

THE WHITE HOUSE

WASHINGTON

October 11, 1974

MEMORANDUM FOR: JERRY JONES

FROM: JOHN GUTHRIE *JG*

SUBJECT: Notes on Cabinet Meeting,
October 11, 1974

The President opened the meeting at 10:38 a.m. thanking the attendees for coming. The President made the following points: the upcoming speech in Kansas City will stress the importance of volunteerism; there is generally strong support for his economic address; a better explanation of the surtax proposal needs to be made. Secretary Simon explained that of the 82.5 million tax returns filed annually, about 28% will be affected by the proposal. He further explained that opposition was coming primarily from Republicans and not Democrats. Dean Burch noted that there was substantial support shown in Philadelphia following the President's address there.

Roy Ash reported on Personnel Reduction. He said that there have been a remarkably small number of appeals on the target figures given each department for personnel reductions. The President stated that as soon as the transition problem is solved we are going to cut down the White House staff.

Roy Ash then reported that the Council on Wage and Price Stabilization will work on the elimination of rules and regulations causing inflation. He further stated that the inflation impact statements will be first carried out under executive order then be followed by an OMB circular prescribing the method of testing future rules and regulations against inflation impact.

Secretary Schlesinger commented that he feels productivity could be increased while at the same time reducing the overall number of jobs if we can solve the problem of culling out incompetence which drags down the whole attitude of the bureaucracy. A general discussion followed on this subject. Roy Ash then stated that he will meet with Bob Hampton of the CSC and report back to the Cabinet with an analysis of what can be done.



Under Secretary Shubert stated that we need to develop a more effective way of identifying and encouraging better management techniques. Roy Ash agreed with this point and stated that it is particularly important at the lower level schedule C positions where the dealings are directly with the bureaucracy.

Dean Burch reported on the status of the political campaigns pointing out that the President has a very active schedule and is going into those areas where his appearance can make a difference. He stated that he may be calling on members of the Cabinet with very short notice asking for their support as we get into the campaign. He noted that Secretaries Butz, Morton and Dent had been particularly active and he hoped that the rest will follow these examples. A discussion followed on specific candidates and states.

The President asked the Attorney General to report on the situation in Boston. The Attorney General stated that he feels the whole thing would blow over if we could get two days of relative peace - even if caused by bad weather. He further noted that there is no justification for federal involvement in Massachusetts because the Governor has not yet used all of the means at his disposal.

The President remarked that he wants everyone to get their proposals for his State of the Union message and other legislation in early so that complete coordination could be made before submission.

Secretary Dent said that the Census Bureau shows that less than 50% of the voters will vote in House elections and that he would report back to the President on further developments.

Secretary Brinegar stated that the Transportation Bill has been put over to the next Congress, apparently due to an internal disagreement between the House and Senate Banking Committees and the Rules Committees. The President noted that he feels that it is a good bill and typical of how we have worked with the Congress to develop a bill but in this case how they dropped the ball.

Attorney General Saxbe reported that the Fair Trade Laws in several states tend to eliminate competition. He also said that the proposed Freedom of Information Act has several real problems. Under Secretary Shubert agreed with this and discussed some of the limitations.



Under Secretary Mitchell stated that the Housing Bill proposal is probably going to be acceptable but an evaluation at this time is difficult due to differences in definition of terms. The President said that the failure to pass the Housing Bill is another campaign issue our candidates should be using.

At 11:34 a.m. the President concluded the meeting.

