

THE WHITE HOUSE

WASHINGTON



Notes of the Cabinet Meeting  
March 12th, 1975

The President entered the Cabinet Room at 11:04 a.m.  
The Press arrived at 11:05 a.m.  
The Press departed at 11:07 a.m.  
The President opened the meeting at 11:08 a.m.

The President indicated that we have a very full plate today and we should get started. He mentioned that this was Carla Hills' and Bill Coleman's first Cabinet Meeting and he welcomed them and looked forward to working with them. He also mentioned that this was Pete Brennan's last meeting and he joined with all of the Cabinet in thanking him for his service. He reserved time at the end of the Cabinet Meeting for Secretary Brennan to make whatever comments he desired.

As you know the Clemency Board was established last September. It has been extended upon two occasions by me principally because of a late surge in applications which we have had over the last few weeks. The Clemency Board has the authority to deal with civilian and military personnel, who were either punished in civilian court or by the military for draft evasion or AWOL offenses. In late January the Clemency Board had only 860 applications, then they made some public appearances and made the public more aware of the program and as a result, there has been a terrific increase. In fact, the response was overwhelming. The Board reports approximately 11,000 applications on hand with an additional 4,000 - 5,000 cases anticipated by the deadline. I have asked the Board to complete its work by September, which will make a one-year deadline. In order to meet this deadline I have asked various agencies to help share the workload. Supplemental staff will be needed and I am asking your cooperation. Jim Lynn has already written to you and I ask each of you to respond at this critical period so we can take care of this.

I have asked Nelson Rockefeller, because of the controversy surrounding Rule 22, to explain the rulings and the atmosphere in the Senate during this time. I might add that Rocky handled himself brilliantly and that the publicity stemmed from a basic misunderstanding of the role of the Vice President in the Senate on Rule 22. (Note Attached Chart at TAB A.)

The Vice President On January 10th I asked the President how

PP. 7-9 DECLASSIFIED  
E.O. 12356, Sec. 3.4

MR 91-16, #29 NSC 44. 9/20/92  
By KBT, NARA, Date 9/25/92

he wanted Rule 22 handled. The President decided that as the presiding officer of the Senate, it was the Vice President's responsibility and that I should handle it as I saw fit. As you can see by the chart, there are essentially two strategies referred to as the Northern and Southern route. Vice President Nixon gave the opinion that the Northern route was possible and during his tenure as Vice President, there were several minor attempts to have that done. However, in each instance the Senate ultimately went South. In 1967 Humphrey established the precedent of allowing the Senate to change its rules by 60% vote or majority vote, but he was overruled by Senate vote. That did establish precedent. As we approached this Senate year, the members were divided about equally and this didn't allow the leadership of the Senate to take a very strong position.

Mondale put two motions in one during this period, which is incorrect and that was disallowed. Then Senator Allen put three motions in one, which was also disallowed. Senator Byrd and Senator Griffin finally agreed on the wording of the motion, but Mansfield objected. He objected more to the wording of the motion, but he did want a 60-40 split on the vote. However, he wanted the Senate to go the Southern route. (Note Attached Statement at TAB B.) When it became apparent that the majority had the votes that it needed to choose the direction in which they wanted to move, Senator Byrd made an impassioned speech about the disastrous effect of the change where there is simple majority rule. Finally, there was a vote. The vote was 51-42. The first time in Senate history, where the Senate had voted to change the rules by majority rule. At this time the President had gone to Florida and I decided to crystalize the issue while the President was still out of town. As we move through these series of steps outlined on the chart, alternating between the Northern and Southern routes and various motions, we reached a point where I asked for the clerk to call the role. Senator Allen objected and raised a point of parliamentary inquiry. The Vice President again then asked for the role to be called; and again Senator Allen raised the point of question of parliamentary inquiry and again I asked for the role to be called.

This is where the controversy really became a public feud. The senators at that point gave me a very bad time. But according to Rule 19 in the Senate, on a point of parliamentary inquiry, the Chair is allowed, at his discretion, to recognize or not recognize the Senator. At any rate, we finally reached an agreement. There was a two hour recess during which a compromise was worked out and the final agreement was the Southern route, which is the way the majority wanted to go. Everyone was happy, the conservatives, the liberals, the Republicans, and the Democrats have all generally turned out to be fairly happy about it. I have arranged a series of small dinners with various members of the Senate to make certain that there are no hard feelings over it. The important thing to understand is that it was not the







discretion of the Chair or the rulings by the Chair that were critical in this, because as presiding officer of the Senate, I always referred the motions and the rulings to the floor of the Senate for their decision. The important element was the lack of recognition by the Senators that the minority had eroded and the majority had changed substantially and as a result, there was a greater difference in Senate response than had ever been before.

I might add, Mr. President, that I am grateful for the support that you gave me during this period both publicly and privately. I appreciate it and I believe and hope that I did what you wanted. The net result of the discussion of the Senate and the ruling of the Senate is now that 60% rules the Senate--that is 60% of the Constitutional membership. We avoided all precedents and went the route that most people wanted in the Senate and I believe that everyone is happy.

The President At this time I would like Earl Butz to tell us what has been happening to farm and food prices and what we can expect for the rest of the year. Earl -

Secretary Butz Well, Mr. President, it looks like this. There has been a fourteen percent increase in price of food in 1974 over 1973. 80% of that increase has come after the product has left the farm. This can be accounted for by higher wages, higher transportation costs, and higher fuel costs. While the increase has slowed down some, it has not stopped during the first quarter of 1975. It appears that food prices will be up 1 1/2-2% over the last quarter of 1974. So the increase has slowed down markedly. It is interesting to note that the index of prices paid by farmers is up 12%, but the index of prices received by farmers is down by about 15%. There is also a decline in grain. The statistic that you will find interesting is that 17% of the take home pay of the average American will go for food. This is down slightly over 1973 and also interesting to note is only Canada and the United States are nations below 20% of take home pay going for food. This can be attributed to several things. One third of the meals are currently eaten outside of the home. Looking toward 1975, we anticipate a leveling off or decline in food prices. There will be more beef eaten by Americans this year by about seven pounds per capita for the year. However, Americans will eat less pork and poultry per person and the beef will be relatively cheap. Fruits and vegetables will generally be less expensive and of course Mr. President, you know about our peanut problem. We have had one for years. The area where we will be shortest in everyday diets will be on grain-fed beef. Mr. President, you can expect a record wheat crop. Since 70% of all wheat in America is winter grown, that crop is already in.



We have had a 6% increase in acreage, and 400 to 500 million bushels of grain above last year's crop, so we will have a record crop. We currently have 4 million acres in soybean cultivation. So we hope as we look toward 1975, the escalation of food prices is behind us.

The President Are the farmers happy, Earl?

Secretary Butz No sir, they aren't.

The President At this time I was going to ask Bill Seidman to give us an economic report, but since most of what he would say is already in the public record, I have asked him to defer.

As you know, we have several standing committees of the Domestic Council and the Cabinet and I have asked the Domestic Council Director, Jim Cannon and Jim Connor, the Secretary to the Cabinet, to review those standing committees and make recommendations as to which ones should stay or go; committees on Aliens and Privacy, I am sure will stay; but there are others perhaps that we could revise and change to give us a better organization.

Some of you may be aware of the recent decision we have had in regard to the catalytic converters. I think that it is important that we all have this knowledge and understanding so I have asked Russ Train if he would give us a rundown on it.

Russ Train Thank you, Mr. President. As most of you know, it was a very complicated and controversial issue. It was a decision that I had to make by March 3rd which I did and it has caused quite a controversy generally. As you know, autos using catalysts convert pollutants, give low operating cost, better gas consumption, and fewer maintenance problems; but they also give sulfuric acid mist which of course is dangerous. So the decision was to hold the line and continue with the interim standards or to go with the higher standards and run the risk of putting the sulfuric acid mist in the air. Our research indicated that the sulfuric acid was a very real and dangerous problem. While it isn't a national problem yet, it soon could be and we really can't afford to play the numbers game. Through our research we found that desulfurization was not a good solution for it would take some two years of research and testing to be prepared to do that on a regular basis. We also found that sulfate traps aren't a solution and not something that our technology is readily able to produce. The real concern that we had was if we moved to the new higher level of standard, which is the .9 California standard, we would actually be doubling the amount of sulfuric acid in the air. Therefore, after much thought and a lot of advice, the



decision was made to stay with the 1975 interim standard, 1.5% hydrocarbon as opposed to .9%, the California standard. This of course caused considerable problems. The health services industry was not happy, the auto people were not happy, and the mayors and governors were not happy.

Secretary Weinberger I might add in Russ' defense that the information, which our health services people provided, was very serious. It was a significant health problem as we saw it, and HEW supports Russ' position and we have put out considerable information about it. However, the press has seen fit not to use it. The long term effects are unknown at this time, but it is a typical problem in showing the Congressional approach of mandatory short term standards which have forced technology faster than we could really respond.

Vice President Rockefeller Mr. President, I fear that this could really become a serious political problem and perhaps a liability next year. If the acid content is high, then I know we will have examples of garages catching on fire and people burning to death; cars catching on fire, gas stations exploding all because of the catalytic converter. If someone wanted to make this a political issue in 1976 and brought out these gruesome details and stories, they would put the burden on your back and they would be asking why you didn't tell them that this was a problem.

The President Congress should not establish standards without adequate information. In late December we got an agreement from the manufacturers that they would produce cars that would be 40% better in terms of fuel than the ones that they are currently producing and that they would do this by the 1979 model. Now it seems that whether the interim standard or the California standard is used, that they are both very dangerous.

Frank Zarb We are meeting with the auto people to reassess the standards. The auto people are having a problem because they can't seem to believe that the Government now wants to establish another standard because of this new information which Russ has just presented. It changes the standard. We need to give the auto people a real firm set of standards so they can make necessary capital investment to meet those standards.

Secretary Coleman Manufacturers will still try to meet the standard.

The President Will they pursue revision in the arbitrary standard established five years ago?

Secretary Coleman Yes, Sir. The automobile industry will not back off the original commitment that was made.



Russ Train The reaction on the Hill has been generally quiet. Muskie gave a very ambiguous statement. Senator Randolph said that the decision was thoughtful and most of the newspapers have been basically supportive of the decision.

Secretary Coleman Chrysler will continue to meet the standard and this letter, which I have here, indicates that they are firmly committed to it.

Russ Train Mr. Vice President, what you say is true perhaps to a certain extent and if one carried it to the extreme, it could become a political liability. However, the reports about fires, explosions, and death are very fragmented at best. We simply don't have adequate information at this time to prove that this is true. If we do pull the catalyst off the automobiles at this time, we will have an increase of three times in the level of pollutants.

The Vice President I would really like to see the President take the public into his confidence and include them in this information so they feel like they are sharing in the decision and we can assist them in making their determinations and this therefore will not become a political liability at a future date.

Secretary Morton Auto companies have a tougher time and a tougher commitment to make now. I think that they will go to the smaller car. They could do it today if they had to. The auto companies are concerned that this new emission standard will tilt the market place toward foreign cars. It seems to me that technology standards should be agreed upon so the auto companies can move up and make the necessary investments.

Secretary Coleman The answer is just not small cars, because that is tied to the fatality rate which poses a problem for the Congress.

Secretary Morton I agree with you, Mr. Secretary. Perhaps we should give an incentive to the small car buyer. Maybe there is a way to help.

The President It is important that the Congress gets the necessary safety information to make the decision. Therefore, if it exists in the Department of Transportation, would you please make it available.

Secretary Coleman Yes, we have it and yes we will.





Frank Zarb It seems that we should move to get the new standards established and then let the auto industry write letters of commitment to that new standard and get them committed once again.



The Vice President Again it seems, Mr. President, that you should take the public into your confidence on this and tell them the problems with the sulfuric acid mist as well as the difficult decision you have had to make about interim auto standards.

The President Last October we decided that an inflation impact statement should be made about all new legislation which we were proposing and the Congress was proposing. Maybe we can do the same thing here. It says something about my basic philosophy of Government. I think that we have to implement this philosophy and the consumer has a right to know what the exact impact, both pros and cons, will be of decisions which his government is making. It is not just the environmental regulations which raise this issue. There are literally thousands of examples. I recall the problem we had with the truckers regulation issued by the Department of Transportation before you arrived, Bill. I had to make a decision on New Year's when I was on vacation to let a regulation go forward because we were so far down the road. To hold it up, would have imposed economic hardship on the industry which had geared up to implement the Federal rule. As a result, we are increasing the cost of trucks and trailers 5 - 7%; and it is some very large sum like two hundred million dollars. I now understand that this regulation might force some companies out of business. I have no doubt that many energy regulations create the same kind of dislocations. Therefore, when we submit legislation and proposals, we must make certain that we know both sides of the story and what the total impact will be so we can inform the Congress and the public about everything relating to that problem.

Secretary Morton Mr. President, I should mention that I think that energy must go into this economic mix at its true value.

The President I have asked Jim Schlesinger to fill us in on the Cambodian and Viet Nam situations. So, Jim if you would please.

Secretary Schlesinger We have basically two problems in Southeast Asia. First, is the immediate funding and if we don't get that there will be no ammunition after April 15th. The second, is the extremely difficult military situation. There has been repeated prediction on the fall of Cambodia and one of the things that we have learned about our Southeast Asia experiences, is never to believe predictions in Southeast Asia. The Government controls 70% of the population; but only a small portion of the country. Communications have been essentially closed down.



Route 4 and 5 have been closed as well as the Mekong River. We must fly in rice, petroleum, and ammunition. Fifteen hundred tons a day are flown in. The air field is the sole line of communication. The survival of the country depends on that air field staying open. There are rockets within 11,000 yards of the air field. The capital is encircled by some 25,000 troops and is being defended by about 40,000 troops, so we don't believe that the Capital can be overrun. The funding is the most critical part of the entire issue.

The Vice President Mr. President, I was out of town, but I read that Colby headline this morning. Could you explain that please. Is there any substance to that?

The President No, there isn't and I'll have General Scowcroft talk to that point. Brent-

General Scowcroft The headline didn't specifically indicate what the column was about. The column in substance didn't relate to the headline. It was more a scare headline than anything else. So there was no correlation between the two.

Secretary Schlesinger In Viet Nam funds are badly needed as well. Government troops are holding fairly well. There is basically a stalemate in the country at this time with erosion of Government troop control of the outer countryside happening at a steady rate.

The President At my right is Bob Ingersoll, who is substituting for Secretary Kissinger, who is travelling as you know. Do you have any comments?

Robert Ingersoll Some of the foreign embassies are moving out of Cambodia, particularly Phnom Penh. Other countries have expressed interest in assisting in the negotiations. Much has been written about Lon Nol, but the United States has no interest in asking him to step down. He has been very cooperative. He has said that he would step down if the United States asks him to do so. Of course, we are getting no help in the Congress. The votes which we have seen have been very difficult for us to accept. The Hamilton compromise which passed 5-2 is a 135 million dollar aid package, 82 million dollars of which would be military aid, the balance of which would be economic aid. It does have a June 30th deadline beyond which no aid would be given for Southeast Asia. There appears to be general economic chaos, within the country. The refugees are rolling into the capital city at the rate of several thousand per year. Even though there is economic chaos, their internal political situation is amazingly stable. There were some riots awhile ago, they were food riots; but everything appears to be all right now and is fairly stable. Again, Lon Nol is no barrier to negotiations; he has been helpful.

The President Since I became President, we have made six efforts





to negotiate. There has been no real response yet. We are going to continue to try hard. The opposition thinks that by being persistent and staying with it, that they can win. As long as they think that they can win, negotiations will be extremely hard to get. The aid will allow for a military stalemate and at that point we will have an opportunity to negotiate.

Secretary Schlesinger If Phnom Penh falls, it will be the first major city to fall since 1945.

The President The Congressional group that went to Southeast Asia were just in here recently and we sat around this very table and talked over what they had seen. I think that they came away from South Viet Nam generally sympathetic. I know that McCloskey has given some real good testimony up on the Hill which has helped and even Abzug was visibly shaken on the humanitarian side for what she had seen. Congresswoman Fenwick who campaigned on the fact that there would be no aid to South Viet Nam and that we would pull out completely and totally, gave an impassioned plea for help. She was sitting in the very seat that you are sitting in now, Rogers, and she was afraid of the liquidation of people that would take place if the Communist would take over and of course all of you know my strong feeling. We must help them until the rainy season hits. If we can do that, the opportunity for negotiating a settlement is there.

General Scowcroft What you say is true, Mr. President. In the villages that they have overrun, they have been slaughtering those people who have acted as leaders, the government people, school teachers, priests, and it has been a disastrous effect.

The President Well, that about takes care of the substantive portion of our meeting and I do want to give Pete Brennan the opportunity of saying a few words to us. Pete, I want you to know how much we appreciate what you have done while you have been here. The Department has responded and I think that you deserve particular recognition for the outstanding work you did in the development of two historic pieces of legislation in Comprehensive Education and Training Act (CETA) and the Pension Reform Act. They will both set a standard for years to come. Furthermore, I want you to know about a quality which I have always admired in Pete, and that is that he is a straight talker. You may not always agree with him, but you always know where Pete Brennan stands and I believe that to be a very important matter. So, Pete the time is yours.

Secretary Brennan Thank you, Mr. President. I do want you to

know how much I have enjoyed working with you, it has been challenging, exciting, and I believe productive. I will be returning to a large constituency, and I might add, it helped make Nelson Rockefeller what he is today. We believe that the time we have been here we have helped minorities, the handicapped, women; we have helped a great many people and we hope that it has been good and we hope that our stewardship has been good. I believe that John Dunlop is a very good man and I think that he will do a very good job. In keeping with the Biblical reference, I have written down the accounting of my stewardship and the things that John will have an opportunity to work on in the future. So, Mr. President, in leaving I give you this accounting of my stewardship. Thank you very much.

The President Thank you, Pete, and we will be seeing all of you soon. Thank you.

