apply federal resources to the social problems of our cities. Revenue sharing is one such manifestation of the need. Princeply the reason is, there are two basic reasons for it. One that political fragmentation especially in metropolitan areas has separated, you know the resources of our country from the people needs of our country. To put it even more simply the suburbs and the central cities are separated and the only way to mobilize the resources to deal with the problems is well revenue sharing is one way to do it.

Q: What is your view of the applicacy of Phase II?of the President's economic policy

In the first place Phase II is just a structure and not a policy. We don't know what the policy will be. The policies are immerging as the various boards and commissions apply themselves to the responsibility the President imposed upon them. We don't yet have a price-setting policy. we don't yet have a wage-setting policy. Untill we see those policies it's hard to evaluate them. I think that the President has created a very difficult task for himself. beginning with Phase I. Phase I was a total across the board arbitrary hard line prohibition against any increases in wages or prices, and to move from that harsh kind of prohibition into a more flexible one he has the appearance of backing off and the in the process of bakeing off you have to be concerned with the question of evenhandedness because if the American people get the idea that the policies aren't evenhanded, they will not support them. The question, nevertheless, adjusting to the inequities that were frozen into place by the wage/price freeze of the first Phase, inequities that were developed out of the President's first three economic policies in the first two and one half years of his

administration without the flexibilities to deal with those the program would tend to lose public support. The program ins't a policy yet and makik it's a structure and until we see the policies we can't evaluate them.

- Q: What is your opinion of Mr. Rehnquist and how would you vote on him?
- ESM: Number one I know only that he has on his record a good mind apparently a good legal mind, excellent law school record, but I know nothing or not enough about his judicial philosophy to evaluate it and will not make a decision about his qualifications for the court until the record is complete. On the basis of his intellictual attainments and his capacity he's worthy of consideration. Whether I can support him on the basis of judicial philosphy I would decide when the record is complete and on that point may I say that remarkthe record on recent court appointmentees suggests that one ought not to be precipitant in making final judgement.
- Q: Senator, ten years ago you talked about auto remarketing and warned that we would export thousands of jobs and loose jobs if we didn't have it. Now ten years later we've lost hundreds of thousands of jobs. It's appearant that this present law of the ten per cent surcharge is now the answer. Don't you think that this is the time to press for orderly marketing is the only way to get our jobs back?
- Well. I think we need a mechanism and I think it ought to be an international mechanism to dealwith the adjustment problems related to the impact of import compitition for the very simple reason that what seems to make the difference now between our being competitive not only abroad but in our own markets is the disparity in wage levels between our own country and competing countries. We've always treatedg that aspect of foreign trade as a unilateral problem to be dealt with by countries in accordance with their own internal domestic pressures. The result is that there is a wide pattern across the whole trading world of protections that have been errected by the great trading nations like Japan and others and I think unless we come to see this as an international problem and deal with it effectively that what we will spark is a wave of protectionism that would be I think against our country's best interests and against the best interest of stability in international economic and nometary trade affairs. This is the reason I introduced parly marketing 11 years ago, not as a protectionist device, but as a way of triggering concern about this problem.
 - taking state positions.
- Q: Senator, we hear you criticize for not leading and sxkibitingxxkatemanskip.

 How can you answer that question?
- ESM: Well it isn't true. How do I prove the negative of a question. I could take the position that everything I've said in the last three years is either on paper or on tape andyou can judge for yourself by examining the records. It isn't true. I understand the criticism, I read it, and I can be frustrated by it, but the fact is that you can't conduct the kind

of travel around the country as I have for three years facing 70 to 80 college audiences, press conferences several times a day for weeks on end, and evade the tough questions. I don't know what else I can say to that. You can askthe tough questions here today and see if I judge evade them or anywhere else and believe me nobody throws soft snowballs at me as I travel around the country. So I try to answer them and I try to make positions, I try to take direct positions, I try to be honest with people. Occassionally one such answer gets visibility and I'm criticized then for being honest and direct. I gave an answer in Los Angeles not so long ago with respect to the viability of a national ticket with a black on it and I don't think you'd interpret that as a state position. I'd be glad to go into that, but the point is, of course, that somethines whether a man is direct or honest or responsive to tough questions or tough issues has to do with the public's perception with the way in which he answered the question. I don't pound the table most of the time, I can on occasion as my wife very well knows, butI don't always. Sometimes the fact that I'm low key in my response conceals what I think is the direct answer. Perhaps the best answer to yourquestion is whatever tough questions come up this afternoon if that doesn't satisfy you we'll try to go beyond that.

Q: Senator, in addition to revenue sharing what would you do about what appears to be the terrible plight of thebig cities, the racial issue, welfare, the harrassment in which we appear to be given?

Well, of course, with respect to all of our domestic problems, and I think the one you've mentioned is perhaps the most challenging and difficult, you have two aspects to the question; one, attitudes are involved and two, programs are involved. With respect to programs, of course, you get a wide of range of proposals in the next year from all of the candidates and potential candidates about what you do with the problems of the city. All of us have records indicating our concern one way or another and our capacity for developing answers and solutions and imaginative proposals. I have a record that I'm not ashamed of in this connection. We'll propose others as we go along. Basically, we're not really going to come to grips with the problems of the cities unless we change our attitudes about each other because no matter what proposal we deal with we get a negative reaction in American today. Let's take revenue sharing, now revenue sharing is not the best answer to the problem to which is is addressed. The problem to which it is addressed is the fact that in metropolitian American there isno effective government today for the very simple reason that local government at the metropolitian level is fragmented. In the Chicago area there are over a thousand units of local government. There is no metropolitian area wide government. In New York City there is a similar situation and so on across the board. It's impossible in that kind of situation to mobilize the resources of those areas so that they can be more effectively and efficiently applied to the people problem of the whole area. Those people who live in the affluent jurisdiction undertake the present climate of opinion in this country to protect themselves and to creat barriers between themselves and those areas in the metropolitian area which have the problem. So revenue sharing is a way of moving resources from suburbs to central city. That's it basically. It is a way that I doubt that in and of itself is going to do the job. You can also make that transfer through particular programs like is aid to education or like welfare reform and so on down the road.

There are a number of fellows that we have to address ourselves to them and improve them. I'm for welfore reform. I support the President's initiative. I think that his proposal needs to be improved, strengthened, and refined. But the initiative was needed. I think if we take it and follow through on it we'll do three things of great importance. One, we'll take a tremendous load, tax load, off the backs of states and cities which still have welfare in their budgets. Secondely, we can establish or at least move in the direction of establishing uniform national stamps which will have the effect of thirdly providing more humane levels of assistance to those who need assistance and in addition hopefully restrain and inhibit the movements of people in this country which is related to the quality of public services and especially welfare services in this country and we've got to get at those three problems. To get into the whole wide range of metropolitian problems we have to go far beyond what I suggested in this brief answer. Some of the things that I've been connected with I wanted was reminded of in Newark a couple of weeks ago when I was there. Newark is acase and I'm going to take just a few moments to dwell on it of what happens when government in our cities comes close to breaking down. Newark is a city, for example, where property has reached really confiscatory level. For example, a house that sells for \$10,000 on today's market in Newark pays a property tax in excess of \$900 a year. That means that house consumes it's own value in taxes in something like 11 years and the consequence, of course, is predicted. You drive through the streets of Newarkand find building after building just abandoned. The owners walk away from it, they don't want to own it, they don't want the responsibility for it. So you see urban decay setting in and destroying the city. In Newark 40 per cent of the land area, Newark hasn't got that much, is tax exempt. A large part of it for example, owned and occupiedby the New York Part Authority, which offerates the airport. The only taxes that come to the city of Newark from that 40 per cent of its land area is a million dollars a year from the Port Authority and that is fixed by a hundred year contract for the next 99 years. Newark must get its taxes from the remaining '60 per cent of its land area. There isn't a doctor in the central city of Newark, they've all fled to the suburbs. So now the mayor is confronted with the challange of providing medical clinics somehow in the city to provide health care for the poor and the deprived and disadvantaged in the central city. This is the kind of deterioration in public service, property value, the climate of the city that can take place unless we come to grips with these city problems. It visited with the mass of rehibilitation housing that he's undertaken and they're good. Now these were produced under three programs for which I was more responsible than any other Senator. Model cities, rent supliments, and the uniform relocation system to be of assistance to people who have been displaced by action of any level of government. Here are three specific programs that I have used but they're only a beginning and so we must move on from those kinds of experimental initiatives into more broadly based, broadly hitting programs to meet the problems of the cities. I don't know of anyone in America that at this moment has that kind of a program on blue prints. I doubt it, but I think that the first step is to expose

the problem in such stock terms as this Newark one. I think that when you do you can get the necessary public support to do what needs to be done.

- Q: Wilbur Mills, talking the Los Angeles area Chamber of Commerce last week about the ----- situation that this country is in where nobody even seems to know what is going on, suggested Congressional control of spending as a solution to this problem that we have today. Would you support such a program?
- ESM: Well, I don't know what Mr. Mills proposed by way of Congressional control whatkerxhaxwaxxaixxaixxaixx what he was advocating with the respect of kinds of programs thatwe are talking about here today.
- Q: As I understand it to mean that no federal agency would be permitted to spend more than a certain sum of money can't hear the rest.
- Well that doesn't give me many specifics. If what he is talking about is ESM: an elimination of the federaldeficit overnight and that's on the order of \$23 billion lastyear the fiscal year ending July 1, I know where the impact would fall. The impact would fall upon the shoulders of those people least able to carry the burden or dealing with our economic problem in this country. Your'e going to have to cutall of the people problems. Assistance to the poor, assistance for public education, the federal programs which have some effect with liftingthe burden of property tax payers, these public services that are involved are going to be met. There is a cost involved in these social programs. If the programs don't exist the cost is human misery and deprivation and discontent. If some level of government other than the federal government has the bear the cost then its the overburden property tax at the local level or strange state budgets at the state level. The federal revenue system is the only system available to us to really tab the resources of this country where they exist to apply to these problems. Federal deficits have to be analysed differently than the deficits of other levels of government. Thefederal budget serves two finnctions. The first function is to supportpublic services. The second function is to stimulate or control theeconomy. It hasto be used for both purposes. PresidentKennedy demonstrated how tax cuts at a time of federal deficits are a good thing. By doing that in 1965 he revised the economy, increased federal revenues, and put us well on the road until the Vietnam war hit us toward a stable federal budget and a growing economy . So that looking at the federal budget only from the point of view of a support for public services is not a borad enough perspective on the federal budget. My own view of where we need to apply fiscal medicine at the present time or economic medicine at the present time isat the level of consumer spending and consumer consumtion. That's where theeconomy is soft. The President has proposed stimuli for business in order to encourage investments in new plans. ME are now, of course, operating under capacity. We can produce a third more than we are with the present industrial plan. So that isn't the soft spot. I find very little encouragement for the idea that there will be new plants constructed that will create new jobs as a result of this investment tax credit proposal at the present time or the excelerated depreciation costing some \$4 billion in federal revenues that the President implimented administratively in January of this year. Neither one of those it seems to me is going to get at the soft spot in our economy so I think we need to direct the stimulus at consumer buying, consumer confidence is what we need to stimulate buying. Comsumer savings right now is all into a depressed economy with unemployment and inflation consumer savings are a third higher than they've been for a long time. Indicating a lack

of consumer confidence. Not that I'm against savings, but when you have savings in thiskind of a situation what you have is a retreat from the market place, a reduction in sales, and a reduction in production, a reduction in employment. The President's economic policy doesn't address itself to that problem.

Q: Can't hear it.

ESM: Don't you wish sometime that somebody had cried wolf? when the enternal combustion engine was invented? The idea that you can try an environmentally dangerousthing I'm happy that consequences don't immediately fall that thus it was right, I don't buy because it's that very calicus attitude that technological development and growth that brought us to the present environmental crisis that we face in this country. We got away with it once and we do itagain. That's the point but there are some other implications of that blast that we have to bear in mind also. We get caught up in momentum in this whole area of public policy that carries us on ultimately down fortunes consequence. Then there's the arms control implication of the blasted Amchitka