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THE WHITE HOUSE

WASHINGTON

June 24, 1975

CABINET MEETING

Wednesday, June 25, 1975  
2:00 p.m. (90 minutes)  
The Cabinet Room

From: James E. Connor

I. BACKGROUND, PARTICIPANTS & PRESS PLAN

1. Background:

You last met with the Cabinet on June 4th when the Cabinet received a report on your European trip from you and Secretary Kissinger.

2. Participants: Attached at Tab A

3. Press Plan: Press Photo at Beginning of Meeting, and David Kennerly Photo.

II. TALKING POINTS

1. This is the first Cabinet meeting for Stan Hathaway, and I would like to welcome him to the Cabinet. I know he will do the kind of job we all expect he can.
2. This is John Scali's last Cabinet meeting. I know I express the sentiments of all of you in thanking John for his service to the Nation. I would like to reserve a few minutes at the end of the meeting for John to make some remarks if he chooses to.
3. I want to introduce to you today Doug Bennett, who has replaced Bill Walker as Director of the Presidential Personnel Office. As you may know, since January Doug has served as liaison with the House of Representatives as my Special Assistant for Legislative Affairs.

Doug will be meeting with each of you in the near future, but I wanted to take this opportunity to reiterate to you the importance I place on personnel matters, the wide range of Doug's responsibilities, and the trust and confidence I have in Doug.

4. Over the weekend I was quite concerned to see news reports about the reported actions by Federal agencies which in my opinion are contrary to what we are really trying to do.

If these reports are true, it's not hard to understand why large numbers of people are disenchanted with what's going on in the government and the bureaucracy.

In one example it was reported that a hospital was required by the Occupational Safety and Health Administration to use plastic liners in wastebaskets to protect hospital workers, while at the same time HEW prohibited the use of wastebasket liners because of fire hazards.

I don't want to go into the merits of who's right and who's wrong on this. I am appalled, however, that two Federal agencies could have conflicting regulations on this. What I am absolutely aghast at is the way the problem was solved--to take the liners out of the baskets when the HEW inspectors were there and to put them back in when the OSHA inspectors were there--apparently with the tacit consent of the two agencies involved. Frankly, this is outrageous.

The other article concerned a report that HEW and the Labor Department were going to stop a research contract to George Washington University's Medical Center from the National Heart and Lung Institute for research on the relationship between cholesterol and heart attacks because of a rejection of the University's plan for hiring and promoting women. Because of the lateness of the fiscal year, the University will not have the normal 30 days to correct deficiencies, and as a result, will not receive the contract.

I asked Jim Cannon to review these reports with Cap Weinberger and John Dunlop. Jim, could you tell us what you found.

Note: Jim Cannon will call on Cap Weinberger and John Dunlop to respond also.

Look, I know that you all have problems in running agencies with the thousands of people that each of you have on your staffs. I really haven't singled out Cap or John for any special attention. Frankly, I've seen similar examples from every agency represented in this room. The point I want to make is this--I want the people of this country to know that the business of government is to assist, not interfere with their lives, their businesses, their occupations, their professions or their family life.

One thing I am going to insist on in the months ahead is that each of you do your utmost to insure that your departments are responsive to people's complaints and that all of your actions and the actions of your top staff are guided by the objective of, on the one hand, restoring people's confidence that the government can act effectively and, on the other hand, to get government off the backs of the people.

5. Last week we announced our Message on Crime. It is not an easy subject, and Ed Levi did a first-rate job in briefing the press on it. I would like Ed to brief the Cabinet Members on this subject because this is going to be one of the most important parts of our program in the next year. Ed,....
6. All of you are aware of the legislative clearance process managed by OMB. Jim Lynn has indicated to me that there have been some problems in our ability to respond effectively on legislative clearance matters. I have asked Jim to describe the problems he has been facing. Jim,....

*★ OMB Canada*

The clearance process can work effectively only if you and other senior officials of your departments are determined to make it work well. That means several things:

- You should make sure that your key officials are familiar with the process and its importance.
- You should be sure that the central office in your department or agency that manages your participation in the process is adequately staffed and competently led.
- A spirit of reasonable accommodation to the views and interests of other agencies is essential.

- Timeliness is critical. You should emphasize to the people in your agencies the need to get to OMB your draft bills and proposed reports and testimony well in advance of the time they have to be submitted to the Congress. Sufficient time must be allowed to coordinate with other agencies, to identify and resolve problems, and to obtain my decisions when necessary. By the same token, each of your agencies should be as prompt as possible in responding to OMB's requests for views on bills and reports of other agencies.
  - When the clearance process works well through the cooperation of the agencies, executive branch officials can express views that they can be confident represent Administration policies and positions. This is clearly important to all of us.
  - Finally, the performance of the Departments and agencies on enrolled bills needs improvement. I have 10 days excluding Sundays, to act on enrolled bills. For me to have adequate time to consider bills and act wisely, it is essential that you respond within 48 hours when asked by OMB for views and recommendations. It is also essential that the agency or agencies principally concerned with the bill or a part of it provide a complete and careful analysis for OMB's and my use.
7. Today we are announcing that the refugee resettlement program is being transferred to HEW. I have asked Cap Weinberger to discuss the status of the refugee resettlement program with us. Cap,...

The transfer of responsibility for the refugee task force activity is consistent with the simple fact that the resettlement effort is now largely a domestic, rather than a foreign affairs effort. The successful accomplishment of this effort continues to be one of my highest priorities. This means that the people who have been working on this project from the various departments and agencies-- State, Defense, etc., --need to stay in place until the task force director is satisfied that the work has been done.

OMB has been working with the task force for the past ten days on a full management plan for the resettlement effort, including identification of added personnel that may be required. Should it be necessary to ask your departments and agencies to provide more people, I will expect you to respond promptly and fully.

8. The railroad situation has been much in evidence in the press in the last several weeks. I have asked Bill Coleman to bring us up to date on the issues in that area. Bill,...
9. In the last few minutes of our meeting, I would like to ask John Scali if there are any remarks he would like to make to us. John,...

Attendees for Cabinet Meeting

Wednesday, June 25, 1975

2:00 p.m.

The President

The Vice President

The Secretary of State, Henry A. Kissinger

The Secretary of the Treasury, William E. Simon

The Secretary of Defense, James R. Schlesinger

The Attorney General, Edward H. Levi

The Secretary of the Interior, Stanley K. Hathaway

The Secretary of Labor, John T. Dunlop

The Secretary of Health, Education and Welfare, Caspar W. Weinberger

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

The Secretary of Transportation, William T. Coleman

The Under Secretary of Agriculture, J. Phil Campbell (for Secretary Butz, who is out of the country)

The Under Secretary of Commerce, John K. Tabor (for Secretary Morton, who is out of town)

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, Jack O. Marsh, Jr.

The Assistant to the President, Donald H. Rumsfeld

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

White House/Executive Office:

William Baroody, Assistant to the President for Public Liaison

James Cannon, Assistant to the President for Domestic Affairs

Richard Cheney, Deputy Assistant to the President

James Connor, Secretary to the Cabinet

Max Friedersdorf, Assistant to the President for Legislative Affairs

Alan Greenspan, Chairman, Council of Economic Advisers

Ronald Nessen, Press Secretary to the President

General Brent Scowcroft, Deputy Assistant to the President

L. William Seidman, Assistant to the President for Economic Affairs

Douglas Bennett, Director, Presidential Personnel Office

Agencies:

Frank Zarb, Administrator, Federal Energy Agency

Other:

Mary Louise Smith, Chairman, Republican National Committee

(Note: Russell Train, Administrator, Environmental Protection Agency, is out of the country)

Cabinet meeting  
Alan Dulop - 4/24/75

memo - Cap &

Cap and I - will send  
✓ 8 memo.

Absolutely no involvement of JSCA

Kulpatnik wrong

memo - underlying issue

crisis been resolved.

That aspect passed -

Underlying issue - as to whether  
rules should be changed.

Context in which memo  
sent - is not

No JSCA - involvement





OEEC - for 10 years -  
Application

who administers Federal &

---

Don't like to see  
him enter a  
disunion w/ a  
view of what  
intervention is -  
when it's different

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THE WHITE HOUSE

WASHINGTON

June 23, 1975

MEMORANDUM FOR: Secretary Weinberger  
Secretary Dunlop

FROM: JIM CANNON *JCC*

SUBJECT: Two News Items

Attached are two news items which recently came to the President's attention. The first indicates that your departments are trying to chop off a research contract to George Washington University's Medical Center from the National Heart and Lung Institute for research on the relationship between cholesterol and heart attacks.

The second item, which is a column by James J. Kilpatrick that appeared in Saturday's Washington Star, points out that HEW prohibits the use of plastic liners in wastebaskets in hospitals because of the fire hazard, while at the same time the Occupational Safety and Health Administration of the Department of Labor says that wastebaskets must have liners in order to avoid infecting hospital workers.

The President would like to have a joint report in writing from you on each of these situations. I would like to have the report here in my office no later than Tuesday evening, June 24.

I think there is every reason to believe that this may come up at Wednesday's Cabinet meeting, and I think you both should be prepared to discuss it.

Attachments



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

June 23, 1975

MEMORANDUM FOR:

JIM CANNON

FROM:

JIM CONNOR 

The President wishes a complete report from Secretaries Weinberger and Dunlop on the attached materials by Wednesday June 25th.

The report should be prepared in writing by noon and both you and the Secretaries should be ready to discuss it in the Cabinet meeting scheduled for 2:00 p.m. on Wednesday.

Encl.

THE WHITE HOUSE  
WASHINGTON

June 24, 1975

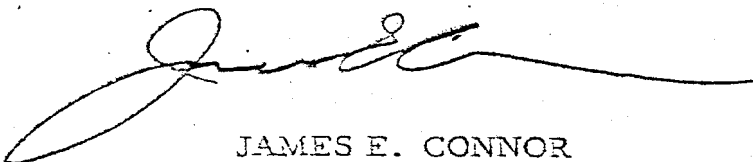
MEMORANDUM FOR

THE CABINET

SUBJECT: CABINET MEETING, WEDNESDAY, JUNE 25, 1975  
2:00 P.M., THE CABINET ROOM

The President has approved the following agenda for the Cabinet meeting scheduled for Wednesday, June 25th, at 2:00 p.m.

Introduction	<u>The President</u>	5 minutes
Discussion of Contract Compliance and Fund Cut-offs	<u>Secretary Dunlop,</u> <u>Secretary Weinberger</u> <u>and James Cannon</u>	30 minutes
Briefing on the Crime Message	<u>Attorney General Levi</u>	15 minutes
Discussion of the Legislative Clearance Process	<u>James Lynn</u>	15 minutes
Discussion of the Refugee Resettlement Situation	<u>Secretary Weinberger</u>	10 minutes
Discussion of Major Railroad Issues	<u>Secretary Coleman</u>	15 minutes



JAMES E. CONNOR  
SECRETARY TO THE CABINET



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

June 24, 1975

MEMORANDUM FOR HONORABLE JAMES CANNON  
THE WHITE HOUSE

This is in response to your note of June 23 regarding the two news items.

Regarding the enforcement of Federal affirmative action requirements with respect to George Washington University, the efforts in which we are presently engaged are being carried out under the authority of Executive Order 11246, as amended by Executive Order 11375, which prohibit discrimination in employment because of race, color, religion, sex, and national origin by recipients of Government contracts and subcontracts and requires that such recipients develop affirmative action compliance programs to assure the employment of minorities and women. The program is carried out under regulations issued by the Department of Labor (DOL).

Under Department of Labor regulations (Revised Order No. 4--41 CFR 60-2) all institutions of higher education holding Federal contracts must have a written affirmative action plan. In addition, whenever an institution is about to receive a contract in excess of \$1 million, the contracting agency must receive from the appropriate civil rights compliance agency a certification as to whether the prospective contractor has an acceptable affirmative action plan. By regulation, each contracting agency must notify the compliance agency 30 days prior to the award of any million dollar-plus contract, thus affording the compliance agency an adequate period of time in which to make a compliance determination.

On May 22, 1975, the Office for Civil Rights, HEW, received a "pre-award clearance" request from the National Heart and Lung Institute, National Institutes of Health, for George Washington University in connection with a proposed contract award of \$1.4 million. As noted above, under DOL regulations, HEW is required to certify the eligibility or ineligibility of the University.

The Office for Civil Rights, HEW, on June 6, 1975, notified the contracting officer that we would require 30 days in which to make a compliance determination and negotiate for the correction of any deficiencies. The Office for Civil Rights, HEW, also notified the contracting officer that it had requested the University to submit an affirmative action compliance program and that it must be received and evaluated before a determination of compliance could be provided.

The affirmative action requirements specified by the Department of Labor regulations have been the subject of considerable controversy in the higher education community for a number of years. There have been objections--particularly with regard to their application to academic employees--that the regulations were excessively burdensome. Up until approximately nine months ago, HEW attempted to apply the DOL regulations to higher education employment with a great deal of flexibility. However, in November 1974 HEW was sued in the case of WEAL v. Weinberger. This suit alleged that HEW had failed to strictly abide by DOL regulations in its dealings with higher education institutions.

Our legal assessment of the situation indicated that the prospect of plaintiffs successfully litigating the case were quite good and, accordingly, the prospects of HEW coming under a court order which would have the effect of "setting in concrete" the current DOL regulations was equally good. Under the circumstances, HEW made the only reasonable decision that it could, i.e., enforce fully the DOL regulations. At the same time, discussions began between Secretary Weinberger and then-Secretary of Labor Brennan about the possibility of changing the DOL regulations, at least to the extent that they applied to academic employment at higher education institutions. These discussions have continued between us and our respective staffs.

Faced with a substantial number of "pre-award clearances" this spring, HEW developed a document, a "conciliation agreement," which set forth HEW's interpretation of the DOL affirmative action standards. This document has been used by HEW in assessing the acceptability of higher education affirmative action plans. Recognizing that George Washington University had not submitted an affirmative action compliance program, HEW used the conciliation agreement as a means by which it could negotiate in an effort to obtain a commitment for developing an acceptable program. Thus, George Washington University could sign

the conciliation agreement, committing itself to develop a program over a specified period of time. HEW then could certify to the contracting agency that the University "will be able to comply" with the DOL regulations and thus the contract award could be made. Thus far, successful negotiations have occurred between HEW and several universities: St. Louis University, the University of Utah, the New Mexico Institute of Mining and Technology, the University of Texas at Dallas and the University of Hawaii.

The affirmative action compliance program of George Washington University was received on June 6, 1975. HEW's letter of evaluation to the University was delivered today. At the same time we presented to George Washington University an abbreviated agreement. This agreement generally provides that the institution will develop a revised affirmative action compliance program designed to overcome the deficiencies in its programs which have been identified, and that HEW's Office for Civil Rights representatives will meet with institution officials as soon as possible to further discuss the deficiencies and provide them assistance in developing their revised programs. We are confident that these agreements will be executed either today or tomorrow, thus making the George Washington University eligible for the contract award.

The situation with respect to George Washington University is similar to the situation existing with respect to approximately 16 other universities for which the Department has been asked to provide pre-award contract clearances this spring. On Friday, June 20, Secretary Dunlop and Secretary Weinberger met with representatives of a number of these institutions and indicated our desire to seek a legally supportable way of resolving the unfortunate end-of-the-fiscal-year crisis that had developed. As a result, DOL and HEW staff have developed an abbreviated agreement similar to that being provided to George Washington University, the execution of which by the University will assure them of the continuation of their Federal research contracts. HEW has been keeping Art Quern and Dick Parsons of the Domestic Council staff advised of developments.

Regarding Mr. Kilpatrick's article citing apparent differences in HEW and DOL regulations as to the use of plastic liners in wastebaskets, both Departments are responsible for surveying health facilities for specific but different purposes.

The Department of Health, Education, and Welfare's Bureau of Health Insurance contracts with the State of Ohio (usually under subcontract with the State Fire Authority) to perform sample validation reviews to ensure that health facilities meet certain requirements for participation in the Medicare program. This activity is required in Section 244 of P.L. 92-603 as enacted October 30, 1972. These requirements are specified in the 1967 Life Safety Code and deal mostly with structural requirements, i.e., sprinkler systems, fire doors, etc. There are no requirements nor prohibitions concerning the use of plastic liners for wastebaskets.

In September 1974 an HEW validation survey was conducted at the Kettering Medical Center of Dayton, Ohio. A number of structural deficiencies were identified at that time and reported. No deficiency was reported concerning the use of plastic liners in wastepaper baskets.

The Department of Labor's Occupational Safety and Health Administration (OSHA) is primarily concerned with employee's health and safety as specified in the Occupational Safety and Health Act of 1970 (P.L. 91-596). OSHA regulations do not specify any prohibitions nor requirements regarding the use of plastic liners for wastebaskets. Such liners are not deemed essential by OSHA to prevent infection of hospital workers.

The Kettering Medical Center laboratory was inspected on July 16, 1974, by an OSHA representative because of an alleged complaint of serious hazards. OSHA's records indicate that during that inspection no mention was made of plastic trash can liners. A letter confirming that no such OSHA requirement exists is being sent to Dr. M. H. Shaffner of the Kettering Medical Center.

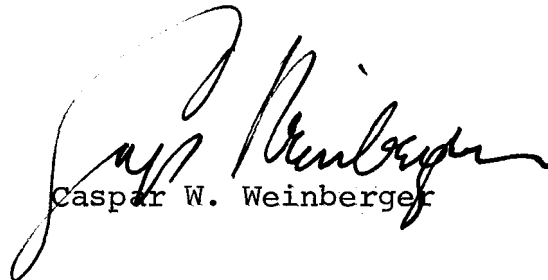
Neither the Department of Health, Education, and Welfare nor the Department of Labor require or prohibit the use of plastic liners in wastebaskets and neither of the Departments'



Page 5 - Honorable James Cannon

reports indicate any deficiencies in this area. We are continuing our investigation to determine what might have been said during these surveys and to determine if the State itself in its Fire code has any prohibition against the use of these liners.

John T. Dunlop



Casper W. Weinberger

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

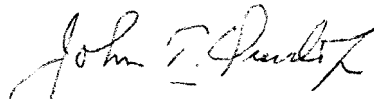
June 24, 1975

MEMORANDUM FOR JAMES CANNON

Regarding your June 23 memorandum the Occupational Safety and Health Administration neither requires nor prohibits the use of plastic bag liners for trash cans in hospitals or in any other place of employment. Mr. Kilpatrick's article is therefore inaccurate.

The Kettering Medical Center laboratory to which Mr. Kilpatrick's article refers was inspected on July 16, 1974, by a State of Ohio inspector under contract to OSHA. According to the inspector who visited the laboratory there was no mention of plastic liners during the course of that inspection.

We are sending a letter to Dr. M.H. Schaffner stating that OSHA does not require plastic trash can liners and are in touch with Mr. Kilpatrick about the matter.

  
Secretary of Labor

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

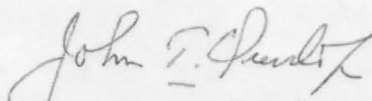
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Secretary of Labor

JCRead:rab 6/24/75

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THE WHITE HOUSE

WASHINGTON

June 25, 1975

MEMORANDUM FOR: JIM CANNON

FROM: JIM CAVANAUGH 

SUBJECT: James J. Kilpatrick Article on  
"Hospital Wastebaskets" (Tab A)

Summary

I called Dr. M. H. Schaffner, the president of the Kettering Medical Center, who was mentioned in the Kilpatrick column. He reports that a representative of OSHA, a Mr. Tyler, inspected the hospital on July 16, 1974, and definitely told them that they should have plastic liners in their wastebaskets.

Background

Basically his story is as follows:

- In response to a letter OSHA received from a hospital employee on June 21, 1974, an OSHA representative named Tyler arrived at the hospital on July 16 to review the eleven complaints made by the employee. He also inspected the entire hospital, which is normal in the case of a complaint.
- During the course of the inspection, the OSHA representative informed the vice president of the hospital and the chief nurse that they needed to use plastic liners in the wastebaskets to guard against contamination of hospital employees. The inspector indicated that he would not give them a citation, but that they should do it.
- In August the hospital received a letter from HEW, announcing that their inspectors would be there for a four-day survey in September. During the HEW survey in September of 1974, they were told that they should remove the plastic liners from the wastebaskets because of the fire hazard.

Dr. Schaffner has not accused the OSHA representative of saying that there was a law or regulation they were violating with the wastebasket situation. His only comment is that he was told by one agency representative to use plastic liners and by another federal agency representative not to use them. He is not saying who is right or who is wrong, but he just thinks that the federal government ought to get its house in order.



James J. Kilpatrick

WASHINGTON STAR  
June 21, 1975

## Harassment of hospitals could prove expensive

DAYTON, Ohio — The federal government's in-

Three years ago, the Department of Health, Educa-

the bags out of the waste-baskets, he could be cited

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Cabinet —

6/21/75

Dulles Don an exec only duly  
at present make any  
sense?

for do you get  
set of some of that replete

at also for faults  
of policy & grounds

what I President want

