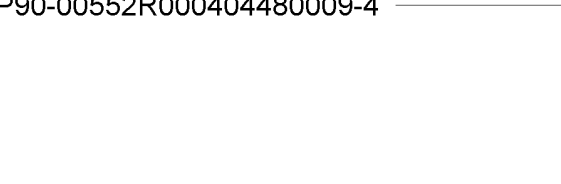
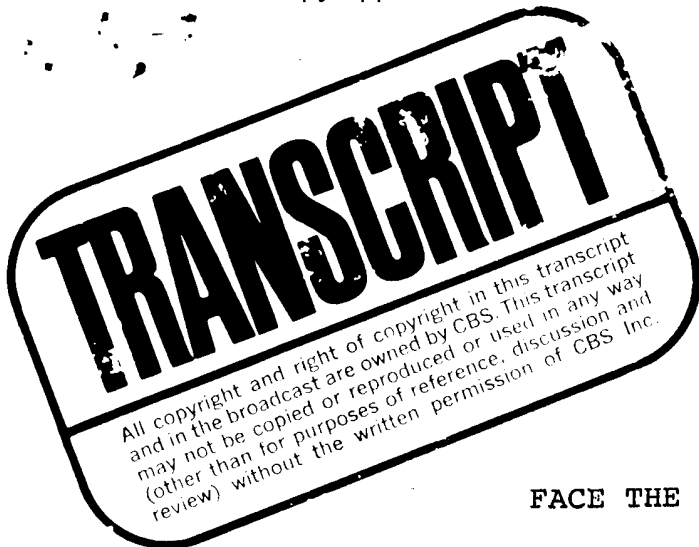


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FACE THE NATION

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 (D. - Maine)

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MR. HERMAN: Senator Muskie, do you as a member of the Senate Foreign Relations Committee agree that Senator Kennedy damaged the national interest with his charges about the Iranian negotiations?

SENATOR MUSKIE: I don't believe so with the qualifier that I of course am not in full possession of the negotiating difficulties that may be involved, but I doubt very much that campaign statements which are recognized everywhere as campaign rhetoric have that kind of foreign policy implication. Now it might be damaging to get into the actual public discussion of some of the delicate negotiations that are going on but I am not aware that he got involved in those.

ANNOUNCER: From CBS News Washington, a spontaneous and unrehearsed news interview on Face the Nation with Senator Edmund Muskie of Maine, a member of the Senate Foreign Relations Committee.

Senator Muskie will be questioned by CBS New Congressional Correspondent Phil Jones, by Morton Kondracke, Executive Editor of the New Republic and by the moderator, CBS News Correspondent George Herman.

Face the Nation is produced by CBS News which is solely responsible for the selection of today's guest and panel.

MR. HERMAN: Senator Muskie, listening to your first answer makes me go on and say do you think that perhaps President Carter overreacted in his news conference where he said that Senator Kennedy had damaged the national interest, damaged the cause of peace in his discussion of the negotiations over the Iranian hostages and over the situation in Afghanistan?

SENATOR MUSKIE: Well, I would say that both the candidates have overreacted which is a tendency in bitterly fought campaigns. I recall that even I have overreacted as a candidate from time to time. And so the rhetoric gets a little strong and that is partly because of the need to get the attention of the media as well as the voters. And so ones own position is always the righteous one and the opponents is always irresponsible. That rhetoric is customary. We are not going to change it. So the voter has to sift through.

MR. KONDRACKE: Up to now, Senator, you have declared neutrality in the presidential race. Are you ready to drop that stance and declare for one or the other?

SENATOR MUSKIE: At an appropriate time I may.

MR. KONDRACKE: What is going to decide you?

SENATOR MUSKIE: What I have said quite some months ago

now to both Senator Kennedy and President Carter was that I was looking for the candidate who I thought was most likely to provide the kind of leadership the country needs in the next four years. I recognized the responsibility of my party to choose a candidate who meets those qualifications and that when I was satisfied I would make a choice.

MR. JONES: Senator, you have indicated in your view both candidates have overreacted. Do you feel that they have reacted to the point that they are causing the Democratic Party very serious divisiveness?

SENATOR MUSKIE: It depends upon how long the personal slams continue and how soon the contest in the Democratic Party continues. I think that once the hostage situation is behind us that you will find a more open kind of a debate. I think the President will get out on the stump and will debate and that will be a more normal kind of a situation in which the rhetoric still could be hard-hitting but it need not be as personality oriented.

MR. JONES: Senator, you have also talked about the hostages here. Do you feel that President Carter is hiding behind the hostages and refusing to debate Senator Kennedy?

SENATOR MUSKIE: I don't believe so, no. What is involved

right now, delicate negotiations involving perhaps wording of an agreement, timing of the release of hostages, what to do about the Iranians' persistent demand for return of the Shah and his wealth and how each side somehow saves face on its original position. And I don't think you can really discuss those kinds of details in public. And so to a certain extent he is a prisoner behind the negotiations in which he is involved and I think in his press conference he revealed that the combative Carter who is more than anxious to get out on the campaign trail and begin facing his opponent face to face.

So I don't think he is hiding in the sense that he is afraid to debate or afraid to get out on the campaign trail. As a matter of fact he must be aware that to some extent he was hurt in the Maine caucuses. I think the margin would have been greater, but for the emphasis that Senator Kennedy placed upon the fact that President Carter was not there in Maine actually debating the issues. So he is paying a price politically for this and I am sure he is aware of it.

MR. HERMAN: This is all happening in a political setting at least off to one side, not in the world forum but in our own forum. Can a President who is a candidate in an election year afford to reach some kind of settlement over the hostages which

involves the United States saying meaculpa, it was our fault, we did something wrong?

SENATOR MUSKIE: Whether or not the settlement involves that kind of a mea culpa is an interesting question and we don't know the answer to it. Certainly I do not know the answer to it. I suspect that is one of the finesses that must be worked out in this agreement. I can't imagine the President doing that in so many words.

MR. KONDRACKE: Senator, are you satisfied that the American people and you yourself understand the origins of this Iran crisis? Why did the President let the Shah come into the country, for example? It is quite clear now that he could have gotten his medical treatment in Mexico. Is that a subject that ought to be investigated by Congress when this is all over?

SENATOR MUSKIE: I think it is an interesting question to investigate. I suspect that the President might have asked for more medical back-up to the Shah's claim that the only treatment he could get, would meet his requirements, is in the United States, but even if the answer to that question is that he could have gotten medical treatment elsewhere, there is also involved the question of can a band of terrorists in Iran veto the entry of anyone into this country we choose to permit to come in? And I think that is a very important question and we should never yield on that point. Otherwise, terrorist groups all over the world might try to veto the entry of people they regard as controversial whom they would like to keep out of the United States and we cannot accept that as a principle.

MR. KONDRACKE: But is it legitimate for Senator Kennedy to raise questions about that and about how the President treated the warnings that he had in advance that the embassy might be overrun if he let the hostages is?

SENATOR MUSKIE: I think those are legitimate questions and they are relevant to the President's management of foreign affairs.

And I am sure that when the right time comes, he will be prepared to explain his position.

MR. HERMAN: When you say "legitimate questions," do you mean legitimate questions for Senate inquiry?

SENATOR MUSKIE: Legitimate to be raised in a campaign. Whether or not there ought to be a Senate inquiry, I am sure that without casting any reflection at all upon either Senator Kennedy or President Carter or their motivations, that the Senate being what it is will try to get the full story in appropriate hearings of what happened during this whole period. And that will not be in response to campaign charges or countercharges, but simply in fulfillment of the Senate Foreign Relations Committee's notion of what its responsibilities are.

MR. KONDRACKE: Senator, the Iranians still think somehow they are going to get the Shah back. The Shah is off in Panama. Do you as a member of the Foreign Relations Committee understand the terms under which Hamilton Jordan negotiated the entry of the Shah and is the Shah safe and if the Panamanians should serve up the Shah to Iran, haven't we submitted to blackmail by second-hand means?

SENATOR MUSKIE: Your question involves a number of hypothetical assumptions to which one must agree in order to come out with a yes or a no. The Panamanians have indicated publicly -- and so far as I know, their public position is their private one, as well -- that they did not have in mind giving up the Shah, that they would not respond to any demand for him. Now whether or not there might be some effort

on the part of the Iranians to institute the legal process of seeking extradition is one question. What the Panamanian response to that is another question. But I have no reason to believe that the Panamanians will yield up the Shah nor do I have any reason to believe that that was part of our understanding of what would happen if the Shah went to Panama.

MR. JONES: Senator, in your view, should the United States Government accept any kind of settlement that would keep the Americans in captivity until after this commission has reported its findings?

SENATOR MUSKIE: I think until I see the complete agreement that that would be a very difficult if not impossible question to answer.

MR. HERMAN: Let me take you back to your words of a few moments ago when we were talking about the meaculpa and American confession or whatever it is that the Iranian hostages, people who are keeping Iranian hostages wanted from us. You said, as far as I can note from my notes, "I can't imagine the President doing that," in so many words. Will you expand on that a little bit? Are you saying we can have some kind of implicit meaculpa or do you think it is improper for the United States to admit guilt? I am trying to find exactly what you meant by that answer.

SENATOR MUSKIE: Let me try to answer it by calling your attention to what is a matter of record. There is no question as a matter of

record and a matter of history that the CIA was party to the overthrow of Mossadegh and the enthronement of Pahlavi on the throne of Iran. It is a matter of record. Now, acknowledging that kind of a fact is not a meaculpa to me. Denying it would be to deny an historical truth. So that it depends upon what the so-called meaculpa is designed to be.

My impression is that the Iranians have been -- and maybe I shouldn't even say this without throwing a monkey wrench into the works -- but it seems to me the Iranians are softening their rhetoric with respect to return of the Shah, softening their rhetoric with respect to admission of guilt or a meaculpa on the part of the United States, but I get that impression only from the press, which I think has done a pretty responsible job by and large in reporting developments. So again, we have to see what the agreement is before we judge whether or not the President has taken on an onus with respect to the American people and the American Government which he should not have done.

MR. HERMAN: You on the committee are not getting regular briefings on the progress of the negotiations, I take it?

SENATOR MUSKIE: The entire Senate gets regular briefings, but we have not during this period -- and may I step back just a moment? For so much of the 100-plus odd days that the hostages have been held, there was no one really in Iran to whom we could talk. It wasn't clear that there was a government, or that there was someone there in a position to speak for the government. It wasn't until Bani-Sadr was

elected that we had even the semblance of a government and he got a 75 percent vote which gives him, I suppose -- even in the country of the Khomeini -- considerable authority. So now there is someone with whom we can talk and that has been fairly recent. And it is only in that period that I think the talks which now become delicate, because there is some prospect they could produce an agreement, must by definition, in my judgment, be conducted in private.

MR. KONDRACK: If we can go back to politics for a minute, you declined to make a choice between the two, but you said on previous occasions that you thought President Carter was doing a good job and that you hoped to see him succeed. I want to ask you about that. The inflation rate is 13 percent, the misery index is higher than it was when the President took office, and the President seems to have changed his foreign policy views almost completely. Under those circumstances, can you say he has done a good job?

SENATOR MUSKIE: First of all, I have been more specific than that in referring to positive achievements of the President. Secondly, with respect to inflation, the principal cause of inflation is not management of the Federal budget, although that is part of it, and a very important part of it, but the increase in energy prices which originates outside our borders, which has something to do with the management of foreign policy, but by and large it has more to do with the fact that the oil-producing countries who have felt for a long time that

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they were abused by American oil entrepreneurs are now getting what they regard as full value for their declining resource. And that is the principal element in the inflationary pressures that have climbed to 13 percent and apparently threaten to go higher.

And it is for the American people to judge whether or not the President could have done something about that source of inflation that he hasn't done. I haven't heard any of the presidential candidates up to this point, and I followed it quite closely because as Chairman of the Budget Committee, I am looking for solutions to this inflationary problem, and I have heard none of them propose answers to that particular source of inflation.

MR. KONDRACKE: Two things: ^{u a} first, the Germans and the Japanese suffer more from imported oil hikes than we do yet their inflation rate is lower; secondly, the Republicans do have an alternative which is to cut taxes and improve productivity and the economy and cut inflation that way. Would you respond to those two points?

SENATOR MUSKIE: With respect to Japan and Germany, of course they are more dependent on imported oil than we are. On the other hand, they have built societies which have to a certain degree been more responsive to the fact that they are than we have. I mean we have built an infrastructure since World War II almost totally based on the notion of cheap energy continuing forever. Neither the Germans nor the Japanese, for example, have built the monsters of automobiles that we have built since World War II as though cheap oil were never going to run out. That makes an enormous difference in oil consumption. The automobile consumes, I think, at least 40 percent of the oil that we consume in this country. And the average automobile 40 years ago in America consumed half that. So that we have contributed to our own problem in a way that Germany and Japan have not.

Now with respect to the Republican proposals for tax cuts, those are not designed nor have I heard them described as ways to control OPEC or the rising causes of inflation. It is their way of reducing the size of the government and they argue that that kind of a cut now would not only reduce the size of the government but stimulate the economy so quickly that the revenues apparently lost would be fully recovered and the economy stimulated.

Well, there is nothing in our economic experience to support that kind of a conclusion. A tax cut of that magnitude this year would increase the deficit at the very time that we are contemplating much heavier defense expenditures which would themselves add to the deficit and deficits of that kind at this point would exacerbate inflation and not reduce it.

MR. JONES: Senator, we have been talking about the job performance of the Democrat in the White House. I would like to ask you about the job performance of the Democrats in Congress. While the Democrats have been in majority control we have had scandals like Koreagate. We now have ABSCAM, where more Democrats are involved than Republicans. We have had the energy crisis that hasn't been resolved. We have had a period of voting crippling restraints on the intelligence community. Democrats have done a

very good job of fighting Presidents be they Republican and Democrat.

Why should the Democrats retain majority control of Congress in view of this record?

SENATOR MUSKIE: Well, if that were the total record, I would suppose I would come over and join you if that is your vote or anybody else.

MR. JONES: That is my question.

SENATOR MUSKIE: That is not the total record. Of course we have had periods of great prosperity under Democratic Congresses. After President Kennedy was elected in 1960 inflation went down I think to a rate of about 4.5 percent, unemployment went down to a rate of about 3.2 percent, and we are in pretty good shape until we failed to finance the Vietnam War which stimulated the present round of inflation which has continued ever since.

Now with respect to the inflation pressures in the '70s, they were stimulated by two things: one, wage and price controls initiated by President Nixon which were so badly managed, then followed by devaluation of the dollar which again was an executive decision, followed by the export of grain to the Soviet Union beyond our reserves thus boosting food prices so that at one and the same time we had the Nixon Administration that went off controls, devalued the dollar, and stimulated food prices, and that is when

we got into double-digit inflation.

Now all of those actions were taken by the executive and not by the Congress. So it is a mixed bag.

Now some of the other things that you mentioned about Congress' shortcomings, I would share a feeling of sadness about. ABSCAM saddens me about as much as any development you know that I can remember in my public life, as much as Watergate did which was not exactly a Democratic shortcoming. And when public officials fail to meet the people's expectations of integrity and commitment to the public interest, we all suffer, those of us who are still in the Congress and the people as well. So Congress is going to be held accountable. I don't know what the result will be. I don't think finding seven or eight who have breached the public interest if they have means that all of us should be cast in the same mold. We all ought to be judged in terms of our own individual performance. But it is a sad, sad development and it is going to hurt politically.

MR. HERMAN: Let me pick up one word, not the sense of your answer but one word. I was intrigued by the words "mixed bag" and it takes my mind back to your State of Maine. A mixed bag in the caucuses there, how do you estimate? Was there a winner or a loser or is it just totally a mixed bag in the Maine

Democratic caucuses?

SENATOR MUSKIE: I think there was a winner in President Carter. I can recall in '72, George, that because I came from a neighboring state I had to get 50 percent of the vote in order to win. Well, Senator Kennedy comes from a neighboring state and got 38 percent of the delegates. So I can't see Senator Kennedy as a winner there. But on the other hand, he recovered momentum and what he does with that momentum now makes New Hampshire a very important state.

Even Jerry Brown, although he was by no means a winner, did so much better than expected that he could take some comfort out of it.

The real winner in Maine was a revival of the Democratic Party at a time when because the turnouts were so tremendous and the enthusiasm that I hope we have given the Democratic Party in Maine some real pluses.

MR. JONES: Senator, you said in September before Senator Kennedy announced that he was making it "more difficult for the President to succeed." Is this still the case?

SENATOR MUSKIE: Whether or not it is still the case we

have at least reached the political year when it is appropriate for the President to have challenges within his own party or outside. I felt that last August, whatever it was, September, it was a little earlier.

MR. KONDRACKE: Can I ask a couple of questions about Afghanistan? First, do you believe as the President says that this is the greatest danger to peace that we have had since World War II? And I would like some evaluations of his response to it, the Olympic boycott proposal, the grain embargo and the proposal for draft registration.

SENATOR MUSKIE: Whether or not Afghanistan is that kind of a threat depends of course upon whether or not the Soviets are completely successful and what they then do with their success. There is a difference between Afghanistan as a buffer state, which is what she has been, and Afghanistan as a thrust, you know, Soviet-controlled thrust into the Persian Gulf area. And if she succeeds in making it that, then her intentions and her ambitions may broaden whatever they were initially.

With respect to the President's response I think first of all it was incumbent upon him to remind us that it was this kind of a danger and by and large I agree with the responses that he has

made including the Olympics, the grain embargo and the search for a military role for the United States in that area of the world.

MR. KONDRACKE: And draft registration?

SENATOR MUSKIE: Registration I still have mixed feelings about. I was opposed to it last year in part because the military told us it wasn't necessary. Now I am convinced we have a manpower problem. Whether registration is the answer to that manpower problem is something about which I have some questions.

As a signal to the Russians that we are serious about the invasion of Afghanistan, registration may have some utility.

MR. HERMAN: Thank you very much, Senator Muskie, for being our guest today on Face the Nation.

ANNOUNCER: Today on Face the Nation Senator Edmund Muskie of Maine, a member of the Senate Foreign Relations Committee, was interviewed by CBS News Congressional Correspondent Phil Jones, by Morton Kondracke, Executive Editor of the New Republic, and by the moderator, CBS News Correspondent George Herman.

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