

1A

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

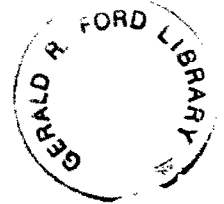
~~SECRET~~/SENSITIVE

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Gerald Ford
Cabinet Members

DATE AND TIME: Friday, November 15, 1974
11:00 a.m.

PLACE: The Cabinet Room
The White House



President: I would like the Department reports on the economic initiatives. You have the handout. [See charts at Tab A. Each member reports on his Department's activities.]

President: Okay. I have asked Henry to give us a rundown on his Middle East trip and a preview of my trip. Bill, do you want to say something?

[Mr. Timmons gave a preview of the lame duck session.]

President: That's right. We must keep the pressure on the Congress.

Kissinger: My trip was in three categories: the Soviet Union, South Asia, and then the Middle East.

The Soviet portion was a review of our relations and preparation for your meeting [in Vladivostok]. They seem ambivalent toward us and our ability to deliver. They were outraged by what Jackson did with the trade legislation. They talked to all our newsmen to try to assess the strength of the President, the opposition, and so on. They look at the restrictive amendments -- the \$300 million limit on EX-IM credits -- the attacks on the defense budget, etc., and they wonder. Conversely, they have a stake in detente, and the developments in SALT are getting to the point where we can at least have a discussion. The Vladivostok meeting is important to give momentum to a good relationship and to move on SALT in particular.

As for South Asia, I went as a result of Indian importuning. I had cancelled it twice before. For their own purposes, the Indians have decided to warm up to us. It must be frustrating for the Soviet Union, after all the aid they

~~SECRET~~/SENSITIVE

DECLASSIFIED
E.O. 12958, SEC. 3.5
NSC MEMO, TIMMONS, STATE DEPT. GUIDELINES, State Div. 23 3/10/04
BY hls, NARA, DATE 5/4/04

have poured in. It is no credit to us -- the Indians want hegemony on the subcontinent. We want to draw them away from the Soviet Union.

The Middle East. I went right after Rabat. The press writes that we lost at Rabat. In fact it was a contest between Syria and Egypt. Syria succeeded because they put forward the PLO issue, because that would make the West Bank negotiations impossible and they knew that Egypt wouldn't dare move alone. We are now at a stage of quiet diplomacy because it is a highly sensitive period. All of them have said the door to progress is not closed, and if we do it quietly and if Israel will take a cooperative approach, we are moderately hopeful. If Israel will cooperate and if Sadat keeps up his courage.

On the President's trip. First, he is going to Japan. It is important to remember how it came about. [He described the history in terms of Japanese sensitivity, etc.] That is why the President reaffirmed the trip. It produced a major impact in Japan. The Japanese make decisions by consensus so you don't go to get commitments. You create a climate by the trip which creates an atmosphere through which decisions can emerge.

Once he went to Japan and Vladivostok, he couldn't not go to Korea without raising questions about our commitment. We must reaffirm our commitment, in the interests of Japan also.

In Vladivostok, it will be a tough meeting. There will be no great announcements, but it will lay the groundwork for next summer.

President: I think it is vital that I go on this trip. I don't see the validity of counterarguments. Communications are good; the message to the Congress is okay; the legislative package is in good shape.

Kissinger: If you cancel your trip now, you could do it only on the basis of domestic considerations, which is a bad image. The Chinese know of the Vladivostok visit, and it is the only way you could visit.

President: We want a good legislative plan for 1975. I want to have two Saturday sessions -- probably at Camp David -- to get the strategy set. This coincides with our push to make the Cabinet vigorous -- so the Cabinet members must participate in the input of plans and policy.

[The conversation then turned to other matters, including the Rockefeller confirmation.]



143
November 15, 1974

ECONOMIC INITIATIVES AND FOLLOW-UP

Legislative Status: 1. Introduced, 2. Hearing, 3. Reported, 4. Passed
 House/Senate: 1. Meeting, 2. Reported
 Conference: 1. Meeting, 2. Reported
 Target Date ●

Department of Agriculture

Legislative Initiatives

	House	Senate	Conference	Signature
Removal of restrictions on Rice	3 4	2 3 4	1 2	
Peanuts	3 4	2 3 4	1 2	
Extra-long staple cotton	2 3 4	2 3 4	1 2	
Amendment P.L. 480	1 2 3 4	1 2 3 4	1 2	

Administrative Initiatives

	October	November	December	January	February
Voluntary monitoring of exports	Action completed				
Review marketing orders				●	
Review other Department Regulations				✓	Reports Due Jan. 1 Thru July 1, 1975
Fertilizer					
Reporting system					Can Be Reactivated When Needed
Voluntary effort with companies					✓

Department of Commerce

Administrative Initiative

	October	November	December	January	February
Industry conservation audits				●	

Department of Housing and Urban Development

Legislative Initiative

	House	Senate	Conference	Signature
Conventional mortgages eligible for purchase by GNMA	1 2 3 4	1 2 3 4	1 2	

Administrative Initiatives

	October	November	December	January	February
Determination of level of commitments under the conventional home mortgage program				●	
Joint effort with Congress to develop solutions to mortgage credit problems				✓	●

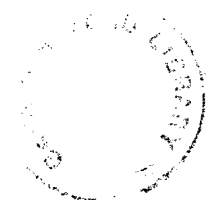
Department of the Interior

Legislative Initiatives

	House	Senate	Conference	Signature
Deepwater port facilities	1 2 3 4	1 2 3 4	1 2	
Surface mining	1 2 3 4	1 2 3 4	1 2	

Administrative Initiatives

	October	November	December	January	February
Arctic gas					Due April 15, 1975
Coal leasing				●	
NPR number 1 and number 4				●	
OCS leasing					Leasing Schedule Issued
Oil shale, Geothermal leasing					●



November 15, 1974

ECONOMIC INITIATIVES AND FOLLOW-UP

Legislative Status
 House/Senate
 Conference
 Target Date ●

1. Introduced
 2. Hearing
 3. Reported
 4. Passed

1. Meeting
 2. Reported

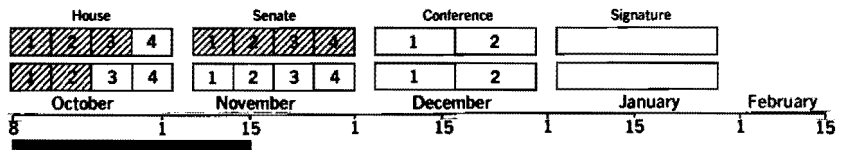
Department of Justice

Legislative Initiatives

- Increase penalties for antitrust violations
- Strengthen investigation powers of Antitrust Division

Administrative Initiatives

- Price fixing and bid rigging enforcement



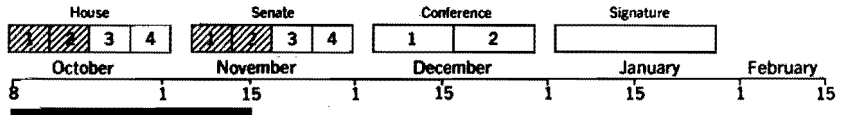
Department of Labor

Legislative Initiatives

- Special unemployment insurance assistance program
- Community Improvement Program

Administrative Initiatives

- CETA Program



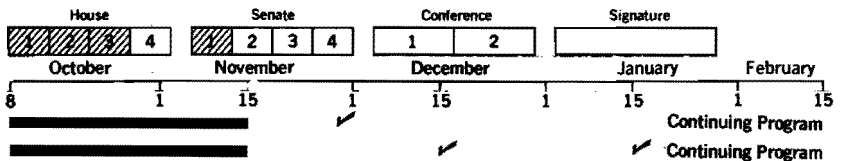
Department of Transportation

Legislative Initiatives

- Surface Transportation Act

Administrative Initiatives

- Automobile fuel economy
- 55 MPH limit and traffic control measures



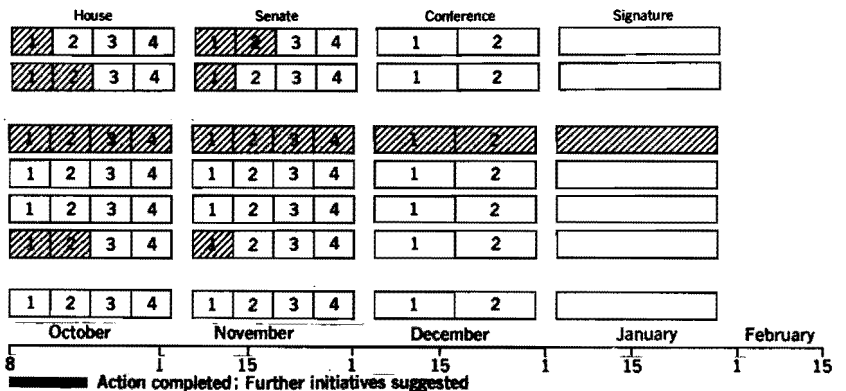
Department of the Treasury

Legislative Initiatives

- Financial Institutions Act
- Elimination of withholding tax on interest & dividend income to foreigners
- Increase Federal insurance on private deposits
- Increase and restructuring of investment tax credit
- Preferred Stock Dividends
- Ways & Means Bill including windfall profits tax on oil & relief for low income families
- Surtax

Administrative Initiatives

- Request Federal and State regulatory authorities to eliminate rate schedules which encourage excessive energy consumption



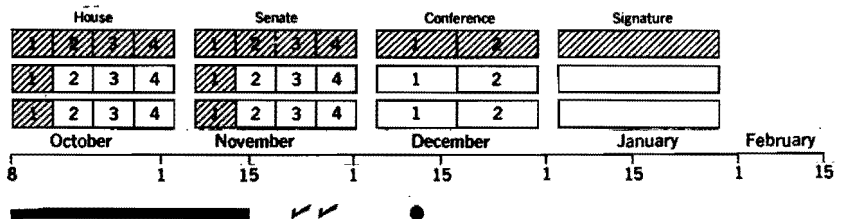
Executive Office of the President Office of Management and Budget

Legislative Initiatives

- ERDA and the Nuclear Regulatory Commission
- Amending the Employment Act of 1946
- Establishing a National Commission on Regulatory Reform

Administrative Initiatives

- Require all major legislation, rules and regulations developed in the Executive Branch to include an Inflation Impact Statement



November 15, 1974

ECONOMIC INITIATIVES AND FOLLOW-UP

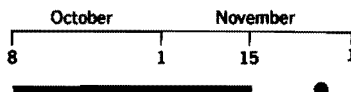
Legislative Status: 1. Introduced, 2. Hearing, 3. Reported, 4. Passed
 House/Senate: 1. Meeting, 2. Reported
 Conference: 1. Meeting, 2. Reported
 Target Date ●

Office of Management and Budget

Administrative Initiatives

\$300 billion spending target:

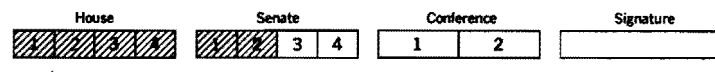
Determination of budget rescissions and deferrals



Council on International Economic Policy

Legislative Initiatives

Trade Reform Act

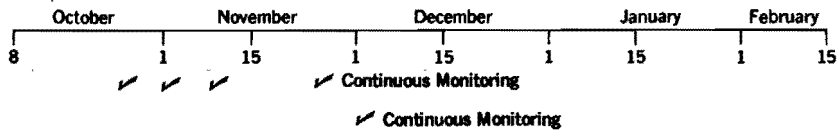


Council on Wage and Price Stability

Administrative Initiatives

Monitoring wage and price movements in the private sector

Monitoring government actions

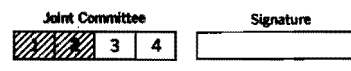


Other Agencies

Atomic Energy Commission

Legislative Initiatives

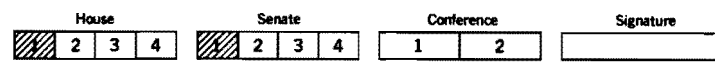
Nuclear plant licensing



Environmental Protection Agency

Legislative Initiatives

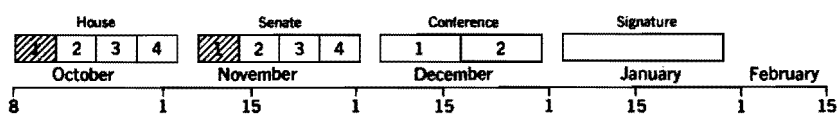
Amendments to Clean Air Acts



Federal Energy Administration

Legislative Initiatives

Natural gas deregulation



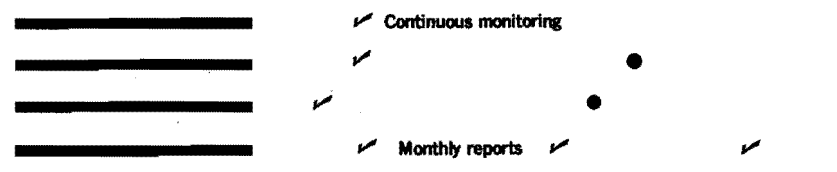
Administrative Initiatives

Conservation within government

Incentives to secondary and tertiary petroleum production

Utility coal conversion

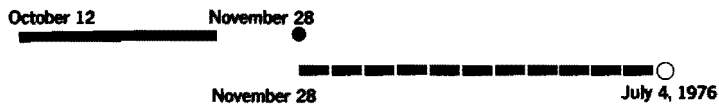
Voluntary conservation of 1,000,000 bbls/day



WIN Program

Organization and Preliminary Implementation

Full Implementation



Search File (Sappo)
Israelis
Franklin
UNCOF

Get - Energy Speech -
- Sunday AM -

Cabinet Mtg ✓ 15 Nov 74

(Handout)

P Top Demand like Dept reports on economic indicators

Campbell (Asst) Rice legis is in code. We short of production capacity
Don't ^{disturb} Energy conservation effort is moving into gear.

Lyons loan ratio

Winters Department of State/Surface mining, OCS - hope to have
leasing done by 78.

(Each member reported on activities on attached handout)

P OK. I have asked K to give us a rundown on his
ME trip & preview of my trip.

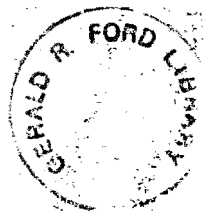
Truman (Proposed low level session)

P That's right. We must keep pressure on Corg

K My trip was 3 categories: SC, SA, NE
SC portion was a review of our relations & prospects
for your entry. They then understood toward us &
our ability to deliver. They were outraged by a track
legis. They talked to someone to try to assess
the strength of P, opposition, etc. They look at restrictions
around (300 km), attacks on oil budget, etc & they
wonder. Conversely, they have a stake in stability,
& the delays in SALT are getting to a point where
we can at least have a discussion. I feel very
important to give momentum to good relationship
& work on SALT in particular.

For SA - I want as result of Indian negotiation.
Comp terms already. For their own purposes, Indians
have decided to come up to us. That is
promoting for SC after a deal they have passed in
the credit to us - Indians want hegemony in
a subcontinent. We want them to wear
them from SC

NE - I submit right after Robert Press



minutes we lost at Rabat. In fact it was a ^{critical} ~~major~~ ~~point~~ ~~that~~ ~~Seyin~~ & E. Seyin succeeded because they put forward a P.D. issue, because that would make W.B. negotiations impossible & they that E would be done now also. We now at point highly delicate highly sensitive point. All have said close to prop not close if no else it quietly & if I will take long approach. We are moderately hopeful if I will keep & if Sabat keeps up his coverage.

On P trip - Japan -

Important to remember how it came about. (Detailed history in terms of Jap sensitivity, etc). That is why I supported a trip. It produced a major impact in Japan. Japs make decision by consensus & again about go to get contracts. You create a climate by a trip which creates atmosphere where which decisions can emerge.

Once he went to Japan & Korea, wouldn't ^{that} go to Korea w/o raising questions about our contract. We must reaffirm our contract, in interests of Japan also.

Don't let - it will be tough work. In great announcements, but lay a groundwork for next summer.

P I think it vital J go on this trip. Don't see a possibility of counter-arguments - Committee good, & way to every side, logic package good shape.

K If Japan every trip, you could do it only on basis of domestic considerations, which



is bad since PRC know of Chad visit, +
it's only way to visit.

P We want a general design plan for '75. I want
to have 2 Saturday sessions - probably at 12.
to get a strategy set.

This committee w/ our push to make a Cabinet
inquiries - so Cabinet members must participate
in development of plans / policy.

I'm very concerned about Keston's confirmation.

