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MEETING WITH DONALD RUMSFELD

Tuesday, March 11, 1975

3:00 p.m.



ISSUES

THE WHITE HOUSE
WASHINGTON

February 27, 1975

MEMORANDUM FOR: THE VICE PRESIDENT

THROUGH: JIM CAVANAUGH

FROM: MIKE DUVAL

SUBJECT: Your Meeting with Secretary Morton

There are several matters that I believe you should be aware of prior to your meeting with Secretary Morton relating to his relationship to White House and Executive Office staff and his role in energy policy.

Relationships between Interior and OMB/Domestic Council. Several controversial issues have strained relationships between Interior and Domestic Council/OMB. During the past year, two issues in particular have led Secretary Morton to conclude that his positions in public and with the Congress have been undermined by "The White House." The two issues involved are:

A. Land Use Legislation. Former President Nixon proposed land use legislation in 1971 and 1973 as a key element of the Administration's environmental program. The Senate passed bills in both the 92nd and 93rd Congress. During House consideration of the bill last year, strong opposition developed from many outside interests, including governors of western states, who feared the bill was the first direct step (in addition to Clean Air and Water Pollution laws) to inject the Federal Government in local land use decisions. At this point, President Nixon decided to stop pushing the Administration's original proposal. John Rhodes was notified the Administration agreed that the land use bill then before the House posed a threat to traditional American beliefs about the sanctity of private property and would permit Federal control over State and local land use policies and decisions. Secretary Morton recommended strongly against withdrawing Administration support for land use legislation.

As far as our current position is concerned, President Ford has asked for a review of issues involved before he decides whether or not to propose a new bill.

B. Strip Mining. President Nixon also proposed strip mining legislation in 1971 and 1973 as a part of his environmental program. A bill was passed by the Senate in September 1973. After long debate a more rigorous bill was passed by the House in July 1974. During House consideration, it became clear that the bill was unacceptable to Commerce, Treasury and OMB, because of significant adverse coal production impact and a number of other objectionable provisions (e. g., precedent-setting unemployment benefits). Interior Department had the lead in working with the Congress and Interior staff apparently had led members to believe that the bill, though objectionable, was acceptable to Secretary Morton.

As the Congress was completing action on the bill in December, President Ford concluded that it should be vetoed. This, too, was embarrassing to the Secretary and he has described the matter as the second time that the White House had pulled the rug out from under him. He has been particularly critical of the Domestic Council staff role.

A recent example illustrates the delicate situation. The President personally reviewed the issues and decided Administration position on a new bill (Issue paper at Tab A) which he transmitted to the Congress on February 6. Last Thursday, Congressman Phil Ruppe called Max Friedersdorf and indicated that he was getting very little help from Interior in supporting the President's bill. He indicated that he foresaw a repeat of the events of last year when the House passed bill was acceptable to Interior Department but not to others in the Administration. We worked with Interior Department, OMB and other agencies to get material to Phil Ruppe to defend the Administration bill but this undoubtedly added to the strain between the Interior Department on the one hand and Domestic Council, OMB, and the Congressional Relations staff on the other.

Secretary Morton's Energy Role. While the Secretary is the Chairman of the Energy Resources Council, nearly all the work of the Council is controlled by Frank Zarb, with principal staffing by the Federal Energy Administration. Recent actions in the energy area and (including most of the Administration's energy proposals) have had little Interior Department involvement. Recent new stories have drawn attention to the growing role of Frank and FEA and the lesser role of the Secretary. This situation could lead to strain between Secretary Morton and Frank Zarb.

THE WHITE HOUSE
WASHINGTON

March 10, 1975

From
TO: Agnes Waldron
TO ~~FROM~~ Jim Cannon *Jmi*
SUBJECT: Presidential Positions

Would you give me, in the President's words, his position on :

1. Extension of the Voting Rights Act. *Attached*
2. Sharing with states revenue on oil taken from the Outer Continental Shelf. *Attached*
3. The formation of a Consumer Protection Agency. *NO record.*

If part of these are immediately available, I would appreciate your sending them along and the rest could come later.

JMC:jm
cc Paul Theis

profits tax proposal to reduce the consumption of these products and to reduce dependence on uncertain foreign energy supplies. This tax is proposed to be offset by reductions in income taxes, and allowances for payments to low-income individuals, increased aid to State and local governments, and various Federal agencies. Most of this offset can occur through the income tax system, but for those instances where it can not, the budget includes an allowance for energy tax equalization payments.

Included in *general operating programs* are the analysis and development of energy policy; the management and leasing of federally owned oil, natural gas, and coal resources; and uranium enrichment. These activities are administered by the Federal Energy Administration, the Department of the Interior, and the Energy Research and Development Administration. The generation and marketing of hydroelectric power is included under "Water resources and power." Negative outlays in 1974 result primarily from offsetting revenues for sales of uranium enrichment services. Outlays for operating programs will total \$498 million in 1976.

In order to increase domestic energy production over the next 10 years, a program to prepare for leasing oil and gas lands in all new areas on the Outer Continental Shelf is being pursued, and a tentative schedule of sales has been drawn up. A decision to lease any area will be made only after the completion of environmental studies and impact statements and a determination that unacceptable adverse environmental impacts will not occur. Proceeds from this leasing are counted as undistributed offsetting receipts, and the estimates for them appear at the end of the budget.

Uranium enrichment operations, which primarily provide fuel for civilian nuclear powerplants, must increase significantly in order to meet future demands. The previously authorized expansion of the three existing enrichment plants of the Energy Research and Development Administration (ERDA) will continue. Legislation will be proposed to enable ERDA to institute commercial pricing for uranium enrichment services. Outlays for uranium enrichment activities will be \$738 million in 1976.

Some provisions of the tax structure—known as *tax expenditures*—also encourage the development and exploitation of energy and mineral resources. The two such provisions with the largest impact are the treatment of exploration and development costs (mostly for oil and gas) as current expenses rather than as capital investments, which is estimated to reduce receipts by \$1.4 billion in 1976; and the excess of percentage depletion over actual cost depletion (up to 50% of net income), a provision that applies to over a hundred minerals and energy sources and is estimated under current law to reduce 1976

Table 17. BUDGET OUTLAYS BY FUNCTION, 1966-1976 (in millions of dollars)—Continued

Function	Actual										Estimate	
	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	
850 Revenue sharing and general purpose fiscal assistance:												
851 General revenue sharing.....								6,636	6,106	6,176	6,304	
852 Other general purpose fiscal assistance.....	242	288	311	365	451	488	531	586	640	857	946	
Total revenue sharing and general purpose fiscal assistance.....	242	288	311	365	451	488	531	7,222	6,746	7,033	7,249	
900 Interest:												
901 Interest on the public debt.....	12,014	13,391	14,573	16,588	19,304	20,959	21,849	24,167	29,319	32,900	36,000	
902 Other interest.....	-728	-858	-822	-796	-992	-1,350	-1,267	-1,355	-1,247	-1,569	-1,581	
Total interest.....	11,286	12,533	13,751	15,793	18,312	19,609	20,582	22,813	28,072	31,331	34,419	
Allowances for:												
Energy tax equalization payments.....										500	7,000	
Civilian agency pay raises.....											550	
Contingencies.....										200	500	
Total allowances.....										700	8,050	
950 Undistributed offsetting receipts:												
951 Employer share, employee retirement.....	-1,447	-1,661	-1,825	-2,018	-2,444	-2,611	-2,768	-2,927	-3,319	-4,070	-3,888	
952 Interest received by trust funds.....	-1,917	-2,275	-2,674	-3,099	-3,936	-4,765	-5,089	-5,436	-6,583	-7,769	-8,305	
953 Rents and royalties on the Outer Continental Shelf.....	-248	-637	-961	-428	-187	-1,051	-279	-3,956	-6,748	-5,000	-8,000	
Total undistributed offsetting receipts.....	-3,613	-4,573	-5,460	-5,545	-6,567	-8,427	-8,137	-12,318	-16,651	-16,839	-20,193	
Total outlays.....	134,652	158,254	178,833	184,548	196,588	211,425	231,876	246,526	268,392	313,446	349,372	

MEMORANDUM

Federal funds.....	106,512	126,779	143,105	148,811	156,301	163,651	177,959	186,403	198,692	229,005	254,215
Trust funds.....	31,708	36,693	41,499	43,284	49,065	59,361	67,073	81,447	90,833	110,338	123,425
Interfund transactions.....	-3,568	-5,218	-5,771	-7,547	-8,778	-11,586	-13,156	-21,325	-21,133	-25,897	-28,268

THE PRESIDENT. And Washington is on the quarter.

MRS. BROOKS. And Kennedy and Eisenhower.

THE PRESIDENT. Well, congratulations to you. I think it is very significant as a part of the Bicentennial, and I am sure John Warner is delighted to have this kind of—

MR. WARNER. Yes, Mr. President.

THE PRESIDENT. —imagination, and action.

I can compliment you on not only the action but on the effort to participate. I think it is wonderful, Mary.

MRS. BROOKS. Thank you.

MR. WARNER. It is one of the best competitions that has been held thus far in the Bicentennial.

Q. Can you tell us which coin Kennedy is on?

THE PRESIDENT. Kennedy is on the half dollar, and on the back is Independence Hall. Washington is on the quarter, and the drummer boy is on the back. And the Moon and Liberty Bell is on the dollar with Eisenhower on the back.

Q. You say there will be 45 million of these sets?

MRS. BROOKS. There will be 45 million silver ones we are allowed to make. We will only be able to make in the proof about 4 million a year. We hope to make them for 2 years. But we are already getting volumes of orders. It is tremendous.

Q. \$15 a set, is that right?

MRS. BROOKS. Yes, for this proof set.

Q. You said something about the uncirculated coins.

MRS. BROOKS. The uncirculated silver ones will be \$9.

THE PRESIDENT. Those are the ones that come in these paper rolls?

MRS. BROOKS. Yes. They won't be packaged as elaborately as this.

THE PRESIDENT. How many participated in the competition for the designs?

MRS. BROOKS. We had almost a thousand designs come in from men, women, and even schoolchildren. We have kept the schoolchildren's, and we are going to probably put those designs in the museum somewhere. They are terribly interesting.

THE PRESIDENT. Do you recall who won the contest, in each?

MRS. BROOKS. Yes. This is a boy from Columbus, Ohio. Dennis [R. Williams]—

THE PRESIDENT. I hope he didn't go to Ohio State. [Laughter]

MRS. BROOKS. An art school. Sorry, I don't have a Michigan winner for you.

And Jack Ahr, who won the quarter, is from Arlington Heights, Illinois, and this one was from Minneapolis, Minnesota [Seth G. Huntington].

MRS. BROOKS. Thank you, Mr. President.

THE PRESIDENT. Congratulations. It is a great project, and it will contribute significantly to the Bicentennial.

MRS. BROOKS. I hope so.

THE PRESIDENT. John, thank you.

Nice to see you all again.

NOTE: The exchange of remarks began at 1:25 p.m. in the Cabinet Room at the White House where Mrs. Brooks and Mr. Warner presented the President with first strikes of the newly designed Bicentennial coins.

6.1 Meeting With Coastal State Governors

*Text of the President's Remarks at the Meeting on Outer Continental Shelf Oil and Gas Development.
November 13, 1974*

The imbalance between our Nation's demand for oil and gas and our domestic production of these resources is one of the most serious problems we face. The rapid increase in energy costs in the past years has been a major driving force behind today's inflation.

The essence of this problem is that while we produce about 11 million barrels per day, we consume about 17 million. Domestic demand is increasing, but domestic production is dropping because most of our onshore oil fields are being depleted.

We must adopt rigorous conservation measures, but it is clear that regardless of what conservation steps we take and what eventual long-range energy policy we adopt, in the near term we must increase our domestic production of oil and gas.

I believe that the outer continental shelf oil and gas deposits can provide the largest single source of increased domestic energy during the years when we need it most. The O.C.S. can supply this energy with less damage to the environment and at a lower cost to the U.S. economy than any other alternative. We must proceed with a program that is designed to develop these resources.

Legitimate concerns have been expressed about O.C.S. leasing and development. Let me briefly address myself to these concerns.

First, concern has been expressed that industry does not have the manpower and equipment necessary for exploration and development of 10 million acres of O.C.S. lands and that this could lead to the sale of leases at bargain prices.

We believe that industry can make the manpower and equipment available. And I might note that although the



10 million acres has been a useful planning objective, we are not wedded to this particular goal. Our primary objective is to produce oil and gas where we can do so safely. But, in any case, we will insure that leases are not sold below fair market values. I have directed Secretary Morton to insure that these objectives are attained.

Second, concern has been expressed that we should not lease any new areas of the U.S. continental shelf until the coastal States have completed detailed plans to accommodate the onshore impact of offshore production.

Coastal States have only begun to establish the mechanisms for coastal zone planning, and that activity must proceed rapidly. But the steps needed now to prepare for a leasing program need not await completion of these detailed plans by the States. The prolonged delay would only postpone the date when we will learn whether substantial reserves can, in fact, be produced from our O.C.S. and would lengthen the time that we will have to rely on costly imported oil.

Furthermore, the shoreside impact will not occur for several years following institution of a leasing program. That period will enable State and local governments to prepare for the shoreside impact. To help insure effective, cooperative action, State and local officials will be asked to participate in the process of selecting tracts to be considered for detailed environmental and resource study.

In order to facilitate coastal State participation in this effort, I plan to request an additional \$3 million in the current fiscal year for the coastal zone management program to accelerate State planning efforts. I have also directed Secretary Morton and Secretary Dent to consult with coastal Governors regarding any additional steps that might be required to plan adequately for onshore development associated with offshore leases that are actually issued.

Third, concern has also been expressed that our proposed leasing program cannot be conducted without unacceptable risks to the environment. We are taking the steps necessary to reallocate additional funds during the current fiscal year to strengthen our preleasing environmental assessment and monitoring activities.

If our studies show that development cannot occur in a particular area without unacceptable risk, then we will not hold a lease sale. The step that must now be taken is to begin the detailed studies to identify risks in specific areas to be considered for leasing.

We have made great strides in our O.C.S. safety program thus far, and we will work closely with the coastal States so that they understand and have a part in the further development of regulations that govern these operations off their coast.

I also recognize the concern about oil spills. Our energy and environmental experts have concluded that the greatest danger to our coasts from oil spills is not from offshore production, but, instead, from the greatly expanded tanker traffic that would result from increasing imports.

To assure that any spills that might occur do not cause uncompensated harm, however, I have also asked Secretary Morton and Chairman Peterson to prepare a proposed comprehensive liability statute governing oil spills. This bill will be ready for introduction in the next Congress.

In summary, the resources of the outer continental shelf represent a potential contribution of major proportions to the solution of our energy problem. I am confident that concerns about leasing exploration and development of the outer continental shelf can be addressed openly and fairly, that planning can proceed in an orderly, cooperative way and the problems confronting us in opening new areas can be resolved.

I pledge the cooperation of my Administration in this task.

NOTE: The President met with the Governors at 5 p.m. in the Cabinet Room at the White House. Attending the meeting were: the Governors of Connecticut, Delaware, Louisiana, Maine, Massachusetts, Mississippi, New Hampshire, and New Jersey; the Governors-elect of Maine, Georgia, and New York; the Lieutenant Governors of Maryland and Rhode Island; and the Lieutenant Governors-elect of Alaska, Connecticut, Massachusetts, and South Carolina.

As printed above, this item follows the text of the White House press release.

National Association of Realtors

*The President's Remarks at the Association's
Convention in Las Vegas, Nevada.
November 14, 1974*

President Doherty, President-elect Leitch, ladies and gentlemen:

It is truly a great privilege and a very high honor to have the opportunity of appearing before this convention of the National Association of Realtors, and I thank you from the bottom of my heart for your warm and friendly welcome. It is nice to be here.

At the outset, I wish to pay a very special tribute to the members of the National Association of Realtors for all that you have achieved in the face of a very, very serious and difficult economic environment.

You know, I always think it is a help, as a matter of fact, when the complex problems we all deal with are at least recognized in part by others, and sometimes this happens in very strange ways.

Two weeks ago, I went back to my hometown of Grand Rapids, Michigan, for a rally in a tremendous college fieldhouse. And just as I was coming into the building, I heard the master of ceremonies ask the marching band to play one more selection, something that would be appropriate for the President of the United States. So they played "Nobody Knows the Troubles I've Seen."
[Laughter]

choices must be explained to the most important forum there is—some 213 million Americans. Your help in just explaining the facts—we do not expect you to be prejudiced one way or another—but if you can get the facts out, this is vitally important to an honest dialog and effective decisionmaking.

I appreciate your concern by being here today. And I look forward to seeing you around the country, where I hope to be in the next several months.

Thank you very much.

NOTE: The President spoke at 4:40 p.m. in Room 450 of the Old Executive Office Building to members of the Radio-Television News Directors Association who were attending a briefing by Administration officials on the President's energy and economic proposals.

National MIA Awareness Day

Proclamation 4342. January 25, 1975

*By the President of the United States of America
a Proclamation*

January 27, 1975, marks the second anniversary of the signing of the Paris Agreement ending United States combat involvement in Vietnam. Although the Agreement contains specific obligations on accounting for the missing and the return of the remains of the dead, the communist authorities have failed either to provide this information or to follow through on the return of the remains of our dead. Over 2400 Americans are still unaccounted for—some 900 of them still listed as missing, the remainder declared dead with their bodies never recovered. The families of these men continue to live with the anguish of uncertainty about the ultimate fate of these loved ones.

NOW, THEREFORE, I, GERALD R. FORD, President of the United States of America, do hereby designate Monday, January 27, 1975, as National MIA Awareness Day, dedicated to the many Americans who remain missing or unaccounted for in Indochina, and to their families. I call upon all Americans to join in voicing once again the clear, continuing commitment of the American people and their Government to seek the fullest possible accounting for Americans missing in Southeast Asia and the return of the remains of those who died.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-fifth day of January, in the year of our Lord nineteen hundred seventy-five, and of the Independence of the United States of America the one hundred ninety-ninth.

GERALD R. FORD

[Filed with the Office of the Federal Register, 10:09 a.m.,
January 27, 1975]

United Mine Workers of America

*The President's Telegram to President Arnold R. Miller on the Union's 85th Anniversary.
January 25, 1975*

As the United Mine Workers of America marks its eighty-fifth anniversary, your members deserve the congratulations and gratitude of the American people.

Since the founding of your great union before the turn of the century, mine workers have contributed immeasurably to the progress and economic welfare of all Americans. The UMW has fought long and hard to advance the overall status of American miners. And in doing so, it has helped to improve the well-being of all American workers.

I welcome this opportunity to assure you that my Administration stands firmly behind your continuing efforts to bring about even greater improvements in the safety and welfare of miners.

As we reinforce our national effort to achieve an independent fuel supply to heat our homes and run our industry, the coal your members mine will be more important than ever.

Your union has my very best wishes on this proud milestone in the annals of American labor history.

GERALD R. FORD

NOTE: The text of the telegram was made available by the White House Press Office. It was not issued in the form of a White House press release.

Voting Rights Extension Bill

*The President's Letter to the Speaker of the House and to the President of the Senate Transmitting Proposed Legislation To Extend the Voting Rights Act of 1965.
January 27, 1975*

Dear Mr. Speaker: (Dear Mr. President:)

Enclosed for your consideration and appropriate reference is proposed legislation entitled the "Voting Rights Act Amendments of 1975."

This proposal would extend for an additional five years the basic provisions of the Voting Rights Act of 1965. These provisions, including the requirement that certain States and political subdivisions submit to the United States District Court for the District of Columbia or the Attorney General any changes in voting laws, will be subject to expiration after August 6, 1975.

The proposal would also extend for an additional five years the provision which suspends the use of literacy tests and other similar prerequisites for voting in all states

and subdivisions not subject to such suspension under section 4(a) of the 1965 Act.

The Voting Rights Act of 1965 has been an extremely effective statute. Since its enactment, substantial progress has been made in safeguarding and furthering the right to vote. Nonetheless, our experience indicates the need to extend once more the key sections of the Act.

Sincerely,

GERALD R. FORD

NOTE: This is the text of identical letters addressed to the Honorable Carl Albert, Speaker of the House of Representatives, and to the Honorable Nelson A. Rockefeller, President of the Senate.

The text of the draft bill was also included with the release.

National Poison Prevention Week, 1975

Proclamation 4343. January 27, 1975

*By the President of the United States of America
a Proclamation*

The future of America is in our children. For 13 years, National Poison Prevention Week has been an annual landmark in the ongoing campaign to protect the young children, our country's greatest resource, from the tragedies of childhood poisonings.

The average American home contains a growing variety of labor-saving devices, chemical products, and medicines. We can be proud of the skill and initiative that have made this progress possible. Yet, every thoughtful citizen must be aware that these household products and drugs which ease our daily life, in many instances, are potentially poisonous if used unwisely or stored so carelessly that small children can get to them.

Our challenge as educators, as parents, and as citizens is to strive to reduce the toll of childhood poisoning through adequate programs of public education and information. These programs should develop an awareness of the potential danger associated with many products in the home environment.

Since 1970, the Poison Prevention Packaging Act has contributed substantially to reducing the number of harmful accidental intakes and subsequent injuries and fatalities among children under five. Poisoning reports for aspirin, the product most frequently involved in childhood intake and deaths, have shown a marked decrease since requirements were established under the Act for child-resistant packaging. In order to give further recognition and emphasis to the need to reduce this tragic toll, the Congress has by a joint resolution of September 26, 1961 (75 Stat. 681), requested that the President of the United States annually issue a Proclamation declaring

the third week in March as National Poison Prevention Week.

NOW, THEREFORE, I, GERALD R. FORD, President of the United States of America, do hereby proclaim the week beginning March 16, 1975, as National Poison Prevention Week.

I invite all agencies and organizations concerned with preventing accidental poisoning among our Nation's children to engage in activities that will speed our Nation's progress in protecting all our children against lasting injury or death from accidental poisoning.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-seventh day of January, in the year of our Lord nineteen hundred seventy-five, and of the Independence of the United States of America the one hundred ninety-ninth.

GERALD R. FORD

[Filed with the Office of the Federal Register, 5:22 p.m.
January 27, 1975]

Manual for Courts-Martial

Executive Order 11835. January 27, 1975

PRESCRIBING AMENDMENTS TO THE MANUAL FOR COURTS-MARTIAL, UNITED STATES, 1969 (REVISED EDITION)

By virtue of the authority vested in me by the Uniform Code of Military Justice (10 U.S.C., ch. 47), and as President of the United States, I hereby prescribe the following amendments to the Manual for Courts-Martial, United States, 1969 (Revised edition), prescribed by Executive Order No. 11476 of June 19, 1969.

SECTION 1. The first paragraph within paragraph 34 is amended to read as follows:

"d. *Witnesses.* All available witnesses, including the requested by the accused, who appear to be reasonably necessary for a thorough and impartial investigation will be called and examined in the presence of the accused and if counsel has been requested, in the presence of the accused and his counsel. Ordinarily, application for the attendance of any witness subject to military law will be made to the immediate commanding officer of the witness, who will determine the availability of the witness. The Secretary of a Department may prescribe regulations which permit the payment of transportation expenses and a per diem allowance to civilians requested to testify in connection with the pretrial investigation.

SEC. 2. Paragraph 53d(2)(a) is amended to read as follows:

"(2) *Military judge alone.* (a) *General.* A general special court-martial to which a military judge has been

Secretary of Transportation

Announcement of Intention To Nominate William T. Coleman, Jr. January 14, 1975

The President today announced his intention to nominate William T. Coleman, Jr., of Philadelphia, Pa., to be Secretary of Transportation. He will succeed Claude S. Brinegar, who has resigned effective February 1, 1975.

Since 1952, Mr. Coleman has been with the law firm of Dilworth, Paxson, Kalish, Kohn and Dilks of Philadelphia. He was elected a partner in 1956. From 1949 to 1952, he was with the firm of Paul, Weiss, Rifkind, Wharton and Garrison of New York City.

Mr. Coleman was born on July 7, 1920, in Philadelphia, Pa. He received his A.B. degree summa cum laude in 1941 from the University of Pennsylvania and his LL. B. degree magna cum laude from the Harvard University School of Law in 1946. He was a Langdell Fellow at Harvard Law School from 1946 to 1947. He then served as a law clerk to Supreme Court Justice Felix Frankfurter from 1948 to 1949.

Mr. Coleman is married to the former Lovida Hardin, and they have three children. They reside in Philadelphia, Pa.

Dr. Martin Luther King, Jr.

The President's Remarks Recorded for the Anniversary of Dr. King's Birth. January 14, 1975

On the 46th anniversary of the birth of Dr. Martin Luther King, Jr., it is appropriate to review the progress

of this Nation in securing civil rights for all our citizens. It is an impressive if not a perfect record.

Many of the social and political changes Dr. King envisaged as a civil rights leader are now taken for granted. But progress is not counted by past success; we must continually renew our commitment to the cause of justice and equality.

Dr. King was in the forefront in leading the way to passage of the Voting Rights Act of 1965. I supported the original act and its extension in 1970. This law has helped to open up our political processes to full citizen participation—and we must safeguard these gains through another five-year extension of the statute.

I will forward to the Congress later this week draft legislation for such an extension. I believe the right to vote is the foundation of freedom and equality. It must be protected.

During his lifetime, Dr. King received the Nobel Prize and numerous other awards. But shortly before his death seven years ago, he said that he preferred to be remembered not for these honors, but for his service to his fellow man.

Dr. King is remembered as he wished—and his memory continues to inspire hope for America. We must not let his work die—that will be the highest tribute of all.

NOTE: The President recorded the remarks on Tuesday, January 14, 1975, in commemoration of Dr. King's birth on January 15, 1929.

The White House also announced that the President had sent telegram to Coretta Scott King expressing his high regard for memory of her late husband.

THE STATE OF THE UNION

The President's Address Delivered Before a Joint Session of the Congress. January 15, 1975

Mr. Speaker, Mr. Vice President, Members of the 94th Congress, and distinguished guests:

Twenty-six years ago, a freshman Congressman, a young fellow with lots of idealism, who was out to change the world, stood before Sam Rayburn in the well of the House and solemnly swore to the same oath that all of you took yesterday, an unforgettable experience, and I congratulate you all.

Two days later, that same freshman stood at the back of this great Chamber, over there someplace, as President Truman, all charged up by his single-handed election victory, reported as the Constitution requires on the state of the Union.

*Tab
Zawner
Bowers, Asst Sec Navy
Mintz (?) JWE*

THE WHITE HOUSE
WASHINGTON
March 10, 1975

DECISION

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON
SUBJECT: TRANSFER OF THE NAVAL PETROLEUM RESERVES FROM NAVY TO INTERIOR

This memo is to ask whether you have changed your position on the matter of transferring Naval Petroleum Reserves from Navy to Interior.

Congressman Melcher is the sponsor of a bill (H.R. 49) recently reported favorably by his subcommittee of the House Interior Committee which would transfer responsibility for the Naval Petroleum Reserves from Navy to Interior.

Congressmen Melcher and Bell have stated publicly (Tab A) that they have "unofficial" word from the White House that you would be "delighted" to have their bill pass the Congress. Since such a transfer differs from the position taken in your Energy Independence Act, the Melcher-Bell statement has led to questions from Navy, DOD, and the Congress as to whether you have in fact changed your position.

The matter is particularly urgent because Administration witnesses will appear at Senate Interior Committee hearings tomorrow at 10:00 a.m. and specific questions are expected as to whether you favor transfer of the Reserves to the Interior Department.

RECOMMENDATION

I recommend that you authorize a response during the hearings which will make clear your current position.

DECISION

_____ Indicate that the Melcher-Bell statement apparently is based on a misunderstanding of your position.

_____ Indicate that the Melcher-Bell statement reflects your current position.



P-080

(PETROLEUM)

WASHINGTON (UPI) — PRESIDENT FORD WAS REPORTED TODAY TO HAVE DECIDED TO SUPPORT LEGISLATION CALLING FOR THE TRANSFER OF THE NAVY'S UNTAPPED UNDERGROUND PETROLEUM RESERVES TO THE INTERIOR DEPARTMENT. CHAIRMAN JOHN MELCHER, D-MONT., OF THE HOUSE PUBLIC LANDS SUBCOMMITTEE TOLD REPORTERS OF THE "UNOFFICIAL" SWITCH BY THE PRESIDENT AFTER THE PANEL UNANIMOUSLY APPROVED A BILL PROVIDING FOR THE TRANSFER OF JURISDICTION.

MELCHER SAID FORD APPARENTLY HAD NOT SAID ANYTHING PUBLICLY BECAUSE HE HAS SENT CONGRESS A PROPOSED BILL CALLING FOR PRODUCTION FROM THE ELK HILLS RESERVE IN CALIFORNIA UNDER CONTINUED NAVY JURISDICTION.

BUT MELCHER SAID THE WHITE HOUSE HAD "PRIVATELY" AND "UNOFFICIALLY" SAID THE PRESIDENT "WOULD BE DELIGHTED TO HAVE (THE

P-082

ADD 1 PETROLEUM, WASHINGTON (UP-080)

~~BUT MELCHER SAID THE WHITE HOUSE HAD "PRIVATELY" AND "UNOFFICIALLY" SAID THE PRESIDENT "WOULD BE DELIGHTED TO HAVE (THE COMMITTEE) BILL MOVE QUICKLY."~~

THE BILL APPROVED BY UNANIMOUS VOICE VOTE OF THE HOUSE PANEL WOULD TRANSFER BOTH THE ELK HILLS RESERVE AND THE NAVY'S HUGE ALASKAN RESERVE TO THE INTERIOR DEPARTMENT FOR ADMINISTRATION.

LIKE THE ADMINISTRATION BILL, IT CALLS FOR PRODUCTION AS QUICKLY AS POSSIBLE FROM THE ELK HILLS RESERVE AND FOR FURTHER EXPLORATION OF THE ALASKAN OIL FIELD.

MELCHER SAID HE WOULD PUSH FOR HOUSE ACTION ON THE BILL WITHOUT FIRST REFERRING IT TO THE HOUSE ARMED SERVICES COMMITTEE. THE BILL NOW GOES TO THE PARENT HOUSE INTERIOR COMMITTEE.

HE ALSO SAID HOUSE SPEAKER CARL ALBERT HAD RULED THAT THE LEGISLATION WAS PROPERLY REFERRED TO THE INTERIOR COMMITTEE DESPITE A PROTEST BY REP. JOHN MOSS, D-CALIF., WHO CONTENDED IT SHOULD HAVE GONE TO THE ARMED SERVICES COMMITTEE.

UPI 02-28 03:03 PED



[ca. 3/11/75]

THE WHITE HOUSE
WASHINGTON

TO: Werner

FROM: AGNES WALDRON

As requested

worsens. What are these new measures, and what would trigger the new initiatives—what developments? Specifically, how high would unemployment have to go?

THE PRESIDENT. Congratulations on your new success in joining the Gridiron Club.¹ [Laughter]

MISS THOMAS. Answer the question. [Laughter]

THE PRESIDENT. You made it unanimously, too.

Well, to answer your question, the action that I took today, I think, is constructive. It is an effort at the request of a number of Governors to move in an area where they think some beneficial results will accrue. It is a response to a particular situation.

I think it is important to maintain basically my deep concern about an acceleration of Federal expenditures at the present time, but at the same time being cognizant of unique circumstances, which I think this was. And if and when other such circumstances arise, I will be willing to take a look at them and make an honest judgment as to whether they are helpful or harmful.

UNEMPLOYMENT RATE

Q. Well, Mr. President, may I ask you: Mr. Meany says that unemployment could go as high as 10 percent. Is that true, and, if not, what assurances can you give that it will not?

THE PRESIDENT. Well, I watched my good friend, George Meany, on Sunday when he pulled that figure out of the air. I think Mr. Meany, I might say parenthetically, will approve of my release of \$2 billion in highway construction funds, because he has repeatedly said that these people have a high unemployment rate, these people are skilled craftsmen, and such a program would help get some of them back to work.

But we don't foresee a figure as high as that forecast by Mr. Meany. As a matter of fact, we are convinced with the tax reductions that we have proposed—and that I think the Congress will approve—we believe with the other actions that we are taking, unemployment, the rate of unemployment will gradually go down at the end of 1975 and be improved in 1976.

CHANGES IN ENERGY PROPOSALS

Q. Mr. President, in view of your answer to Mr. Cormier, in your talks at Houston and here today, did you hear any convincing arguments that might make you modify your energy proposals, and if so, which and how?

THE PRESIDENT. There was one question raised by individuals both in and out of government, both in Houston as well as in Topeka, about one provision, and that is whether or not, as a part of the windfall profits tax, there ought to be a provision for a plowback, which means

¹The President was referring to the fact that the questioner, Helen Thomas of United Press International, had recently been elected the first woman member of the Gridiron Club.

that if a company derives revenue from their oil and gas developments, could they plow those revenues back into further exploration and development and thereby avoid a tax on those revenues or those profits.

This was a very close call at the time I made the decision when we put this program together. The Congress is in the process—or I hope it will soon be in the process—of taking up my energy program. There ought to be ample opportunity for the proponents and the opponents to state their views and convince the Congress one way or another.

I can understand some justification for the plowback provision. I don't think it is a serious change in my proposal, but I will point out to the Congress that if they incorporate the plowback provision, it will probably mean a loss of about \$3 to \$4 billion annually in tax revenues to the Federal Government, and, if so, there will be less money to return to energy users than the figure that I have recommended.

But there is on the other hand a good argument that a plowback provision might stimulate more production, so it is a very close call. And although I favor what I have recommended, I can understand the reasons for the plowback provision.

VOLUNTARY ENERGY CONSERVATION

Q. Mr. President, voluntary conservation still seems to be a weak hope in the program and to some of us more skeptical. Does it still rate a high priority with the Administration, and if it does, do you see the need for any more restrictive plan?

THE PRESIDENT. I think you have to have voluntary cooperation from 213 million Americans. I think their affirmative participation is very vital. On the other hand, it seems to me that we need stronger action, and that is why I have recommended to the Congress this comprehensive program and this, I think, very fair and equitable effort to get some action.

This program has four basic foundations: number one, conservation by the price mechanism; number two, added supply by stimulating exploration and development; number three, equity in the return of tax money to people, to business, to States; and, number four, security. This program gets America going in making us invulnerable against foreign oil cartels, and, yet, we do need voluntary cooperation at the same time.

MEETING WITH JOHN CONNALLY

Q. Mr. President, you have tried to set in writing standards of ethics for members of your Administration. I want to ask you about your meeting last night in Houston with former Texas Governor John Connally, who, as you know, is under indictment. On second thought, do you think there might be anything improper for the Nation's chief legal officer to meet with a man who is under indictment?

Topeka



and buses that will use much less fuel, and, finally, the drilling of many thousands of new oil and gas wells.

With the money we spend in one month on imported oil, I am told that we could drill the equivalent of 18,000 onshore wells or about 3,000 offshore wells.

We are all in this together. Each of us has a contract with this country. Each of us must make good on the key clause in that agreement which deals with responsibility. As you well know, there is a price for everything, whether it be independence from tyranny or freedom from dependence. It is important that we have this freedom from dependence on others for the resources that we need.

Idealism and realism do not contradict one another. The American people have always been idealists. It is now time to show ourselves and the world that we are also realists.

In another time of crisis, during World War II, the oil and gas industry increased its production by 20 percent with an investment of nearly \$5 billion. This industry expenditure was the equivalent of two and a half times the cost of the Manhattan Project that developed the atomic bomb. A far greater commitment is needed today and the Government cannot begin to do it alone.

Instead of betting on what foreign sources may do, we should put our money on what Americans can do and what Americans will do. If we offer sufficient incentives, American enterprise here at home will solve our energy problems.

Because of our present dependence, we are confronted with these two critical problems: First, the effect on our national political and military security; and, secondly, the severe strain increased petroleum prices have caused, not only to our economy but those of the world's industrialized nations.

As I have indicated, America is not in control of its energy destiny right now. Price leadership has shifted to the Arab nations and to other members of the Organization of Petroleum Exporting Countries. I am determined that American independence in energy be restored. We must never again be forced to pay the cartel-manipulated, inflated prices of foreign oil.

However, we must pay a price now to insure a more reasonable price for our oil in the future. And that price is what it will cost us to produce American oil on American soil—right here in the State of Texas, in Alaska, in the Outer Continental Shelf, and elsewhere within our territorial limits.

Now, some people in Washington do not seem to recognize the need for incentives in the marketplace, but we must, in my judgment, have sufficient incentives in the marketplace to increase production. Unless we create incentives, we will be settling for dependence on other nations.

Personally, I am very sensitive to the dramatic cost increases in domestic oil and gas exploration and develop-

ment. The facts, as I understand them, are just about the following:

In the last 12 to 18 months, the cost of drilling a well has gone up 100 percent or more. With those facts in mind, I think we have to understand the need for incentives. I have seen estimates that the petroleum industry might budget as much as \$26 billion for capital spending in 1975 on expansion projects throughout the country to help boost our energy supply. However, many of the proposed projects may never see the light of day if the Congress fails to act on legislation that I have requested.

I have proposed a very comprehensive energy program. It is not a program that is without cost or without sacrifices, but it is a program that will keep costs and inequities as low as possible, still achieving our objective of energy independence.

I suspect in this room many of you may not support all of what I have proposed, but as I must say again, I have seen no better program proposed. And let me illustrate, if I might, my program and what the Congress has been working on so far since January 14, when they reconvened.

Here is a copy of the bill put together by myself and my advisers, 167 pages of a comprehensive program to increase supply and to conserve in the utilization or importation of foreign oil—167 pages, leaving out—because it is traditional in the Congress—the specific recommendations of any tax changes. But the title of the bill, I think, is important: To increase domestic energy supplies and availability, to restrain energy demand, and to prepare for energy emergencies and for other purposes. 167 pages.

Now I have in my hand here the bill the Congress has been working on since January 14—4 pages—and let me read the title of what Congressional action calls for: To suspend, for a 90-day period, the authority of the President under Section 232 of the Trade Expansion Act.

I ask you, in all sincerity which makes more sense—a program that is comprehensive, put together for the purpose of conservation and for increased production or a piece of legislation of 4 pages suspending the power of the President to do anything about the problem.

It is so patently obvious to me that a program and a plan is needed, not a step backward. It is quite obvious, I should say, that in my judgment, my program is far superior to any system of allocations, of quotas, or rationing. And that is what we have heard from the Congress most of the time thus far—either allocations, quotas, or gasoline rationing.

I don't think allocation or rationing can be fair and equitable to the consumer. Neither one can stimulate energy independence. They cannot produce one barrel of oil, not one gallon of gasoline. Furthermore, such a program would be administratively burdensome, substituting bureaucratic judgment for the interplay of the free marketplace. It would be costly, about \$2 billion a

Houston

2-10-75





February 25, 1975

MEMORANDUM FOR THE VICE PRESIDENT
Vice Chairman, Domestic Council

Subject: Domestic Council

I look forward to working with the other members and staff of the Domestic Council on the responsibilities outlined in the President's memorandum of February 13. I believe the effective operation of the Council is essential to the development and implementation of responsible policy, and this Department will give the staff of the Council every assistance and its full support.

In connection with the specific matters covered in the President's memorandum, I should like to make several suggestions:

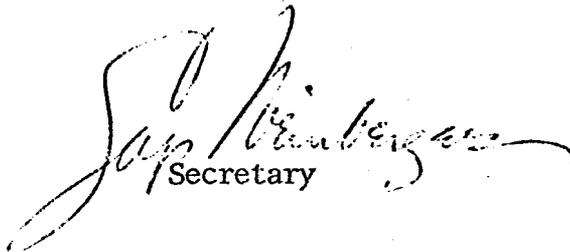
First, I believe that Council staff could play a significant role in facilitating communication between members of the Council and the President. When it was first established, this was to have been the purpose of the staff; it would assure that memoranda from Department heads completely addressed issues that concerned the President, and also that other persons in the White House and Executive Branch had an opportunity to comment on particular proposals. Subsequently, this function was too frequently replaced by one in which the staff would delay memoranda while it prepared its own analysis of the matter and then submit that instead of the original; substantively, the staff's lack of familiarity with the details of an issue did not improve the papers, and procedurally communication between the President and his Cabinet was blocked rather than facilitated. This problem has to my mind been more responsible for delays, misunderstandings, and even recriminations than any other single procedural problem involving the Cabinet vis-a-vis "The White House."

Secondly, I would like to see the Cabinet and Domestic Council staff operate in the same way in resolving specific, short-fused policy issues, e.g., development of Administration positions on legislation, issuance of regulations involving more than one Department, etc. This role should be to consider issues in a way that is quickly responsive to the changing circumstances that occur in Congress. In this area the Council could operate as a constructive complement to the OMB: OMB can interpret existing policy and analyze some of the effects of proposed changes; the Domestic Council, without the specific responsibility for a particular aspect of the President's program, such as

OMB has, can be sensitive to, and deal more effectively with, a variety of concerns--political as well as budgetary--and convene discussions on emergency issues as warranted.

Thirdly, in the consideration of long-term issues, I would like to see the Domestic Council staff involved in the process at an early stage. In the past, Departments have engaged in extended study of policy options before Domestic Council staff had an opportunity to participate, which occasionally resulted in a need for lengthy debate and put a Cabinet officer in the position of selling his view to a skeptical White House staff rather than working with them. Earlier involvement of the Council staff in the study of manifestly significant long-range policy would go far to improve this situation.

These few suggestions seem to me to fit within the intent of the President's memorandum. While others could better judge their impact on other Departments, I know that in this Department's work we would be able to improve the President's staff product considerably if they are agreed to. I look forward to working with you, Jim Cannon, and all Domestic Council staff to bring this about.


Secretary

cc:
The President
Donald Rumsfeld
James Lynn
James Cannon ✓

THE WHITE HOUSE

WASHINGTON

March 11, 1975

MEMORANDUM FOR THE PRESIDENT

FROM : JIM CANNON

SUBJECT : Science and Technology Adviser
to the President

The Vice President has rewritten and resubmitted an earlier paper proposing the creation of a Science and Technology Office in the Executive Office. (Tab A)

The Vice President suggests three options:

1. A three-member Council of Technology and Science Advisers with up to 20 assistants, at a cost of \$2.5 - \$5 million annually. Legislation would be required.
2. A single Director of Technology and Science with up to 17 assistants as needed. Initial cost would be \$1 - \$1.5 million annually. Legislation would be required.
3. A Science and Technology adviser with up to 3 assistants, at a cost of \$100,000 - \$200,000 annually. Administrative action would be required.

Phil Buchen recommends a fourth option: The appointment of a Scientific and Technology Liaison Adviser to the President. Administrative action would be required. (Tab B)

Paul O'Neill recommends a Science Adviser with a staff of up to three. (Tab C)

Jack Marsh recommends the Vice President's Option 3, an Adviser with up to three assistants. (Tab D)

Dr. Ted Marrs recommends Option 2, (Tab E)

Domestic Council Comment:

1. In my view the President and his Executive Office staff should have readily available the best scientific and technological information and judgment on a wide range of subjects relating to the national interest.

2. The House Committee on Science and Technology is committed to passage in this Congress of a bill creating a Council of Advisers on Science and Technology in the Executive Office. On March 6, 1975 Representatives Teague and Mosher introduced a comprehensive bill that would --

- a) write into law a national science policy,
- b) create a Council of Advisers,
- c) establish a Cabinet level Secretary,
of Research and Technology Operations,
- d) form a government corporation to promote public use of research and development (Tab F)

3. Congress is likely to pass some kind of Science and Technology bill at this session, according to Mosher. Informal discussions with House Science and Technology Committee members and staff indicates that the House Committee is flexible and wants to work with your staff on passage of a bill that is acceptable to you. But it appears that any Science and Technology office smaller than something on the order of the Vice President's Option 2 would not be acceptable to the House Committee.

Decision:

Develop a detailed proposal to:

 Create a three-member Council (Rockefeller Option 1)

 Create a Director of Technology (Rockefeller Option 2,
Marrs recommends, with modifications)

 Create a Science and Technology Adviser (Rockefeller
Option 3, Marsh recommends)

 Create a Science Adviser (Buchen Option 4, O'Neill
recommends)

Decision:

That you authorize me to undertake, with Max Friedersdorf's staff, discussions with Representatives Teague and Mosher with the view to modify their bill to comport with your decision.

 Approve

 Disapprove

 Hold for further consideration

THE WHITE HOUSE

WASHINGTON

AGENDA

MEETING WITH DONALD RUMSFELD

Tuesday, March 11, 1975

3:00 p.m.

1. How would you describe the central responsibilities of the Domestic Council in relation to the President's day to day operation?

2. How could the Domestic Council improve its work for the President?

a) Are too many papers going to the President? Example: Consumer Protection Agency memorandum with options on 24 issues.

b) Who rejects papers not important enough for the President to see?

c) How does the President like papers written?

3. My initial impression is that too many Domestic Council memoranda to the President arrive so late that the President has little time to read the information or consider his options. If so, I would like to try to work out some system to

*Met with
Wagner
Contact*

*decides
how many
papers
get
approved*



2. *concentration - work*

provide for earlier delivery of important papers to the President. (Note attachment)

4. How do members of the Domestic Council staff know the President's precise position on issues, i.e. Consumer Protection Agency? //

a) Are his statements indexed by computer?

5. To what extent should the Domestic Council attempt to resolve issues between

- a) Departments
- b) Departments or Agencies and OMB?

E.g. Secretary Weinberger's request concerning research training programs.

6. Any comments on the present Domestic Council staff?

7. Purpose of the 7:30 a.m. meeting. Exchange of information.

8. Speeches and appearances by Domestic Council Members in support of Administration positions.

work 48 hrs or 4 days outside

*✓
delegated
committee
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then*

Dick + Jabens - Talk w/ them

John



1. Date of necessity for public statements -
Presidential Press Conferences, Presidential
statements, Cabinet testimony on the Hill,
or other.
2. The President needs (_____) days to consider.
3. Domestic Council needs (_____) days to staff
out.
4. Department or agency should deliver paper to
the Domestic Council (_____) days before a
decision on issues is to be made public.

White House

*John...
all*

*John
Dun*



(i)

OWB MSC EPB ONE DC Chevrolet

IP

Good
not

new
letter

to
the

new job

and policy great - search

what are we

needs vision. alternatives

views much deep.

But
with
new
one
which
we can
address
in Board
Context -
some trust
who
miss



policy development By fact

Work out ahead of possible
nature of major crisis currently,

with
issues more central rather
broader than sectoral -
questions the simple



Murray

1) e. Cabinet group
① speeches, appearances

② purpose of 7:30 meeting
③ too many reports
too few

④ Justice speaks & no of sub
about gun control
How best written

Mike meeting w/ British Embassy, U.S. w/ NSC

③ staff

④ How do we know her position
etc. position

Consumer Representative Act

* ✓ checks
* ✓ Cannon

Wayne
1) workers
born to work

8.2 - 70 wrap -

same as before
but wrap also down
300, on deposit -
discouraged



2)

[ca. 3/11/75]

1. Date of necessity for public statements -
Presidential Press Conferences, Presidential
statements, Cabinet testimony on the Hill,
or other.
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