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8-9:30 AM - Republican Leadership
Meeting

Tuesday, May 20, 1975

THE WHITE HOUSE
WASHINGTON

May 19, 1975

MEETING WITH SENATE/HOUSE REPUBLICAN LEADERS

Tuesday, May 20, 1975

8:00-9:30 a.m. (90 minutes)

The Cabinet Room

From: Max L. Friedersdorf *M.6*

I. PURPOSE

To encourage support for the President's veto of the Strip Mining Bill and to invite comments and recommendations on second dollar import fee and decontrol.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

1. The President has vetoed the Strip Mining Bill and a vote to override has been scheduled in the House on Wednesday, May 21, 1975. An extremely close vote is anticipated.
2. House Ways and Means has reported a weak energy bill, while the House Commerce Subcommittee has reported a bill containing a major step toward decontrol, but has several objectionable provisions (See Tab C).
3. The Congress has simply not moved effectively on the energy crisis and the President will soon be required to take some additional action.

B. Participants: See Tab A

C. Press Plan:

Press Office to announce as a regular Republican Leadership meeting. David Kennerly photographs only.

III. AGENDA See Tab B

IV. TALKING POINTS See Tab C

PARTICIPANTS

The President
The Vice President

SENATE

Hugh Scott
Carl Curtis
Bob Stafford
John Tower
Ted Stevens
Milt Young
Paul Fannin

HOUSE

John Rhodes
Bob Michel
John Anderson
Sam Devine
Jack Edwards
Barber Conable
Lou Frey
Jim Quillen
Guy Vander Jagt
Al Cederberg
Herm Schneebeli
Joe Skubitz
Clarence Brown

STAFF

Secretary of Labor Dunlop
Acting Secretary of the Interior Frizzell
Don Rumsfeld
Bob Hartmann
Jack Marsh
Phil Buchen
Max Friedersdorf
Alan Greenspan
Bill Seidman
Ron Nessen
Jim Cannon
Jim Lynn
Dick Cheney
Vern Løen
Bill Kendall
Frank Zarb

REGRETS

Secretary Morton
Secretary Simon
Senator Griffin

AGENDA

- | | |
|----------------------------------|--|
| 8:00 - 8:20 A.M.
(20 minutes) | President opens meeting and explains reason for veto of strip mining bill and discusses other energy developments in Ways & Means and Commerce Committees. |
| 8:20 - 8:45 A.M.
(25 minutes) | Frank Zarb adds comments on strip mining and energy situation. |
| 8:45 - 9:15 A.M.
(30 minutes) | President invites general discussion, questions and answers on energy. |
| 9:15 - 9:25 A.M.
(10 minutes) | President invites John Rhodes and Bob Michel to report on whip check status and outlook on sustaining strip mining veto. |
| 9:25 - 9:30 A.M.
(5 minutes) | President closes meeting with a strong exhortation for the leaders to exert every effort to sustain veto. |

TALKING POINTS

1. I would like to discuss with you today the current legislative status of my energy program and my options on the decontrol of old oil and the imposition of the second dollar of import fees.
2. First, however, I want to tell you why I vetoed the Strip Mine Bill yesterday. Basically, the bill was vetoed because most of the critical changes requested to improve the bill and reduce its adverse impacts were not made. H.R. 25 would cause a loss of coal production of between 40 and 160 million tons in its first year of implementation which translates into between 400,000 and 1.7 million barrels per day of additional oil imports. I do not think we can afford this impact at a time when we do not have a national energy policy and imports from Arab sources are expected to double by 1977. If 160 million tons of coal production were lost, our dependency on Arab oil would triple rather than double by 1977. I hope the Congress will move to sustain my veto and will move quickly toward writing a bill which more adequately reflects these major concerns.
3. As you know, H.R. 6860 was reported out by the House Ways and Means Committee for consideration by the full House. I do not think this bill constitutes a comprehensive energy program and it has serious shortcomings. There is an excessive reliance on a gasoline tax while other petroleum products, which constitute over 60% of U.S. consumption, are largely exempted from the tax.
4. The Subcommittee on Energy and Power of the House Commerce Committee has just reported out H.R. 7014 for full Committee markup. This bill represents a major step toward decontrol but contains several objectionable provisions. In addition, there are several areas of overlap and inconsistency which exists between the two bills. Frank, will you please take a few minutes to further explain the shortcomings of these bills and the areas of overlap?
5. As you know, on April 30 I deferred the second dollar of import fee until June 1 and directed the Federal Energy Administration to begin taking steps to decontrol old oil over a 25 month period. Since that time, the FEA has issued a notice of proposed rulemaking, completed an inflation impact statement and conducted public hearings on phased decontrol of old oil. The FEA is now nearing an end to their deliberations and is almost ready to propose the implementation plan for phased decontrol.

6. There are several options open to me at this time with regard to my administrative decontrol plan and the second dollar import fee on crude oil and petroleum products.
7. I would very much appreciate your views on the situation and my alternatives, what you see happening in the Congress in the weeks ahead, and your assessment of Congressional reaction to my alternatives.

Project

To

Date &
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