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CABINET MEETING
Friday, August 8, 1975
The Cabinet Room
2:00 p.m.

THE WHITE HOUSE
WASHINGTON

DATE: Aug. 7

TO: Pat

FROM: JIM CAVANAUGH

SUBJ:

FYI _____

Action _____

We'll have a briefing
paper to Jim Cannon
this evening.

THE WHITE HOUSE
WASHINGTON

August 6, 1975

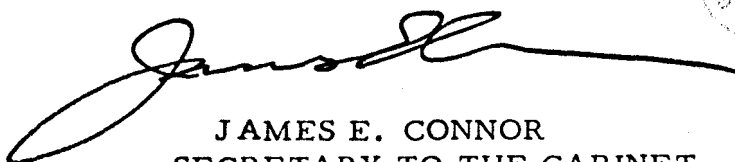
MEMORANDUM FOR

THE CABINET

SUBJECT: AGENDA FOR CABINET MEETING
AUGUST 8, 1975, 2:00 P.M.
THE CABINET ROOM

The President has approved the following agenda for the Cabinet Meeting on Friday, August 8th.

<u>Introduction</u>	<u>The President</u>	5 minutes
<u>Report on the European Trip</u>	<u>The President</u> <u>Secretary Kissinger</u>	20 minutes
<u>Energy Situation Up-date</u>	<u>Frank Zarb</u>	10 minutes
<u>Economic Effects of Immediate DeControl</u>	<u>Alan Greenspan</u>	10 minutes
<u>Report on Permissible Forms of Campaign Activities</u>	<u>Philip Buchen</u>	15 minutes
<u>Discussion on "Job Creation" and the Unemployed</u>	<u>Secretary Dunlop</u>	10 minutes
<u>Discussion of Coordination with Governors and Mayors</u>	<u>James Cannon</u>	15 minutes



JAMES E. CONNOR
SECRETARY TO THE CABINET



DOMESTIC COUNCIL CLEARANCE SHEET

DATE: August 7, 1975

JMC action required by: ASAP

TO: JIM CANNON

VIA: ~~DICK-DUNHAM~~

JIM CAVANAUGH

FROM: PAT DELANEY

PD

SUBJECT: Talking Points for Cabinet Meeting

COMMENTS:

DATE: _____

RETURN TO: PAT DELANEY

Material has been:

- Signed and forwarded
- Changed and signed (copy attached)
- Returned per our conversation
- Noted
-

Jim Cannon

THE WHITE HOUSE

WASHINGTON

THEME:

The Domestic Council's relationship with state and local governments . . . and how various Cabinet members can improve the Administration's relationship with state and local government.

TALKING POINTS:

- We on the Domestic Council are striving to develop the finest relationship an administration has had with state and local governments.
- We are working to make it better, to strengthen the federal system, and return more decision making to the state and local governments.
- Along these lines, the President has met with members of the National Conference of Legislatures, Members of the U.S. Conference of Mayors, and held working meetings with all of the state Governors.
- Jim Falk and Pat Delaney, of the Domestic Council staff, have attended all of the annual conferences of state and local officials. We feel the Administration has recently achieved some tangible results:

Examples:

- . At the recent National Governors' Conference in New Orleans, the major strip mining resolution was tabled the very day that the Congress sustained the President's veto by a slim margin.
 - . The U.S. Conference of Mayors in Boston concluded with major victories for the Administration on defense spending and general revenue sharing resolutions.
- The Vice President, Don Rumsfeld, Secretary Hills, and Secretary Coleman have attended some of these conferences and have made contributions. Increased participation on the part of the key administrative officials will further enhance our relationship with state and local officials in the months to come.
 - In another and just as important vein, the Domestic Council has been working with OMB and others with the New Coalition, a group which consists of three Governors, three Mayors, three legislators, and three county officials.

- The New Coalition hopes to institute a process of budget consultation so they can be heard as the federal budget is put together, and we are doing that.
- Last week we isolated three key issues in the area of manpower policy:
 - . A wide range of manpower programs
 - . Public service jobs
 - . Unemployment insurance
- The discussions have been frank and straight forward, and I believe we are making headway in these areas.
- I have been personally involved in this task, and I look forward to working with you as we expand our agenda with the New Coalition.
- We are now spending 1 out of every 6 federal dollars in a form of aid to state and local governments and notwithstanding the Domestic Council's role on a day to day basis with the state and local officials. It is essential that key relationships between these officials and Cabinet members be strengthened.
- We on the Domestic Council staff will work with you in implementing the Administration's objectives. And on many key domestic legislative issues, our success or failure may well hinge on support or lack of support from state and local government.
- The Highway Bill is a classic example:
 - . In every regional meeting with governors around the country, the President discussed the Highway Legislation.
 - . The Department of Transportation consulted with the governors on the makeup of the bill.
 - . When the President sent the bill to the Congress, we held a meeting here in the Cabinet Room with key state officials and we were able to say the bill had their support. Even with their support passage of the bill will be difficult, but with their opposition defeat would be a certainty.

THE WHITE HOUSE


WASHINGTON

August 7, 1975

CABINET MEETING

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 July 16 when the agenda covered a discussion of the changes in the refugee program, your meeting with the Commissioners of the Independent Regulatory Agencies on regulatory reform, a report from Jack Marsh on problems in the Congressional mail area, Jim Schlesinger's report on activities in Berbera, and a status report from Frank Zarb on the energy program.

2. Participants:

Attached at Tab A.

3. Press Plan:

Press Photo at Beginning of Meeting and David Kennerly Photo.

II. TALKING POINTS

1. As you all know, David Mathews was sworn in as the new Secretary of HEW earlier today. We are pleased to welcome him to the Cabinet, and I am sure we all look forward to working with him.
2. In addition, I have asked Cap Weinberger to join us at this meeting so that I could have the opportunity to thank him for his services to the Nation and to me and to give him

the opportunity to give us the benefit of his thoughts on his years of service with the Government. We will reserve some time at the end of the meeting for that purpose.

3. We returned last Monday night from a lengthy and busy European trip, and I wanted to take this opportunity to brief the Cabinet on it.

I would like to ask Secretary Kissinger if he would like to make any comments. Henry,...

Are there any questions?

4. You are all aware of how rapidly events have been occurring in the energy area. I have asked Frank Zarb to give us an up to date report on the situation. Frank,...
5. One of the key concerns we will be hearing about over the next month is the economic effect of immediate decontrol of "old" oil, and I have asked Alan Greenspan to give us a report on that situation. Alan,...
6. With the new Campaign Reform Act in effect, I think we all need to be sure about what is considered "permissible" activity for Cabinet Officers and White House staff to undertake in the upcoming campaign. I have asked Phil Buchen to give us a briefing on this issue. Phil,...
7. We've heard a lot of talk in the past few months about concern for the unemployed and creating jobs. I've asked John Dunlop to brief us today on what creating a good job really means. John,...
8. In the conduct of the business of government, we often tend to think of our responsibilities as federal responsibilities and our programs as federal programs. In recent years, a significant change has occurred, and today many of our federal programs are more truly described as national programs; that is, they are federally funded but administered by state and local governments.

This trend has produced an increase in federal spending over the past 10 years from \$12 billion in FY 66 to over \$56 billion in FY 76, a significant pattern of growth that makes it absolutely necessary for our administration to have a sound relationship with state and local governments in order to succeed.

As you know, I have assigned primary responsibility for intergovernmental relations at the White House to the Domestic Council and Jim Cannon. I would like Jim to take a few minutes to talk about this important area.

Jim,...

10. I read a remarkable speech a short while ago that Cap Weinberger gave at the Commonwealth Club. I know that Cap has given a lot of thought to his government experience and I'd like to take a few moments before we adjourn to ask Cap if he will share some of his thoughts with us.

Cap,...

THE WHITE HOUSE

WASHINGTON

Attendees
Cabinet Meeting
Friday, August 8, 1975

The President

The Secretary of State, Henry A. Kissinger
The Secretary of Defense, James R. Schlesinger
The Attorney General, Edward H. Levi
The Secretary of Agriculture, Earl L. Butz
The Secretary of Commerce, Rogers C. B. Morton
The Secretary of Labor, John T. Dunlop
The Secretary of Health, Education and Welfare, Forrest David Mathews
The Secretary of Housing and Urban Development, Carla A. Hills
The Secretary of Transportation, William T. Coleman
The Acting Secretary of the Interior, Kent Frizzell
The Deputy Secretary of the Treasury, Stephen S. Gardner (for Secretary
Simon, who is on vacation)
The Former Secretary of Health, Education & Welfare, Caspar W. Weinberger
The Counsel to the President, Philip Buchen
The Special Representative for Trade Negotiations, Frederick Dent
The Counsellor to the President, Robert Hartmann
The Counsellor to the President, John Marsh
The U. S. Representative to the United Nations, Daniel Patrick Moynihan
The Assistant to the President, Donald Rumsfeld
The Deputy Director of the Office of Management and Budget, Paul O'Neill (for
James Lynn, who is on vacation)

White House/Executive Office:

William Baroody, Assistant to the President
James Cannon, Assistant to the President
James Connor, Secretary to the Cabinet
Alan Greenspan, Chairman, Council of Economic Advisers
Ronald Nessen, Press Secretary to the President
General Brent Scowcroft, Deputy Assistant to the President
Raymond P. Shafer, Counsellor to the Vice President

Agencies:

Russell Train, Administrator, Environmental Protection Agency
Frank Zarb, Administrator, Federal Energy Agency

Note: The following will not attend: The Vice President (he will be in New York);
Mary Louise Smith (she will be in California); Richard Cheney and
Max Friedersdorf (they are both out of the city).

THE WHITE HOUSE
WASHINGTON

DATE: August 7, 1975
TO: JIM CONNOR
FROM: JIM CAVANAUGH
SUBJ: Talking Point (Attached)
FYI _____
Action _____

✓cc: Jim Cannon FYI

THE WHITE HOUSE

WASHINGTON

August 7, 1975

TALKING POINT FOR THE PRESIDENT IN CALLING ON
JIM CANNON TO REVIEW THE ADMINISTRATION'S
RELATIONSHIP WITH STATE AND LOCAL GOVERNMENTS:

In the conduct of the business of government, we often tend to think of our responsibilities as federal responsibilities and our programs as federal programs. In recent years a significant change has occurred, and today many of our federal programs are more truly described as national programs; that is, they are federally funded but administered by state and local governments.

This trend has produced an increase in federal spending over the past 10 years from \$12 billion in FY 66 to over \$56 billion in FY 76, a significant pattern of growth that makes it absolutely necessary for our administration to have a sound relationship with state and local governments in order to succeed.

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358.9
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JMC

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CABINET MEETING
August 8, 1975

Mr. President, no part of our responsibilities is more important than Intergovernmental Relations--one out of every six Federal dollars goes as aid to state and local governments (\$63 of \$359).

Simply described, our job with the governors, mayors, county executives and other local officials is communication, and it is cooperation.

This is a non-partisan effort, with two major goals--
--to assist state and local governments to better meet their responsibilities, and
--at the same time, to keep the Federal government informed about how programs are working.

We work with them through two approaches:

1. We maintain direct and frequent contact with individual state and local officials. We inform them, by letter and phone, of major domestic Presidential actions. And we hear from them when they have a problem --which is often.

2

2. We work closely and regularly with the paid fulltime staff of their representatives here in Washington--the "Big Seven":

- (1) National Governors Conference
- (2) National League of Cities
- (3) U.S. Conference of Mayors
- (4) National Association of Counties
- (5) Council of State Governments
- (6) National Conference of State Legislatures
- (7) International City Management Association.

The Domestic Council Associate Director for Intergovernmental Relations is Jim Falk, a young and personable Arizona lawyer who has worked in this area for 2 1/2 years and ~~who~~ ^{who} has ~~made~~ ^{made} ~~innumerable~~ ^{innumerable} friends among the governors and mayors ^{as you know.}

Working with Falk is Pat Delaney, a young and personable New York political leader and businessman who joined the Domestic Council last April.

The third and new man in this group is Paul Myer, a young and personable political scientist and Capitol Hill man, who joined us last week to mobilize the public interest groups in a joint effort--under the direction of Max Friedersdorf and his staff, and with the Treasury's

3

Congressional relations staff--to get the House and Senate committees, and then the Congress, to pass revenue sharing.

On that point, Mr. President, as part of our Inter-governmental Relations effort, I am telling the governors and mayors and county executives at every opportunity that revenue sharing is in trouble. And the reason is that state and local officials are not talking to their members of the House and Senate about revenue sharing.

They are taking it for granted that revenue sharing will be extended--which is the most dangerous thing they could do.

Another important part of our work with the governors and mayors is at their national and regional conferences.

They like to have appropriate members of the Cabinet and your staff at their meetings. And I would encourage you to accept their invitations. You can learn plenty, in a brief period, about the effectiveness of your programs by talking to the elected officials who have to administer them.

Secretary Hills took part in the National Governors Conference in New Orleans, ^{AS DID Rumsfeld} Secretary Coleman at the Conference of Mayors in Boston, the Vice President and Don Rumsfeld at the Midwest Governors Conference in Cincinnati. The reports we got were that all did a great job.

Ray
Shope

(4)

Falk and Delaney, our key men at these conferences, have the responsibility to advance, or defend, your positions and programs.

At the Governors Conference in New Orleans, for example, Falk and Delaney were instrumental in tabling a resolution against you on strip mining on the day it was to come to a vote in Congress.

At the Mayors Conference in Boston, they made the difference in blocking one resolution that could have hurt defense appropriations and another that would have been divisive on revenue sharing.

Finally, Mr. President--and most important of all to intergovernmental relations--is your openness and spirit of cooperation with the governors and the mayors and the other local officials.

You have gone out to see all the governors in your regional meetings and welcomed them here.

From my own conversations with them, I know that, Democratic or Republican, governors and mayors know you care about them and their problems and the people they serve. And although they may not always agree with you politically, they share your concern, and want to work with you, for the future of the country.

* * * * *

A handwritten number '5' enclosed in a hand-drawn circle, located in the upper right quadrant of the page.

* * * * *

Mr. President, we work closely with OMB in our intergovernmental relations and OMB is taking the lead in one very important effort--that is, to consult purposefully with the New Coalition, a group of three governors, three mayors, three state legislators and three county officials before the next Federal budget is put together.

May I ask Paul O'Neill to speak briefly about that.