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THE PRESIDENT HAS SEEN *by*

THE WHITE HOUSE  
WASHINGTON

April 15, 1975

CABINET MEETING  
Wednesday, April 16, 1975  
2:30 P.M.  
(95 minutes)  
The Cabinet Room

*Evacuation*

From: James E. *JEC* Connor

I. BACKGROUND, PARTICIPANTS & PRESS PLAN

1. Background: You last met with the Cabinet on March 26th when the agenda covered a briefing by Secretary Kissinger on his Middle East trip, a discussion of the use of inflation impact statements, a presentation by Jim Cannon on the consumers issue, and remarks by Jack Marsh on Congressional budget committee testimony procedures.
2. Participants: Attached at Tab A
3. Press Plan: Meeting to be Announced: Press Photo at Beginning of meeting; David Kennerly Photo.

II. TALKING POINTS

1. Our agenda is very heavy this afternoon, and I'd like to get started right away.
2. I've asked Henry Kissinger to review broadly the international situation and to give the Cabinet a view of the thinking that went into my speech of last Thursday night. Henry,...
3. The military situation in Southeast Asia has been changing rapidly. I'd like Jim Schlesinger to brief you on the Cambodian evacuation and events in South Vietnam. Jim,...



4. Before I ask Jim Cannon to speak about our consumer policies, let me make it clear that the consumer issue is a key priority of this Administration. And it should be a priority for all of you, too. You'll be the ones in Government that will be affected most if a consumer agency is established. You'll be the ones that will have to live with it.

I realize Government is not doing all it can to adequately consider consumer views. But I totally disagree with the idea that the way to improve that representation is to create an independent agency accountable to no one and authorized to intervene in nearly every Government activity.

Instead, I'm determined to prove that these concerns can be adequately handled by our existing agencies. Therefore, I expect each of you to do a better job in assuring consumer representation than you are now.

I want each Cabinet officer to meet with Mrs. Knauer and to discuss with her additional efforts you could take to improve consumer representation in your departments.

Jim Cannon, why don't you say more about this....

Given the problems with S. 200 that you all have identified, I expect each of you to be pointing out your difficulties with an Agency for Consumer Advocacy to the people you talk to on the Hill. The bill is scheduled to come to the floor by the end of the month. Unless we can do a better job of explaining its problems, it could pass easily.

At the same time, I'm depending on each of you to prove that my policies can work. We must all work together to demonstrate that the best route to improved consumer representation is reform of both the executive departments and the independent agencies.

5. At the last Cabinet meeting we did not have time to review the economic situation. I have asked Alan Greenspan to do that for us today. Alan,...



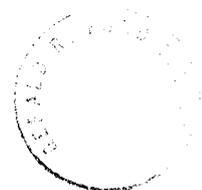
6. When I signed the tax bill I spoke strongly about the issue of expenditure restraint. I have asked Jim Lynn to outline what the expenditure picture looks like now in terms of Congressional actions. Jim,...

When I drew that line showing an expenditure limit of \$60 billion I meant it. In thinking about proposals and programs I want each of you to be certain that we have got ourselves to live within the expenditure limits I have proposed.

7. When I met with John Dunlop last Friday, I was interested to learn that he had developed what I think is a novel way of dealing with the tough problems of communicating with the press. John, would you explain to the Cabinet the kind of technique you have developed.....

Of course, I don't expect John's technique to be useable by all or even most of you. What I think is important, and what I want to stress is that there are ways of improving our relations with the press, and I hope each of you will spend some time thinking about the problem of developing effective techniques and communicating your views and the Administration's views to the public.





Attendees for Cabinet Meeting

Wednesday, April 16, 1975

2:30 p.m.

THE PRESIDENT

The Cabinet Room

CABINET

The Secretary of State, Henry A. Kissinger  
The Secretary of Defense, James Schlesinger  
The Attorney General, Edward H. Levi  
The Secretary of The Interior, Rogers C. B. Morton  
The Secretary of Agriculture, Earl T. Butz  
The Secretary of Labor, John T. Dunlop  
The Secretary of Health, Education and Welfare, Caspar W. Weinberger  
The Secretary of Housing and Urban Development, Carla A. Hills  
The Secretary of Transportation, William T. Coleman  
The Under Secretary of the Treasury, Stephen S. Gardner (for Secretary  
Simon who is abroad until the end of the month)  
The Counsellor to the President, Robert Hartmann  
The Counsellor to the President, John O. Marsh  
The Counsel to the President, Philip Buchen  
The Assistant to the President, Donald Rumsfeld  
The Ambassador to the United Nations, John Scali  
The Special Representative for Trade Negotiations, Ambassador Frederick Dent  
The Director of the Office of Management and Budget, James Lynn

WHITE HOUSE/EXECUTIVE OFFICE

Mr. William Baroody  
Mr. James Cannon  
Mr. Richard Cheney  
Dr. James Connor  
Mr. Max Friedersdorf  
Mr. Alan Greenspan  
Mrs. Virginia Knauer  
Mr. Ron Nessen  
Gen. Brent Scowcroft  
Mr. William Seidman



AGENCIES:

Mr. Russell Train, Administrator, EPA  
Mr. Frank Zarb, Administrator, FEA

OTHER:

Mary Louise Smith, Chairman, Republican National Committee

REGRETS: The Vice President will be unable to attend since he will not  
have returned from Taiwan.

Note: There will be no representative from Commerce since the  
Secretaryship is vacant and the Under Secretary, Mr. Tabor, is  
attending a meeting abroad.

WHAT WILL BE THE BUDGET DEFICIT?  
(in billions)

THE CURRENT ESTIMATE (with tax bill as written).....	\$60
If Congress <u>rejects</u> President's holddown legislation-ADD....	12
If features of tax bill become permanent-.....ADD....	5
NEW CONGRESSIONAL SPENDING PROPOSALS.....	\$30
POTENTIAL DEFICIT THREAT.....	\$100 <u>BILLION</u>

New Congressional Spending Proposals

Anti-recession grants to State and local governments.....	\$5.0
Broadened unemployment compensation benefits.....	4.0
Additional public service jobs.....	3.0
Increased public works projects for State and local governments.....	3.0
Increased farm subsidies.....	2.2
Additional water pollution control and abatement projects.....	1.9
New housing subsidies.....	1.9
Increased urban mass transit and highway projects.....	1.8
Health insurance subsidies for the unemployed.....	1.5
Increased school feeding and related programs.....	1.4
Increased veterans benefits.....	0.8
Additional small business loans.....	0.4
Other increases in a wide variety of spending programs.....	3.2

March 31, 1975

CABINET MEETING

Wednesday, April 16, 1975

2:30 P. M.

THE PRESIDENT HAS SEEN *dy*