

THE WHITE HOUSE

WASHINGTON

October 30, 1974



MEMORANDUM FOR: JERRY JONES

FROM: JOHN GUTHRIE *JG*

SUBJECT: Notes from the Cabinet Meeting
October 30, 1974

The President opened the meeting at 11:06 am thanking the attendees for coming to this working session. He asked Roy Ash to report on personnel reduction and progress toward meeting the \$300 billion FY75 budget goal. Mr. Ash indicated that personnel reduction was on schedule. The programs which have been identified by each department for possible elimination would more than achieve the goal - thus permitting the President some options in the selection of actual programs to be eliminated. The President stated that in his Economic Message he had presented a finely tuned package of proposals to meet the economic needs of the nation. He further stated that the polls indicate that 82% of the American public are more concerned about inflation than any other issue.

The President referred to three charts which had been prepared by Bill Seidman and were displayed in the room (see attachment A). He pointed out that each of the initiatives had been assigned for action and follow-up to one of the departments. In this manner there will be no question about who is responsible for that action and the success of the initiatives. NOTE: Reports given by each Cabinet officer will be referred to in the comprehensive handout included as Tab B.

Secretary Butz reported on the items listed in Tab B. With respect to the rice legislation the President agreed to make a personal phone call to Dave Martin in an effort to move the bill out of the rules committee. The President asked Secretary Butz how the voluntary reporting system on exports was progressing. The Secretary said it appears this system is working well and that whenever a corporation requests to export over 50,000 tons, he checks with the State Department. He cited the example of recent orders for wheat shipments to Iran. The President asked the Secretary what impact the announcement of the Russian wheat deal had had on the farm market. The Secretary replied that initially prices dropped significantly but they have generally recovered.

Secretary Dent reported on industry conservation audits (see tab B). The President asked if the energy conservation measures were having an adverse effect on production. The Secretary replied that at full production most industries maximize the efficient use of energy, but that at less than full production efficiency falls off. The Secretary then brought up a problem of the ammonia barge which sunk in the Pacific and the difficulty with the Jones Act of making shipments on foreign bottoms. A discussion followed with comments by Secretaries Schlesinger, Brinegar, Brennan, Counsellor Burch and Director Seidman. The President summarized the problem as a decision whether the emergency should be met by an executive directive or legislation. Bill Seidman reported that he is preparing an executive order which will be ready in two days. The President asked Mr. Seidman to be sure to work with Secretary Brennan so the unions would understand that the President feels that this is the only solution to a serious problem and that new shipping will be built in American shipyards.

Secretary Lynn reported on the initiatives listed in Tab B.

Secretary Morton reported on the initiatives listed in Tab B. The President asked Secretary Schlesinger what the problems are with respect to continued military exploration in Alaska. Secretary Schlesinger stated that he thought the problem was one of tactics - exploration or exploitation. Secretary Morton stated that he favored opening up PET-4 for commercial exploration and exploitation. The President then asked why we are not getting more production out of PET-1. Secretary Morton replied that the Armed Services Committee wants to maintain this as a reserve. The President then asked for a joint option paper from Secretary Morton and Secretary Schlesinger.

Deputy Attorney General Silberman reported on the Justice initiatives listed in Tab B. The President stated that he wants to include a scorecard on the number of anti-trust cases tried by Justice.

Secretary Brennan reported on the Labor initiatives listed in Tab B. The President stated that he wants the status of CETA added to the list of initiatives.

Under Secretary Barnum reported on the Transportation initiatives listed in Tab B. Under Secretary Barnum reported that in the Pan Am situation short-term loans for \$150 million have been located which should get the corporation through the low travel winter months. With the Pan Am / TWA route swap Pan Am should improve their situation somewhat.



The President asked what we can do to insure better adherence to 55 mph speed-limits, Barnum replied that if necessary we could withhold highway safety or construction funds from those states that do not enforce the law. The President stated that we should do that or whatever else is necessary to insure compliance because the states are accountable for adhering to regulations. He then stated that he wants to see a monthly report on action taken in those cases where the states are not enforcing the law. The subject of energy conservation was also discussed - Secretary Morton reported that he is working on a total energy conservation package. Both DOT and Commerce have available at cost a computer carpooling package for state and local governments. The President said that he feels that the people of this country want to cooperate but we need to have better publicity on how to do it - we need to publicize the scorecard of each of the states.

Deputy Secretary Gardner reported on the Treasury initiatives listed in Tab B. Secretary Morton stated that he would like to see the windfall profit tax enacted separately from the tax reform bill so that it does not get lost.

The President asked Don Rumsfeld to give a status report on former President Nixon's health. Mr. Rumsfeld stated that as covered in the press he had gone into shock but that Dr. Lukash had informed the President just prior to the Cabinet meeting that former President Nixon's health is critical but stable.

Roy Ash reported on the OMB initiatives listed in Tab B not previously discussed. The President asked Bill Seidman to work with Russell Long on the Trade Reform Act which is a must for submission to the lame duck Congress. Secretary Morton distributed a handout (attached at Tab C).

The President asked Bill Timmons to find out the status of legislation on nuclear plant licensing.

Russell Train reported on an EPA initiative listed at Tab B.

Mr. Hartmann discussed the status of the WIN program - organizational efforts are due to be completed by Thanksgiving. The biggest problem which has been determined is that of finding enough non-government money to support the organizational structure. Four task forces are being developed: media, recycling, WIN gardens, and local committees. The public is going full speed ahead - all button manufacturers are producing WIN buttons at maximum capacity. Mr. Hartman then read numerous letters and showed articles and posters indicative of public interest. He passed the President a button which showed a chewed bullet with the caption "I'll bite - Ford's right".



Secretary Brennan asked for the President's guidance on recent problems of leaking statistics particularly the unemployment statistics. Mr. Rumsfeld stated that a recent decision has been made with respect to all sensitive government statistics that they will be very closely held and sent only to the President via Sidney Greenspan. The President stated that there had been other problems with leaks - notably State and Defense and that he rather than calling the FBI has made it the departmental responsibility to solve an internal problem.

At 12:56 pm the President concluded the meeting stating that he hopes to have another working session in the next few weeks.