

THE WHITE HOUSE
WASHINGTON
November 15, 1974



MEMORANDUM FOR: JERRY JONES
FROM: JOHN GUTHRIE *JG*
SUBJECT: Notes from the Cabinet Meeting,
November 15, 1974

The President opened the meeting at 11:14 am, thanking the Cabinet for attending this working session.

The President asked each of those responsible for the 31 Economic Initiatives to give a brief update on their areas of responsibility. (NOTE: Each report was covered in the sequence shown in the handout included at Tab B.)

Under Secretary Campbell stated that with respect to rice legislation he feels the President may be able to assist by making some calls. Other initiatives are being followed closely. The President asked if there is enough fertilizer for the farmers next year. Under Secretary Campbell reported that although there is not as much as the farmers would like, there is enough to make next year's harvest the biggest in history - if the weather is reasonably good.

Secretary Dent reported on actions in industry to conserve energy stating that there has been an overall reduction of about 4% per product output.

Secretary Lynn reported that he is working with Secretary Simon in a joint effort with the Congress to solve mortgage credit problems.

Secretary Morton reported that the deep water port facility legislation was scheduled to be before the Congress on Nov. 18 and surface mining legislation on Nov. 19. He noted that the President had participated in a meeting with the coastal states governors to encourage their cooperation in the development of energy sources.

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ME 93-2 #36 NSC Hr. 6/30/93

By *WF* NARA, Date 10/15/93

Deputy Attorney General Silberman reported that increased penalties for anti-trust violations are going to be worked on next week. The Attorney General has been dealing with Senator Hruska in an effort to strengthen the investigative powers of the anti-trust division. He noted that actions are being taken in the area of price fixing and that in fact the Department of Justice is bringing suit against the largest real estate board in the nation - the same group the President addressed last night. He also mentioned that FBI agents with accounting backgrounds are being trained to investigate price fixing.

Secretary Brennan noted that his legislative initiatives are moving forward but that under the CETA program only 50,000 of an authorized 170,000 jobs have been filled. The President stated that Labor should keep pushing CETA.

Secretary Brinegar reported that the Surface Transportation Act is very complex and is receiving much attention from DOT. He also noted that the Mass Transit Bill looks good and has gone to the Senate. In the areas of fuel economy, Secretary Brinegar is meeting with auto industry leaders. DOT is studying the possibility of recommending a further extension of the 55 mph speed limit order. He also noted that car pooling is the best solution found so far to the traffic control problem.

Secretary Simon stated that in the Financial Institutions Act there remains only one area of disagreement which is being worked out. Other initiatives are proceeding on schedule. Secretary Simon also discussed the effective date of legislation authorizing the sale of gold by private citizens and possible actions the government should take with respect to the sale of gold reserves. The President asked Secretary Simon for specific recommendations in this area.

Director Ash noted that ERDA legislation is on track and will be available by January 1. Other initiatives are proceeding on schedule. Mr. Ash also reported that a list of over 100 items has been drawn up for submission to the Congress for FY75 budget cuts. The President made a point of thanking all of the Cabinet members for their fine cooperation and voluntarily recommending these cuts. Mr. Ash stated that in the area of personnel reduction, the objective being 40,000 by June 30, he now has appeals for over 13,000. He stated that part of these would be eliminated under the recommended budget cuts but that he is going to have to get with each of the Cabinet members to work out the remainder of the appeals. The President stated that he would talk further to Mr. Ash on this area.



The President stated that we must make a very strong pitch for the Trade Reform Act to be passed during the lame duck Congress. Secretary Kissinger stated that he had been asked to testify on this legislation and that he foresaw some problems due to additions such as linking trade with cooperation in areas such as MIA.

Russell Train noted that he hopes that in the President's message on Monday the Congress will be urged to pass the Clean Air Act. He also mentioned that Secretary Morton has appointed him to head up an inter-agency board to coordinate environmental matters.

Secretary Morton reported that he is working with Secretary Simon on natural gas deregulation initiatives. He stated that with respect to conservation within the government, GSA is actually handling the monitoring system but he is concerned with the validity of units of measure and criteria to be used in reports. The President asked Secretary Morton for a report on how we are doing. Secretary Morton reported that in efforts to achieve a voluntary energy conservation goal of 1 million barrels per day one of the biggest problems is the increasing public awareness of the long term shortage. He noted that an increase in price has been shown to reduce the demand, but he pointed out that he was not recommending a federal tax on gasoline. The President said that he wondered if the Secretary had heard what he said in his press conference last night. The Secretary said that he had, he only wished that the President had heard what he said when he was misquoted.

Bill Baroody reported on the WIN program. He stated that over 20,000 letters are being sent to state and local government officials, businesses and other groups on how to support the WIN program.

Bill Timmons discussed the lame duck session of Congress noting that they are expected to return to session Monday, the 18th of November until the 21st of December. He pointed out that much of that time is taken up with administrative matters so that really only the three weeks will be available for significant accomplishments. The President emphasized that there will only be three working weeks and stated that all of the Cabinet members have got to be available to work with Congress to get the lame duck legislation passed.

Secretary Kissinger reviewed his trip to the U.S.S.R., the sub-continent and the Mid East. The trip to the U.S.S.R. was to review general possibilities ahead of us and to make preparations for the President's meetings in Vladivostok. The purpose of the trip to India was to respond to their obvious desire to improve relationships with the United States



thus reducing Soviet influence in that area. In the Mid East he pointed out that much of the current difficulties are due to the Israeli's initial refusal to deal with anyone but the Egyptians - thus procluding any flexibility in the negotiations at the Rabat summit. He emphasized that it is important for the Israeli's to understand that their future depends on negotiating with all of the Arab nations. The Secretary then described the purposes of the President's trip to the Far East. He noted that the President had agreed to keep the commitment made by former President Nixon to Prime Minister Tanaka the very first day he took office. He pointed out that sensitivities in Japan are such that there is no possibility of cancelling this trip regardless of unrest or Tanaka's future. In an aside Secretary Kissinger pointed out that in dealing with Japanese we deal with a consensus - that there will be no decisions made by any one person - that expecting to get a significant decision on this trip is like reaching out to an anthill, picking up one ant and asking it to make a decision for the whole anthill. What is critical on this trip is to create a mood for future relationships. The trip to Korea is being made because not to make it when the President is already in that area of the world would create serious international misunderstandings - that it is important to us to restate our commitment to Korean security. He also pointed out that the Japanese appreciate that their own security is tied to the security of South Korea. The trip to Vladivostok is being made primarily because it is more convenient at this time rather than waiting for the trip to Europe when a European trip would become dominated by news of U.S./U.S.S.R. announcements.

The President informed the Cabinet he wants to get together with them on two Saturdays in December to finalize the legislative programs in the Departments. He stressed that he wants the Cabinet to be a vigorous part of this government and he wants each member to be involved in the formulation of programs and policies - that he wants to insure that they are continuously available throughout this period.

The President also stated his very deep concern about the confirmation of Governor Rockefeller - he stressed that he considers it mandatory that this confirmation be made before adjournment of the Congress. He stated that he feels Governor Rockefeller has put up with more than most people would stand for and that he has come out very well. The President stressed that he would like the assistance of all members in any area that they feel they can be effective to support this nomination.

The meeting adjourned at 12:24 pm.

