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6:30 PM - Cabinet Meeting aboard
Sequoia

Wednesday, May 7, 1975

April 25, 1975

Dear Mr. Secretary:

At the last Cabinet meeting the President asked the Cabinet members to discuss their position on consumer affairs with Virginia Knauer, and to meet with the appropriate Committee Chairmen, ranking members and staff to discuss problems with the proposed Consumer Advocacy Agency.

I would appreciate it if you would let me know by Wednesday, April 30th, what steps have been taken to meet the President's request.

Sincerely,

**James E. Connor
Secretary to the Cabinet**

**The Honorable William E. Simon
Secretary of the Treasury
Department of the Treasury
Washington, D. C. 20220**

Identical letter sent to all Cabinet Officers



THE WHITE HOUSE

WASHINGTON

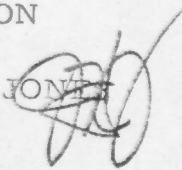
May 2, 1975

MEMORANDUM FOR:

JIM CANNON

FROM:

JERRY H. JONES



At a recent Cabinet meeting the suggestion was made that each of the Cabinet Officers should contact the Chairman and ranking member of their authorizing committee to point out the difficulties that would be created for their agencies in the event the Consumer Protection Agency is enacted into law.

The basic thesis for doing this is that the Consumer Protection Agency would have a major say in thwarting the original intent of much of the legislation under which those agencies act. The legislation now pending before the Congress would cut into the jurisdictional responsibilities of other committees in the Congress.

Would you please contact each agency head asking them what they have done to make their views known to their committee chairman and ranking member on this legislation. Please submit a report to the President on these contacts.

Thank you.



May 5, 1975

MEMORANDUM FOR: JIM CANNON

FROM: JIM CONNOR

SUBJECT: CABINET RESPONSES TO FOLLOW-UP
ON THE CONSUMER ADVOCACY AGENCY
DISCUSSION

I queried all of the Cabinet officers on the extent to which they had followed up on the President's request that they meet with Virginia Knauer to discuss their position on consumer affairs and to meet with appropriate Committee chairmen, ranking members and staff to discuss problems with the proposed Consumer Advocacy Agency. The responses have not been particularly encouraging.

The following Cabinet members have scheduled appointments with Virginia Knauer:

Secretary Butz (May 7th)
Secretary Morton (May 27th)
Secretary Dunlop (May 22)
Secretary Schlesinger (meeting date not yet specified)
A.G. Levi (meeting date not yet specified)
Secretary Coleman (May 2)
Secretary Simon (May 16)

State Department has no plans for a meeting and HUD has not responded. (There is at present no Secretary of the Interior.)

Re meetings with the appropriate Congressional Committees, AG Levi has had conversation with Congressional people and meetings are scheduled by HEW (no specific date) and DOL (no specific date); the other departments have not indicated plans for conversations with the Congressional members.



THE WHITE HOUSE
WASHINGTON

May 5, 1975

MEMORANDUM FOR : PAM NEEDHAM
FROM : JIM CAVANAUGH ~~JK~~

The attached is forwarded to you for appropriate handling.

Attachment- VK Adm. Consumer Representation Plan

recd. 5/6/75





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

Date: 5-5

TO: *Pat*

FROM: James J. Jura

ACTION:

Approval/Signature _____

Comment _____

Information _____

File _____

Draft response for
James T. Lynn's signature _____

For your handling _____

REMARKS:

*Mr. Lynn asked that
this be sent to
Mr. Cannon ASAP.*



RECEIVED
MAY 2 4 28 PM '75
IMMEDIATE OFFICE
OF THE DIRECTOR
O.M.B.

THE WHITE HOUSE
WASHINGTON
MAY 2 5 58 PM '75
IMMEDIATE OFFICE
OF THE DIRECTOR
O.M.B.

MEMORANDUM FOR: William J. Baroody, Jr./James T. Lynn
FROM: Virginia H. Kenzler/S. John Byington
SUBJECT: Ford's Administration Consumer
Representation Plan

Attached is a copy of the proposed synopsis of the plan as well as timetables relating to:

- Questionnaire and Departmental Plan
- Public Information Announcements
- VK's Monthly Reports to the President

We would appreciate your reaction to both the concept and general timing. Look forward to working with you on this most exciting endeavor.

Attachments



133-1

May 2, 1975

Proposed Synopsis of the
Ford Administration's

Consumer Representation Plan

- I. VK in cooperation with Baroody, Lynn and Cannon will:
 - Develop in-depth questionnaire on public participation and consumer representation within each department's or agency's decision-making process.
 - Distribute and explain at cabinet level Domestic Council meeting involving the President, who will also use it with the independent regulatory agencies.
 - Collect and analyze the data publishing a summary of the results. This data would be the primary basis for individual meetings to discuss specific recommendations for inclusion in a Departmental Consumer Representation Plan, which would be submitted to the President through VK by the end of September 1975.
- II. During this five month period Interim Consumer Initiatives will be undertaken and announced.
- III. Each Executive Branch department or agency head will be personally responsible for:
 - The completion of the questionnaire
 - Participation in the individual meetings and
 - Development of the Departmental Consumer Representation Plan
- IV. Each Departmental Plan will be published and will serve as the basis for a Presidential Management Objective within each department and agency.

May 2, 1975

Proposed Timetable for

Questionnaire and Departmental Plan

Tues. 5/6	Draft of Timetable and Questionnaire to Lynn and Baroody
Tues. 5/13	OMB Approved Draft circulated for comment
Tues. 5/20	Timetable and Questionnaire final approval
Tues. 5/27	Domestic Council Meeting with President and Executive Branch Agency Heads to review Timetable, Questionnaire and Procedure
Thurs. 5/29	Independent Regulatory Presidential Meeting
Tues. 6/17	Return of all Questionnaires to VK
Tues. 7/1	VK Submits to President and Publishes Summary of data collected
Tues. 7/8	Begin individual meetings with department and agency heads after follow-up Domestic Council meeting
Tues. 9/2	Conclude all major meetings and finalize work on Departmental Plans
Tues. 9/23	Submit to President through VK the individual Departmental Plans
Thurs. 9/25	Publish Departmental Plans
Tues. 10/7	Domestic Council meeting on implementation of Departmental Plans
Tues. 10/14	Begin Second National Conference of State and Local Consumer Office Administrators
Thurs. 10/16	Publish Second Edition of Guide to Federal Consumer Services

May 2, 1975

Proposed

Public Information Timetable

<u>Week of</u>	<u>Action Planned for Announcement</u>
5/5	Presidential meeting with Congressional Leadership asking postponement of action on S.200 for balance of this session only--to give him a chance to really try to make government more open and responsive to the public in general and consumers in particular
5/12	Lynn meeting with Consumer Leaders (following President's Congressional Leadership meeting) to explain effort and be responsive to questions
5/19	Greiner and Dawson meet with PIO people and outline plan. They will provide announcement format and help in identification of substantive interim consumer initiatives
5/26	Domestic Council and Independent Regulatory Agency Meetings involving President and Heads
6/2-9-16-23	Series of Interim Consumer Initiative Announcements from various Departments and Agencies
6/30	Publish summary of questionnaire data collected
7/7	Follow-up Domestic Council Meeting to discuss data collected and forthcoming individual meetings with VK
7/14-21-28 8/4-11-18-25 9/1-8-15	Continuation of Interim Consumer Initiative announcement
9/22	Publication of Departmental Plans
9/29 & 10/6	Series of briefings on Departmental Plans and Domestic Council meeting on implementation
10/13	Second National Conference of State & Local Consumer Office Administrators and Publication of Second Edition of "Guide to Federal Consumer Services"

May 2, 1975

Proposed Timetable

VK's Monthly Reports to the President

VK will submit to President Ford a monthly report on activities and results relevant to Presidential initiative. Each report will be submitted within the first 10 days of the next month with copies to Lynn, Cannon and Baroody as well as to each of the Department and agency heads.

<u>Month</u>	<u>Primary Thrust</u>
April	TARP Study
May	Ford Consumer Plan including timetable and questionnaire plus Domestic Council and Independent Agency meeting
June	Summary Results of Questionnaire and Interim Consumer Initiatives
July	Progress of Individual Meetings and additional Interim Consumer Initiative
August	Wrapup of Individual Meetings and additional Interim Consumer Initiatives
September	Departmental Consumer Plans

THE WHITE HOUSE
WASHINGTON

Cabinet Meeting on board the Sequoia, May 7 -

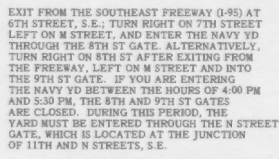
Note: —

The President is expected to arrive about 6:20 p.m. - it is requested that guests arrive between 6:00 and 6:15 p.m. so that they will be on board prior to the President's arrival. Parking is available inside the secure compound area for limousines and other vehicles. Water transportation will be available for any late arrivals and for anyone desiring to depart early.

Cocktails and a buffet dinner will be served prior to the discussion of the agenda items.

James E. Connor
Secretary to the Cabinet

attachment: map



SEQUOIA IS BERTHED NEXT TO PIER ONE WITHIN THE NAVAL ADMINISTRATIVE UNIT COMPOUND. SECURE PARKING IS AVAILABLE. FOR FURTHER INFORMATION, PLEASE CALL COMMANDING OFFICER, NAVAL ADMINISTRATIVE UNIT. 433-3673/4.

[ca. 5/7/75]

Buty talked w/ Salomone + Dale

CB ✓ AGRICULTURE

700 regulatory actions, proceedings & decisions

Commodity Credit
Poultry Credit
Pest Control

✓ COMMERCE John Tabow
967-5369

Patent Office
Research by the National Bureau of Standards
taken w/ 85% of Smith numbers

✓ JUSTICE

Anti-Trust

LABOR dos w/ Kamm
Jontes & Williams

stuffs -

Labor Standards
Equal Pay

Entlaw / idom been
stuma / pulled to
Ask Hunt

Dunlop - w/ call + out.

it for
upens to
Judicious

✓ TREASURY Simon

IRS & Customs

not ✓ TRANSPORTATION

Automobile Safety

Administrative burden hurt the consumer
Did not make call

✓ HUD

Prevent HUD from getting confidential financial information from industry

HEW
EPA
INTERIOR
Hamm
Kinzman
Rox
Hughes

- Curren

Could possibly effect every major departmental action

And see for regulations
phorochans

Top (CR)
Consult [US] [10000] [and] [to] [bill]
Beall

Important

Scuto
wms

Wilm - Pakli well
Top
Lowest
Pakli



AGRICULTURE

--In Agriculture, the agency for Consumer Advocacy could have an impact on over 700 departmental regulatory action proceedings and decisions - such as

1. Commodity credit decisions
2. Forrest services - timber sales
3. Poultry inspection
4. Pest control programs
5. Plant control programs

COMMERCE

--Such an advocate could effect - Patent Office proceedings

1. Tariff decisions that effect trade
2. Research by the National Bureau of Standards

EPA

--For EPA the advocate could have an impact on virtually every EPA activity. Russell Train advises us it would be difficult to find any EPA action which would not be subject to such an advocate.



HEW

--For HEW the advocate would be taking part in every health related decision and perhaps every other major action the Department takes.

HUD

--For HUD there is a concern the advocate could be involved and form informal constituent industry groups and in effect perhaps prevent HUD from having the financial and other information from industry which they need to conduct the Department's business.

INTERIOR

--There is concern that the advocate would be a powerful special interest that could intervene in departmental activities.

JUSTICE

--The Consumer Advocate could participate in decisions by the anti-trust division on whether or not to bring anti-trust action.

LABOR

--The advocate would be a new Party enforcement activity for labor standards. Equal pay and other enforcement decisions.



TRANSPORTATION

--Secretary Coleman points out that the advocate could have a serious effect on automobile safety and could impose an administrative burden that might actually harm the consumer.

TREASURY

--The advocate could impose a tremendous burden such as intervening in IRS and Customs' decisions.



THE WHITE HOUSE

WASHINGTON

May 2, 1975

MEMORANDUM FOR:

JIM CANNON

FROM:

JERRY H. JONES

At a recent Cabinet meeting the suggestion was made that each of the Cabinet Officers should contact the Chairman and ranking member of their authorizing committee to point out the difficulties that would be created for their agencies in the event the Consumer Protection Agency is enacted into law.

The basic thesis for doing this is that the Consumer Protection Agency would have a major say in thwarting the original intent of much of the legislation under which those agencies act. The legislation now pending before the Congress would cut into the jurisdictional responsibilities of other committees in the Congress.

Would you please contact each agency head asking them what they have done to make their views known to their committee chairman and ranking member on this legislation. Please submit a report to the President on these contacts.

Thank you.

*Schlesinger - Not yet done anything - talked to Longman
AGS. - Discuss w/ Hruska
Tyler w/ Sen. Scotland + Hruska
Wynne on legislation w/ rep*

*Ways - Don't make special efforts -
John Dunlop - Plan to visit w/ committee ch.
+ Hruska - 4/30*



Auto - no keep one on case

Winter -

State - (four)

DOT - no case &

(HVD) - No Response

Deer - no response
~~the case on Congressional~~



THE WHITE HOUSE

WASHINGTON

May 6, 1975

MEMORANDUM FOR

THE CABINET

SUBJECT: Agenda for Meeting Wednesday, May 7, 1975
6:30 P.M. on board the Sequoia

The President has approved the following agenda for the Cabinet Meeting on May 7th.

Introduction

The President

Discussion of Congressional Relations (1 hour)

The President, Mr. Marsh and Members of the Cabinet

Vietnamese Refugees (10 minutes)

Secretary Schlesinger on the present status of evacuees, Mr. Friedersdorf on Congressional attitudes, and The President

Consumer Advocacy Agency (10 minutes)

Mr. Cannon

Crime Message (10 minutes)

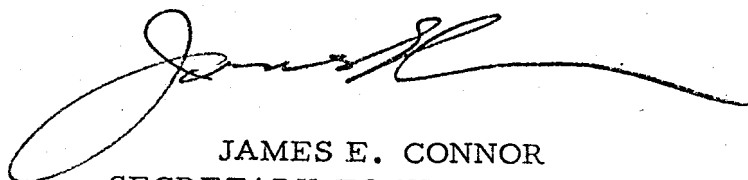
The President

Status of the Energy Program (10 minutes)

Mr. Zarb

Water Quality Programs (10 minutes)

Mr. Train



JAMES E. CONNOR
SECRETARY TO THE CABINET

Mr. Cannon
[ca. 5/7/75]

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR: BILL SEIDMAN

FROM: ROD HILLS

SUBJECT: Meeting with Independent Regulatory
Commissions

Attached is the decision memo for the President on the meeting with the Independent Regulatory Commissions and key Members of Congress and the Executive.

We have included suggested Congressional participants and an agenda for the suggested format of the session. Also included are draft remarks which the President might make. These will obviously need to be polished depending on the decisions concerning the format and agenda.

Max Friedersdorf, Jim Cannon, and I will plan to check out the President's preliminary decision with the Hill leadership and key committee Chairmen. If we get a strong reaction from them, we might need to suggest modifications for the format or substance later on.

Attachments

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: JIM CANNON
ROD HILLS
MAX FRIEDERSDORF
JIM LYNN

SUBJECT: Meeting with the Independent
Regulatory Commissions and Con-
gressional Representatives

In your speech to the Chamber of Commerce on April 28, you stated that you would convene a meeting with all of the Commissioners of the ten major independent regulatory agencies and key Congressional and Administration representatives to discuss the need to foster greater competition in the public interest and to consider the inflationary effects of proposed new regulations. Because of the unique nature of the regulatory agencies, it is important that Congress be given a role in helping to set up and participate in the meeting.

The discussion should be keyed to eliciting a voluntary effort from the regulatory Commissions to better evaluate and understand the economic impact of proposed regulations, to make improvements in consumer services, and to assure fair and expeditious hearings on regulatory matters. In light of the above, the format of the meeting will play an important role in its success.

Attached for your information are a list of the Independent Regulatory Commissioners (Tab A) and a list of Congressional Committee and Subcommittee Chairmen and ranking minority members with regulatory oversight responsibilities (Tab B). Letters of invitation are now being prepared which will go out over your signature once the date and format have been decided.

Options

Two basic options are available for the meeting format:

1. Address the assembled Commissioners and Congressmen in the East Room, and provide time afterward for back-up speeches by the Joint Leadership or their representatives. You could then ask for written responses and suggestions from the agencies. This agenda could be kept simple and your participation limited to the delivery of prepared remarks.

Pro: This format would get your message across effectively in a controlled format. It would not require much of your time.

Con: It might be resented as heavy handed by the Congress and the Commissioners. It would not be conducive to encouraging a voluntary regulatory reform effort, and it would not permit discussion and interchange.

2. Use the same format as the "Economists" pre-summit meeting held in the East Room last September. This would provide a seat at the table for the ten Chairmen of the regulatory commissions and selected Congressional and Administration spokesmen. The other Congressmen and Commissioners would be seated in the same room, but away from the table. You would open the discussion, which would be followed by remarks from preselected Congressmen and Commission Chairmen. An hour would then be allotted for an open discussion between the participants, but we feel that your presence throughout the entire session would help to promote the most cooperative interchange of ideas. A proposed agenda for this type of session is attached at Tab C, and draft remarks for your opening are included at Tab D.

Pro: This approach provides the opportunity for the most open and potentially fruitful discussion and the exchange of views. It could be orchestrated to allow you some flexibility in the amount of time you wished to devote to the meeting.

Con: Would be some potential for visible disagreement and debate. Would require more of your time than Option 1.

Based on your decision on the format and agenda for the meeting, we will meet individually with the House and Senate leadership, and selected Members ahead of time to solicit their views on the session. If we encounter strong opinions on the Hill, we might need to suggest some modifications to the format and agenda after these Congressional contacts.

We will be following up with briefing papers on the Commissions, your regulatory reform program, and suggested questions and answers once the date and format have been fixed.

Decision

Option 1 _____

Option 2 _____

See Me _____

Independent Regulatory Agencies
Membership

Civil Aeronautics Board

John Robson, Chairman
G. Joseph Minetti
Lee R. West
Robert D. Timm
Richard J. O'Melia

Commodity Futures Trading Commission

William T. Bagley, Chairman
John Vernon Rainbolt II
Read Patten Dunn, Jr.
Gary Leonard Seevers

Consumer Product Safety Commission

Richard O. Simpson, Chairman
Barbara H. Franklin
Lawrence M. Kushner
Constance E. Newman
R. David Pittle

Federal Communications Commission

Richard E. Wiley, Chairman
Robert E. Lee
Benjamin L. Hooks
Charlotte T. Reid
Glen O. Robinson
Abbott Washburn
James H. Quello

Federal Maritime Commission

Helen Deligh Bentley, Chairman
James V. Day
Ashton C. Barrett
George H. Hearn
Clarence Morse

Federal Power Commission

John N. Nassikas, Chairman
William L. Springer
Don S. Smith

Federal Trade Commission

Lewis A. Engman, Chairman
Paul Rand Dixon
Mayo J. Thompson
M. Elizabeth Hanford
Stephen A. Nye

Interstate Commerce Commission

George M. Stafford, Chairman
Alfred T. MacFarland
Kenneth H. Tuggle
Rupert L. Murphy
Virginia Mae Brown
Willard Deason
Dale W. Hardin
Robert C. Gresham
Robert J. Corber
A. Daniel O'Neal
Charles L. Clapp

Nuclear Regulatory Commission

William A. Anders, Chairman
Victor Gilinski
Richard T. Kennedy
Edward A. Mason
Marcus A. Rowden

Securities and Exchange Commission

Ray Garrett, Jr., Chairman
Philip A. Loomis, Jr.
John R. Evans
A. A. Sommer, Jr.
Irving M. Pollack

SENATE

MAJORITY LEADER - Mike Mansfield
MINORITY LEADER - Hugh Scott

OVERSIGHT COMMITTEES

Agriculture & Forestry - CFTC

Herman E. Talmadge (Ga.)
Robert Dole (Kan.)

* Agriculture Production, Marketing, & Stabilization of Price

Walter Huddleston (Ky.)
Milton R. Young (N. D.)

Banking, Housing and Urban Affairs - SEC

William Proxmire (Wisc.)
John G. Tower (Tex.)

* Financial Institutions

Thomas McIntyre (N.H.)
John G. Tower (Tex.)

Commerce

Warren G. Magnuson (Wash.)
James B. Pearson (Kan.)

* Aviation - CAB

Howard W. Cannon (Nev.)
James B. Pearson (Kans.)

* Communications - FCC

John O. Pastore (R.I.)
Robert P. Griffin (Mich.)

* Consumer - CPSC

Frank E. Moss (Utah)
James L. Buckley (N. Y.)

* Merchant Marine - FMC

Russell B. Long (La.)
J. Glenn Beall Jr. (Md.)

* Surface Transportation - ICC

Vance Hartke (Ind.)

Lowell P. Weicker, Jr. (Conn.)

* Oil & Gas Production & Distribution

Adlai E. Stevenson (Ill.)

Ted Stevens (Alaska)

Government Operations

Abraham A. Ribicoff (Conn.)

Charles H. Percy (Ill.)

Interior & Insular Affairs - FPC

Henry M. Jackson (Wash.)

Paul J. Fannin (Ariz.)

* Minerals, Materials, & Fuels

Lee Metcalf (Mont.)

Paul J. Fannin (Ariz.)

Judiciary - FTC

James O. Eastland (Miss.)

Roman L. Hruska (Neb.)

* Admin. Practices & Procurement

Ed M. Kennedy (N.Y.)

Strom Thurmond (S.C.)

* Antitrust & Monopoly

Phillip A. Hart (Mich.)

Roman L. Hruska (Neb.)

Appropriations Committee

John L. McClellan (Ark.)

Milton R. Young (N.D.)

* Agriculture and Related Agencies (CFTC)

Gale McGee (Wyo.)

Hiram L. Fong (Ha.)

* HUD--Independent Agencies (CPSC)

William Proxmire (Wisc.)

Charles McC. Mathias (Md.)

* Public Works (NRC, FPC)

John Stennis (Miss.)

Mark O. Hatfield (Ore.)

* State, Justice, Commerce, the Judiciary
(SEC, FMC, FCC, FTC)

John O. Pastore (R.I.)

Roman L. Hruska (Neb.)

* Transportation (ICC, CAB)

Birch Bayh (Ind.)

Clifford P. Case (N.J.)

HOUSE OF REPRESENTATIVES

SPEAKER OF THE HOUSE - Carl Albert
MINORITY LEADER - John Rhoads

OVERSIGHT COMMITTEES

Agriculture - CFTC

Thomas S. Foley (Wash.)
William C. Wampler (Va.)

* Conservation and Credit

Bob Bergland (Minn.)
Edward R. Madigan (Ill.)

Banking, Currency, and Housing - SEC

Henry S. Reuss (Wis.)
Albert W. Johnson (Pa.)

* Financial Institutions Supervision, Reg. & Ins.

Fernand J. St. Germain (R.I.)
John H. Rousselot (Calif.)

Government Operations

Jack Brooks (Tex.)
Frank Horton (N. Y.)

Interior and Insular Affairs - FPC

James A. Haley (Fla.)
Joe Skubitz (Kans.)

Merchant Marine & Fisheries - FMC

Leonor Sullivan (Mo.)
Philip E. Ruppe (Mich.)

* Merchant Marine

Thomas M. Downing (Va.)
Paul N. McClosky Jr. (Calif.)

Interstate and Foreign Commerce

Harley O. Staggers
Samuel L. Devine

* Communications - FCC

Torbet H. Macdonald (Mass.)
Louis Frey Jr. (Fla.)

* Oversight & Investigations

John E. Moss (Calif.)
James M. Collins (Tex.)

* Energy & Power - FPC

John D. Dingell (Mich.)
Clarence J. Brown (Ohio)

* Consumer Protection & Finance - CPSC & FTC

Leonil Van Deerlin (Calif.)
John Y. McCollister (Neb.)

* Transportation & Commerce - ICC

Fred B. Rooney (Pa.)
Joe Skubitz (Kans.)

Judiciary - FTC

Peter W. Rodino (N.J.)
Edward Hutchinson (Mich.)

* Admin. Law & Gov't. Relations

Walter Flowers (Ala.)
Carlos J. Moorhead (Calif.)

* Monopolies & Commercial Law

Peter Rodino
Ed Hutchinson

Public Works and Transportation

Robert E. Jones (Ala.)
William H. Harsha (Ohio)

* Aviation - CAB

Glenn M. Anderson (Calif.)
Gene Snyder (Ky.)

* Surface Transportation

James J. Howard (N.J.)
Bud Shuster (Pa.)

Joint Committee on Atomic Energy (NRC)

John O. Pastore (R.I.)
Melvin Price (Ill.)

Appropriations Committee

George H. Mahon (Tex.)
Elford A. Cederberg (Mich.)

* Agriculture and Related Agencies (CFTC)

Jamie L. Whitten (Miss.)

Mark Andrews (N.D.)

* HUD - Independent Agencies (CPSC)

Edward P. Boland (Mass.)

Burt L. Talcott (Calif.)

* Public Works (NRC, FPC)

Joe L. Evans (Tenn.)

John T. Myers (Ind.)

* State, Justice, Commerce and Judiciary (SEC, FMC, FTC, FCC)

John M. Slack (W. Va.)

Elford A. Cederberg (Mich.)

* Transportation (CAB, ICC)

John J. McFall (Calif.)

Silvio O. Conte (Mass.)

House Republican Task Force on Antitrust
and Regulatory Reform

Chairman: H. John Heinz, III

A G E N D A

Meeting with Independent Regulatory Agencies

1. Lynn/Cannon
(Introduce President) Brief
2. Presidential Key Note Address
(Note: Outline of Presidential talking
points attached, final remarks to be
supplied) 10-15 mins.
 - Purpose of the session.
 - Role and Importance of the Regulatory
Agencies.
 - Nature of Joint Congressional/Executive
Branch Oversight.
 - Specific problems and considerations:
 - Need to evaluate the economic impact
of proposed regulations.
 - Need to ensure that consumers and
other interest groups receive a
fair hearing.
 - Need to act expeditiously when
appropriate.
 - Need to keep the public better informed
of regulatory activities and their
consequences.
 - Brief summary of Presidential regulatory reform
program including legislative and adminis-
trative actions.
3. Congressional Remarks 20-30 mins.
4. Remarks by Selected Commission
Chairmen 20 mins.

For Example:

Engman (FTC) - Role of Competition
Garrett (SEC) - Regulatory Modernization
Wiley (FCC) - Administrative Improvements

5. Discussion among Chairmen, Congressional
Spokesmen, and Executive Branch
Representatives 1 hour
6. Summary and Closing Remarks Brief

Suggested Talking Points for the President's

Meeting with the Independent Regulatory Commissions

I. Introduction--Why I have asked for this meeting.

- There is a growing concern expressed by many Americans that government regulations have not changed as quickly as they should, in light of major changes in the structure and functioning of our economy.
- The most persistent concern arises from the belief that many regulations now cost the country as a whole more than they return in benefits and that the general public interest therefore becomes secondary to a particular special interest.
- In assembling this meeting of Independent Agency members and Congressional leaders, I do not mean to suggest that the problem resides exclusively in these agencies. Regulations that impose costs on consumers can be found in Cabinet Departments and in an intricate, sometimes invisible web of laws, ordinances, and regulations at the State and local levels.
- I feel that you and your Commissions--with unique powers and responsibilities--can play a major role in documenting and correcting any such imbalances.
- Because I place a high premium on the openness of government, I want to review with you the steps I am taking. And I will ask for your help and the Congress' in identifying ways the Commissions may be most helpful in our collective efforts to restore the health and vitality of the American economy. As we look for short-term solutions, we must also chart a course that permanently relieves the economy of unnecessary impediments in the long term.

II. Why the Independent Commissions are Important.

- Congress and the Presidency have given you extraordinary grants of authority. You function partially like the Executive, Legislative, and Judicial Branches of government. With unusual powers and responsibilities, you should function as models of good and open government.
- You should make every effort to pinpoint those areas in which economic realities today have overtaken circumstances which caused the government to create special remedies. You should be the leaders

in identifying areas where regulations are now obsolete and areas where we need to focus more attention.

- You should constantly strive to improve your abilities to identify all the costs of regulations in order to put before the American people the most well documented description of the potential costs and benefits of proposals. You should make sure that the quality of your economic analysis matches the same standards of legal professionalism which you strive to maintain. This involves a more open discussion of both (a) the economic costs of less competition than might otherwise exist absent some regulations and (b) the costs to society to comply with mandates which seek worthwhile goals.
- You should do everything you can to make sure that backlogs in regulatory proceedings don't help destroy the public's belief in an equitable regulatory system. For example, many companies cannot make important capital investments, which generate employment and advancement opportunities for thousands of Americans, without your cooperation. You should strive to give these applications a professional, but speedy, review.
- You have a special relationship to Congress and the Executive. You should be aggressive in offering new ideas which legislatively and/or administratively will help both of us do a better job to obtain necessary changes in your authorizing statutes, to facilitate the necessary judicial review of your decisions, etc.

III. What My Administration is Doing.

- I have a firm belief that the "hidden" costs that government imposes on private citizens should be uncovered. Everyone has a right to know what legislation and regulations are costing them, both in tax dollars and in higher prices. To help achieve this objective:
 - (a) I have ordered all Departments and Agencies to analyze their major proposals with an Inflation Impact Statement. I am pleased the House has changed its rules to require similar analyses, and I note the Senate has several pieces of legislation under review which would accomplish similar objectives. While there are differing legal views on whether your agencies are covered, I hope that you will adopt similar procedures. The most important objective is that all of us better understand the short and long-range economic consequences of our actions, and that you do your part to better fulfill your responsibilities to Congress and the American people.

(b) I have asked all Departments and Agencies to re-examine their present procedures for assuring better consumer representation in their decisionmaking processes. I urge each of you to make additional efforts to include the general public (as well as the industries you regulate) in your hearings and other proceedings.

- Also, I would hope that you would make additional efforts to make understandable the nature of your actions so that the consumer can be an active informed participant in your deliberations.
- I also feel that government should only intrude in the free market when private concerns have proven their unwillingness to respond to legitimate public concerns or when inherent monopoly structures prevent a freely competitive market system from operating. Government should be attempting to foster rather than curtail competition, to give maximum freedom to private enterprise, consistent, of course, with our belief that government also has a continuing responsibility to pursue and prosecute those who are guilty of predatory pricing tactics, those who are guilty of fraud or deceit, and those who willfully neglect acceptable standards of health and safety conduct.
- Agencies engaged in regulatory activities can expect that the Attorney General, through the Antitrust Division, will continue to appear and participate in agency proceedings to represent the interests of competition and thus, the interests of consumers in lower prices.
- Because of my strong conviction that the consumer is far more able to signal his wants and needs to business, (than the government is able to dictate what those needs should be) I have proposed, and will continue to sponsor legislation to relax or eliminate the Federal Government's control over areas where I believe the marketplace can do a better job.
- For example, the legislation I will be proposing would involve the government less in the setting of prices and would permit greater innovation by making it easier for new businesses to compete with existing firms and to remove barriers from existing firms to develop new services.
- We have or will be proposing legislation in such areas as energy, transportation, financial and securities institutions, and communications. I have asked the Congress for its cooperation in giving these bills an early hearing, and I ask for your support in achieving needed reforms.

- My legislative program seeks to reinforce and strengthen those areas in which government intervention must continue to do a better job; e. g., to detect and penalize those guilty of antitrust violations--but it also calls for government regulators to allow the forces of competition to work as well. But no government agency can take the place of entrepreneurial spirit which helps insure that innovative and cost-saving ideas are continually offered to the public.

IV. Conclusion.

- This meeting is only the beginning. I want to start a dialogue today, and I want it to continue in the open, where Congress and the public can participate to the fullest extent.
- I want to encourage new ideas from everyone here. We have a big job ahead of us--that is to reach an agreement on a more clearly articulated set of roles and responsibilities for government regulation--whether it is spelled out in detailed statutes or administered with a broad grant of authority to Commissions or other offices of the Executive Branch.
- We need a more open and candid discussion between Congress and the Executive on what constitute acceptable criteria for qualifications to serve as a regulatory commissioner or other Executive official with regulatory responsibilities. We need to examine our overlapping jurisdictions and decide on what groundrules we all interact, whether it involves budgetary decisions, legislative proposals, administrative changes, etc.



To these ends, I ask each Commission Chairman here, as an individual American, and not just as the holder of a certain official position, to send to me and the Congress within the next three weeks, your personal views on those areas of government regulatory practices which you feel are most deserving of attention and reform. I hope that this meeting will begin a program of action and a new spirit of cooperation.

THE WHITE HOUSE

WASHINGTON

May 7, 1975

MEMORANDUM TO: JIM CANNON

FROM: PAM NEEDHAM 
KATHLEEN RYAN 

SUBJECT: Virginia Knauer's Proposed Consumer Plan

Having reviewed Virginia Knauer's proposed plan to implement the President's consumer policies, we have several general observations:

1. Virginia continues to address her papers on this project to Bill Baroody and Jim Lynn, although the President has asked you to coordinate the program.
2. She is proposing a 5 month period in which to formulate new department policies. Our impression is that we had something much shorter in mind.
3. She proposes to spend all of May and June in preparing, distributing, and analyzing questionnaires to Cabinet members.
4. Before the questionnaires are distributed a Domestic Council meeting is proposed with the President in attendance. Our recommendation is that such a meeting could be an inefficient use of these busy persons' time.
5. Her plan to publish the results of the questionnaire could cause a great deal of problems.
6. The meetings with individual Cabinet members would not begin until July and would continue into September.

It is our recommendation that you call Virginia and tell her that the President attached some urgency to this project and that 5 months is too long.

Also, that you suggest she visit the Cabinet members immediately and also determine whether their earlier submissions to you could serve in place of a questionnaire.

Another option, and one that will perhaps be necessary, is that you sit down with her yourself and go over her plans.

THE WHITE HOUSE
WASHINGTON

Date May 7, 1975

TO: JIM CANNON

FROM: JIM CAVANAUGH

 FYI

 For appropriate action

COMMENTS

The Strip Mining bill passed in
the House this afternoon 293-115.
(Last time - House vote was 333-86)

THE WHITE HOUSE
WASHINGTON

May 6, 1975

CABINET MEETING

Wednesday, May 7, 1975
6:30 p.m.
The Sequoia

From: James E. Connor



I. BACKGROUND, PARTICIPANTS & PRESS PLAN

1. Background:

You last met with the Cabinet on April 29th when the agenda was devoted entirely to the Vietnam evacuation.

2. Participants: Attached at Tab A

3. Press Plan: Press Photo Opportunity at Dock; David Kennerly Photo.

II. TALKING POINTS

1. This is my first visit to the Sequoia since I became President. I'm delighted that I can share that experience with my Cabinet.
2. I know that some of you will have to leave us in midstream to keep some diplomatic commitments.
3. The rest of us I think should take advantage of the setting and the fact that we're not pressed by time to explore a number of questions in some depth.
4. Let's start with an area we are all concerned with--The Congress. Last January Jack Marsh gave us a very helpful briefing on the new Congress and how it promised to shape up. I'd like Jack to give us a review now on the basis of the last four months of experience. Jack,...

5. Most of you have now had some contact with the Congress. I'd like to hear from each of you on what your experience has been and on how you assess the next several months. Nelson, let's start with you...

Henry (Kissinger)...

Jim (Schlesinger)...

Ed (Levi)...

Earl (Butz)...

John (Dunlop)...

Carla (Hills)...

Bill (Coleman)...

Steve (Gardner)...

John (Tabor)...

Fred (Dent)...

Jim (Lynn)...

Alan (Greenspan)...

Frank (Zarb)...

Russ (Train)...

6. We will be confronted over the next few weeks and few months with many pieces of objectionable legislation that could easily result in a string of very difficult vetoes.

Some of these vetoes will be based on philosophical or policy grounds, but most will be objectionable because of their damaging impact on the budget.

In many cases our veto strategy will not be to block the enactment of legislation, but to cause the Congress to make legislation more acceptable either because of threat of veto, or because it has been successfully vetoed. If we can establish a beachhead early on, using the veto to demonstrate strength, we may not have to use it as frequently in the future.

We have taken a firm stand to hold the deficit line at \$60 billion for FY '76 and both Houses of Congress have passed budget limits substantially over this figure. In all likelihood it may not be possible to sustain a veto on every one of these issues, but I do not believe that we can let these facts deter us in opposing these expensive spending programs.

Each of them will be attractive to a particular segment of the public and subject to much political posturing by their supporters in Congress.

However attractive these individual proposals may be, our best approach is to attempt to keep the focus of attention on their overall impact on our efforts to keep the budget and deficit within reason.

Therefore, it is imperative in your appearance before Congressional committees, before audiences around the country, and in your press statements to emphasize that we recognize individual needs in each of these areas and are willing to accommodate them within sensible limits, however to spend way beyond our means in all of these areas will result in the strong possibility that the economic damage to all Americans will be extreme.

The great advantage we have is that the Administration can speak with one view, whereas the Congress is badly divided and fragmented both along party lines and on issues.

The departments are not independent but are interrelated, and frequently other Cabinet heads and members of the Subcabinet can offer great assistance to other departments in the legislative process. This assistance should be both sought and given in order to have a cooperative, concerted action on the Hill.

Department heads should communicate frequently, not just with the White House, but also with other Departments to exchange information and develop concerted efforts.

The base of any vote for legislation, or to sustain any veto, is with the Republicans in the House and the Senate.

You and your chief officers should be in constant communication with the Republican leadership, and this should not wait until you have a piece of legislation on the floor.

The first third of this session has nearly passed. Prior to the Memorial Day recess every Cabinet officer and Subcabinet Officer should see that a personal contact has been made with the Members of your jurisdictional Committees, Republicans and Democrats. This should be a courtesy call to see where things stand and ascertain what is on the Member's mind. If every department of government would do this, it would assure that each Member of the House and Senate has had a personal call by a Senior Official of the Administration.

It is vital that you increase the tempo of Congressional visitation both on the Hill and by invitation to your Department. In these

meetings the program of your Department should be stressed, and the key issues of the Administration should be explained. Point out why we must hold the line on federal spending.

Finally, you may encounter arguments that the way to hold down spending is to cut the Defense Budget. This argument must be resisted by all Cabinet Officials. This critical period in which we live, and especially when other nations look to American determination, makes it essential that we maintain our strength in order to maintain our credibility.

Let us work for the best possible version of these bills, but let us all work together to keep the cost within the goals that we have set for ourselves.

7. I'd like Jim Schlesinger and Max Friedersdorf to bring us up to date on the status of the evacuees and the Congressional reaction.
Jim, ...
Max, ...
8. We have a moral obligation to help these refugees resettle and begin new lives in the United States. They fled from South Vietnam for two reasons: They feared that they would be killed if they stayed and they did not want to live under a Communist system of government.

By helping these refugees, many of whom fled their native land with nothing but the clothes on their backs and a few small parcels, we are living up to our heritage as a charitable and compassionate people. I have spoken out strongly on this issue because I believe strongly that we must do the right thing morally. We are a nation of immigrants, and I believe the inscription on the Statue of Liberty, which enunciates our finest qualities as a people should be our guidepost in this tragic situation.

The maximum number of refugees expected is 150,000 at the most, and it probably will be less. Sixty percent of that number are children, the innocent victims of this war who deserve a chance to live their life in freedom and will certainly not be taking anyone's job away. Only 35,000 refugees are heads of households who will be looking for jobs; but many of these have skills which will enable them to find employment. The number of job seekers is a tiny fraction of 1% of the labor force in the U.S. Even without the

Vietnamese refugees, the U. S. has been opening its doors to 400,000 immigrants a year without any impact on the job market. Since the end of World War II, almost 1,400,000 refugees from Europe, Asia, Hungary and Cuba have fled oppression and sought freedom in the United States. They have made a rich contribution to our culture and our economy, and we expect the Vietnamese will do the same.

Many of the Vietnamese refugees coming here have close relatives or sponsors in the United States, so they will be no burden to the government. Ambassador Brown's office at the State Department is using a computer to match up the refugees' job skills with the available jobs. The resettlement program is being carried out in such a way that the refugees will be spread throughout the country without a heavy concentration in any one area.

We are working with other countries to resettle perhaps as many as 20,000 of the refugees outside the United States. Canada is welcoming some. Some French-speaking countries in Africa have indicated that they will take some.

I want to emphasize one point. It is my intention that none of the aid money I am requesting from Congress will be spent by the United States Government to help the Communists of North and South Vietnam. I believe it is the responsibility of the nations which sent weapons of war to the Communists to come forward now to repair the damage.

Let me emphasize once more my deep moral commitment to help these refugees resettle and begin new lives in the United States. Despite the opposition of a few, I believe the majority of the American people want to live up to the finest traditions of our history and welcome these new immigrants as we have welcomed so many immigrants to our bountiful land in the past. We will be a better country and a better people for doing it.

I hope in your speeches and public appearances you will support my position on the refugee situation.

9. The Congress has moved closer to a decision on the Consumer Advocacy Agency. Jim Cannon will brief us on the situation. Jim,...

I am disappointed that we have not had a greater response from the Departments with reference to the Consumer Agency legislation. I am very strongly against it, and I think each of you if you would spend the time to look at the bill, would be equally against it.

I want to make very sure that in the days and weeks ahead you do take the time to understand how this bill can upset the operations of your departments and convey this feeling to the appropriate Congressional members.

11. In my speech to the Yale Law School last week, I set forth the basic theme of a Crime Message. In preparing the message I want you to follow the lead of that speech and flesh it out, but I do not want it to be narrow or technical. The message on this subject is of so much direct concern to the daily lives of the people that it must be clear and understandable to the public as well as to the Congress and the legal fraternity.

The chief theme is concern for the victim, for insuring domestic tranquility--we have a responsibility to try to provide safety in the streets and in our homes. The emphasis should be on protection of the victims--the poor, the disadvantaged minorities, the old, the very young--those who are least able to provide for their own safety. The kind of crime that should be our chief target is the kind that is on the minds of most people--muggings, robberies, murders, assaults, rapes, breakins, hold-ups--the kind of crime that is having the most disruptive effects politically and socially. The central recommendation should be swift and sure punishment upon conviction for a serious crime.

When I say emphasis I do not mean that other matters should be excluded or that they are not important. Rehabilitation programs should not be abandoned, but there are grounds for doubting that they work. We must re-think rehabilitation efforts, study the research already done, and try to understand the consequences. I do not want the message to suggest that we are relying on rehabilitation programs for reducing violent crime.

The experience of the last 15 years should make us reluctant to boast that we, or anyone, know how to eliminate crime. We have spent billions, and crime has gone up. The tone of this message should be modest in any claims that are made. But we should be very firm on one point: mandatory sentencing for serious crimes committed by persons with prior criminal records. A small percentage of repeaters accounts for a large proportion of violent crime. The present version of the Senate Bill permits almost total flexibility in penalties; it allows a judge to give no sentence to a convicted robber, for example, or to sentence him. A convicted robber should definitely go to prison, but 15 years may be too long a sentence, except for unusual circumstances.

The crime message must look into the question of upgrading prisons and making them more manageable.

Of course, the kind of crime I am speaking of is more a concern of state and local jurisdictions than of the federal government, but I want the Administration to assume fully, and without excuses, our share of the responsibility. Organized crime is a federal responsibility and must be discussed, but I want the emphasis on street crime, and not on so-called "suite crime."

There is a tendency to link the economic situation and crime--for instance, to argue that unemployment causes crime, and that the way to reduce crime is to eliminate unemployment. I have doubts about that line of reasoning. It may be true that crime goes up when unemployment goes up, but crime has also gone up when unemployment has gone down. In this message I do not want to see the argument that we can deal with crime only by eliminating so called root causes. It is important to deal with unemployment for its own sake. The connection with the crime problem confuses both issues.

12. Frank Zarb will give us an update on the energy legislation. Frank,...
13. Russ Train suggested that a trip on the Potomac might be a good place to discuss the water quality program. Russ,...

Attendees for Cabinet Meeting, Wednesday, May 7, 1975, 6:30 p.m. on board the Sequoia

The President

The Vice President

The Secretary of Defense, James R. Schlesinger

The Attorney General, Edward H. Levi

the Secretary of Agriculture, Earl L. Butz

The Secretary of Labor, John T. Dunlop

The Secretary of Housing and Urban Development, Carla A. Hills

The Secretary of Transportation, William T. Coleman

The Deputy Secretary of State, Robert S. Ingersoll (For Secretary Kissinger who has another commitment)

The Deputy Secretary of the Treasury, Stephen S. Gardner (for Secretary Simon who has a commitment on the Hill)

The Under Secretary of Commerce, John K. Tabor (for Secretary Morton, who will be out of the country)

The Counsel to the President, Philip W. Buchen

The Special Representative for Trade Negotiations, Frederick B. Dent

The Counsellor to the President, Robert T. Hartmann

The Director of the Office of Management and Budget, James T. Lynn

The Counsellor to the President, John O. Marsh, Jr.

The Assistant to the President, Donald H. Rumsfeld

The U. S. Representative to the United Nations, John A. Scali

William Baroody, Assistant to the President (Public Liaison)

James Cannon, Assistant to the President (Executive Director, Domestic Council)

Richard Cheney, Deputy Assistant to the President

James Connor, Secretary to the Cabinet

Max Friedersdorf, Assistant to the President (Legislative Affairs)

Alan Greenspan, Chairman, Council of Economic Advisers

Ronald Nessen, Press Secretary to the President

General Brent Scowcroft, Deputy Assistant to the President (National Security Affairs)

L. William Seidman, Assistant to the President (Executive Director, Economic Policy Board)

William Greener, Deputy Press Secretary to the President

Mary Louise Smith, Chairman, Republican National Committee

Russell Train, Administrator, Environmental Protection Agency

Frank Zarb, Administrator, Federal Energy Agency

[Also attending for this meeting will be the Personal Physician to the President, Dr. William Lukash; David H. Kennerly; and Terry O'Donnell]

Note:

There will be no representative from the Departments of the Interior and HEW; Secretary Weinberger of HEW will be out of the country, and there is no incumbent Deputy; the Secretaryship of Interior is vacant pending Gov. Hathaway's confirmation by the Senate, and there is no incumbent Deputy.

JAMES M. CANNON

May 7, 1975

DRAFT

Notes from Conversation with Bill Kendall

SUBJECT: Consumer Advocacy

Weiker
Senator ~~Weiker~~ has comments from 38 Senators who will support the elimination of the labor exemption. More may be forthcoming.

Senator Dole will propose a ammendment to make the date effective in 1977 or 1978.

Dole will also make a proposal to eliminate expenditures to one million a year for each of the first three years.



THE WHITE HOUSE

WASHINGTON

May 7, 1975

TALKING POINTS

1. At the last Cabinet Meeting - April 16
the President requested -
 - a) Meeting with Virginia Knauer
 - b) Call appropriate Congressional
Committee Chairmen and ranking
Minority Members
2. Dr. Connor and I are working together on a memo
April 25, 1975
3. Within the last 48 hours - calls have been
made to each Cabinet official
4. Secretary Butz talked to Senators Talmadge and
Senator Dole

Attorney General Levi talked to Senators Eastland
and Hruska - refer to Judiciary
5. John Tabor at Commerce said they had talked
with 85% of Senate members.
6. Secretary Dunlop reported to me that he had
met with Senators Williams and Senator Javits.
7. Secretary Hills -
8. Secretary Simon -
9. Secretary Coleman -
10. Steve Kursman for Secretary Weinberger - Talked
with 4 key Senators. Thinks he may have persuaded
Senator Bell to reexamine his position.

Roy Hughes
INTERIOR -

EPA -

APPROACH

Eliminate Labor exemption 38 votes

Effective 77-78

Dole-1 million yearly.

Virginia Knauer has telephoned all Cabinet officers for appointments and is working with OMB to draft a questionnaire to assist her in getting the necessary information she will need to develop a departmental consumer plan.

[5/7/75]

Cabinet -

*

Corp - John Dunlop & Winston
(on down Taylor -)

on ~~work~~ ^{work} ~~and~~ Education together next week

issues remaining: money.
push into ~~own~~ pockets.

only in week (Not Thursday Am)
~~the~~ (for Dunlop)

*

Dunham - I have to consult
official for appearance

*

Joe Aggones

*

Levi - must study
on CP in
control - when



† P - neutral over
much personal
power vs Governmental
privacy

† P - expected
power of
American
Congressional
agenda -