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MEETING WITH THE PRESIDENT  
VICE PRESIDENT AND MR. LYNN  
Tuesday, September 16, 1975  
2:30 p.m.

Oval Office



THE VICE PRESIDENT  
WASHINGTON

September 10, 1975

MEMORANDUM FOR:

THE PRESIDENT

FROM:

THE VICE PRESIDENT

SUBJECT:

Public Forums on  
Domestic Policy

Attached is the plan for conducting the Public Forums on Domestic Policy, administered by the Domestic Council. The plan proposes:

- o One-day meetings in six cities with specific dates and locations listed. (Four additional cities optional.)
- o At each Forum, a three-hour morning session would be held with the Vice President chairing. Following the morning session, the participants would divide into four groups along the following major policy areas:

Social Programs  
Jobs and the Economy  
Resources and the Environment  
Community Development, Transportation,  
and Housing

- o Testimony from solicited persons representing a broad cross-section of opinion and interests.
- o The Forums be announced by the President and the Vice President following a Domestic Council meeting during the week of September 22.

Attachment

THE WHITE HOUSE

WASHINGTON

September 10, 1975

MEMORANDUM FOR: VICE PRESIDENT  
FROM: JAMES M. CANNON  
SUBJECT: Public Forums on Domestic Policy

I. OBJECTIVES

To conduct a series of six or more meetings, geographically distributed, to:

- Outline what the nation is facing with regard to Domestic Programs;
- Obtain public input in the development of Presidential options;
- Assist the President in formulating his legislative recommendations and initiatives to the Congress in the 1975 State of the Union message.

II. FORUM FORMAT

Each Forum will be a one-day meeting, consisting of the following elements:

- A. A morning session of approximately three hours would be chaired by the Vice President with Cabinet members and other Federal officials participating. The Vice President would open with introductions and brief remarks. The balance of the morning would be divided into time for a discussion of four major domestic policy areas. Two or three witnesses would be asked to present five-minute testimony on issues relating to social programs, the economy, resources, and subjects of interest to the area such as housing, transportation, etc. Following the presentation of testimony for each segment, the witnesses could be questioned by the Vice President and Federal officials. A portion of the time could also be made available for public participation.

B. Following the morning session, four separate, simultaneous meetings would be held to continue the discussion of the four major policy areas. These would involve:

1. A Cabinet level official would serve as chairman and would be backed up by representatives from appropriate Federal agencies, including the Domestic Council.
2. Selected individuals, representing a cross section of interests and opinion, would present testimony on pre-determined subjects. Each witness would be allowed up to five minutes for testimony, or to summarize a more comprehensive statement.
3. Total seating for each of the four meetings will be approximately 125 persons. Fifty to seventy-five seats will be reserved for the witnesses and support personnel; the remainder will be available to the general public on a first-come, first-served basis.
4. Vice President will rotate among the four meetings, dividing his time equally.
5. Opportunity for submission of written statements from the public.
6. An informal buffet luncheon for the Federal officials, invited participants, and selected State and local officials, hosted by the Cabinet member who would be serving as chairman, could begin the afternoon sessions.

### III. DATES AND LOCATIONS

|                      |  |
|----------------------|--|
| Tuesday, October 21  | Denver, Colorado*                        |
| Tuesday, October 28  | Kansas City, Mo.*                        |
| Tuesday, November 11 | Austin, Texas                            |
| Tuesday, November 18 | Philadelphia, Pa.*                       |
| Monday, December 1   | Nashville, Tennessee                     |
| Tuesday, December 9  | Los Angeles or<br>Sacramento, California |

\* Locations of Federal Regional Offices

Possible additional cities (dates not currently available in Vice President's schedule):

Tampa/St. Petersburg, Florida  
Springfield, Illinois  
Hartford, Connecticut  
Albuquerque, New Mexico

NOTE: The Vice President should not be scheduled to participate in any political activities in conjunction with the Forums.

#### IV. CONFERENCE ISSUES

The Forums will focus on four major domestic policy areas:

Social Programs (welfare, health, etc.)  
Jobs and the Economy (manpower programs, inflation, etc.)  
Resources and the Environment (raw materials, agriculture, etc.)  
Community Development, Transportation, and Housing

The issues could vary according to regional interests. Under each general policy area specific issues will receive focus through the scheduling of witnesses. For example, welfare reform can be a discussion issue through scheduling witnesses concerned with that subject for a block of time; the same with health care, etc.

#### V. PARTICIPANT SELECTION (WITNESSES)

Participants will be selected from recommendations received from: State and local officials; labor, business, consumer groups and similar key constituencies; local Federal officials (Regional Offices); White House lists. Congressional recommendations, though not solicited, will also be considered.

A limited number of witnesses will come from State and local governments in the region covered by each Forum.

Members of Congress from the region covered by the Forum will be briefed on the purpose and plans of the Forum by the Congressional Liaison office. Although not specifically invited to the Forum, Members will be welcome to attend, as observers, and will receive appropriate introductions.

VI. ANNOUNCEMENT STRATEGY

- A. During the week of September 22, the Congressional leadership should be briefed at a session with the President.
- B. During the same week, the President would call a meeting of the Domestic Council, at which time he describes the program. Immediately following the meeting, the President and Vice President should adjourn to the press room. The President would announce his decision to direct that the hearings be held. The Vice President would brief the press about the purpose and scope of the hearings.
- C. It is important that a distinction be made between the Public Forums on Domestic Policy and the White House Conferences on Domestic and Economic Policy. In order to avoid confusion, it is recommended that the White House conferences be suspended during the period when the Forums are scheduled.
- D. Cooperation from the departments and agencies represented on the Domestic Council to provide personnel and financial resources for these Forums is essential. It will be necessary to utilize Regional Office personnel in the cities where the Forums will be held.

9/10/75

SCIENCE AND TECHNOLOGY ADVISORY APPARATUS

Summary

- . House. Teague Mosher bill introduced on July 30 was scheduled for markup on September 8 but this has been delayed until October 8 because of Teague's illness and press of other business. It's conceivable that the Committee could take it up on September 24 if we considered it important and the President or Vice President wished to telephone Teague and Mosher to urge prompt action. Even if we do not want to press for earlier action, a call from the Vice President would be helpful to keep attention focused.

I have reviewed the bill with Drs. Stever, Mark, Ramo and Baker and staff of OMB, NSC and the Vice President's office and met with Phil Yeager for a preliminary staff level discussion of the bill. My assessment is that the Administration could live with the bill as now written, if necessary, but that we can and should work to get some changes discussed below.

- . Senate. Staff of the three Committees with jurisdiction (Commerce, Aeronautical and Space Sciences, Labor & Welfare) are meeting but have not agreed on a course of action. Probably will not act until the House completes action. Commerce and Moss Committee are likely to favor prompt action, largely accepting House bill. Kennedy may want to press for hearings and for expansion of the bill.

Details

The new Teague-Mosher bill (H.R. 9058) has three principal titles:

- .. Title I - declares a national policy on science and technology.
- .. Title II - creates an Office of Science and Technology policy as proposed by the President, with three exceptions.



- . The Director would be subject to Senate confirmation.
  - . The President would have the discretion of appointing up to four assistant directors. (This is designed to allow this and succeeding presidents to structure the office as they prefer; e.g., Director and a deputy; a 3 or 5-man council).
  - . The functions of the office are spelled out in more detail.
- .. Title III - calls for appointment by the President of a Committee of 5 to 12 members for a full survey of Federal science and technology policies, program and organization and submission of a report within 15 months to the President and the Congress.

### Assessment

- . Title I:
  - It is undesirable to have a science and technology policy in law but, with a few changes it will be a rather harmless statement.
    - . The House Committee will insist on having a policy statement.
- . Title II. We should:
  - Accept the idea of Senate confirmation for the Director.
  - Accept the idea of discretionary authority for appointing as many as four assistant directors at Level III.
  - Accept the idea of great specificity of functions but seek wording changes to avoid too much specificity (e.g., on role in budget formulation).
- . Title III.
  - As a preferred option, we should favor deletion of the Survey Committee but recognize that the Teague Committee will insist on its retention.
  - As a fall back position, seek changes which make the Survey Committee less independent and duplicative; specifically:
    - . all the Director of OSTP to serve also as chairman of the Survey Committee.
    - . have the Committee report to the President and give him time to evaluate the report before transmitting it with recommendations to the Congress.
    - . clarify its scope.

THE WHITE HOUSE

ACTION

WASHINGTON

September 15, 1975

MEMORANDUM FOR: THE PRESIDENT

FROM: JIM CANNON

SUBJECT: Administration Position on Federal  
Role in Health Professions Education

This is to present for your decision the issue of the Federal role in the education of health professionals. The position of the Administration needs to be decided before HEW testifies tomorrow before the Senate. Attached at Tab A is a memorandum from Jim Lynn and at Tab B a memorandum from Secretary Mathews presenting the position of each.

ISSUE

The broad issue is how to approach the problems of geographic and specialty maldistribution of health professionals. The issue focuses in particular on the question: Should the Administration propose to continue Federal formula grant support (capitation) limited to medical and dental schools?

A related matter is also brought to your attention: Should the Administration propose a new student loan program for medical and dental students? This issue is not pressing and can await, if you so decide, further development of the specific proposals before a position is taken.

BACKGROUND

Your '76 budget proposes:

- an elimination of construction grants for medical schools
- a gradual four year phase-out of capitation grants
- an increase in special project grants
- an expansion of medical student scholarship assistance tied to repayment through Federal service

These are proposals which have been advocated by the Administration for the last three years. Congress has shown no inclination to accept this approach. On two previous occasions you have decided to maintain this Administration stance.

HEW argues that the only way the Administration can play a role in shaping the legislation currently moving on the Hill is to recognize that some capitation program will evolve and to work toward developing a compromise measure.

#### A. Capitation Issue

Should the Administration proposed to continue capitation grants but only for medical and dental schools?

- Administration would maintain position that capitation for pharmacists, veterinarians, optometrists and podiatrists should be phased out.

#### Arguments for Capitation

1. Capitation, as proposed by HEW, would be provided only to those medical and dental schools agreeing to the national goals of:
  - maintaining enrollment levels,
  - increasing output of primary health care skills,
  - improving a geographic distribution of graduates.
2. Restricting capitation to medical and dental schools would permit reductions in Federal funding while allowing targeting on those schools whose training is the longest, most expensive, and least responsive to normal market forces.
3. Capitation would help assure that tuition charges do not rise to levels that would discourage low and middle income students from seeking medical and dental careers.

#### Arguments for Maintaining Opposition to any Capitation

1. Health profession students should not be singled out for capitation grant subsidies not available in other fields of higher education, especially in view of health professionals' substantially higher career income prospects.

2. Capitation subsidies, as formula allocations, do not focus Federal assistance on program merit or financial need.
3. The proposed phase-out of capitation would only require tuition increases of \$400 annually over the next four years, if schools seek to replace the capitation reduction with tuition increases.
4. A limited Federal role is appropriate because -- while there is consensus on the existence of maldistribution -- there is no agreement on its extent or on the ways to address the problem.

#### B. Student Assistance Issue

Should the Administration propose a new loan program for medical and dental students? Such a loan program would be funded "off-the-budget." Loan repayment would be made over a 20-year period based upon professional income.

##### Arguments for a New Loan Program

1. Estimated total 4-year costs -- including living expenses -- to medical and dental students are between \$30,000 and \$40,000. Medical and dental students need additional sources of financing for these costs.
2. The current Federal guaranteed student loan program is inadequate not simply because the loan guarantee limit of \$10,000 is too low, but also because banks are unwilling to consistently make individual loans to students of \$30,000 to \$40,000. Repayment pressures may lead graduates into high paying specialties rather than primary care.

##### Arguments Against a New Loan Program

1. While an income-related loan program may be a good idea, the specifics of such a proposal should be fully worked out before the Administration makes a commitment to it.

2. Congress and the Administration have generally opposed off-the-budget financing of Federal programs.
3. No current evidence supports a conclusion that there is a significant number of medical or dental students or applicants foregoing an education because of inability to obtain financing.
4. Federal scholarship student assistance should be tied to a service commitment. For other students who seek Federal support, but do not wish to commit themselves to meeting Federal objectives, assistance should be limited to Federal loan guarantees.
5. An income-related loan repayment program is a complex issue with implications for the Federal responsibility in higher education generally and therefore should not be considered apart from other HEW higher education loan proposals.

#### RECOMMENDATIONS

OMB is arguing that capitation should continue to be phased out and that the needs of medical students should be considered as part of the overall Federal approach to higher education student loan programs.

Secretary Mathews maintains that Congress will continue capitation programs and therefore if we persist in our current position, we will play no role in the eventual outcome which is likely to be an extension or expansion of the existing program.

I believe that given the history of Congressional action on the Administration's position we should seek the most effective use of capitation and therefore I recommend support of HEW's capitation proposal.

Action on the student assistance recommendations should await further development of specific elements of the various proposals.

DECISION

Capitation Subsidies

Option 1: Continue capitation for medical and dental schools that agree to participate in geographic and specialty distribution initiatives.

\_\_\_\_\_  
APPROVE  
(Cannon, Mathews,  
Buchen)

\_\_\_\_\_  
DISAPPROVE

Option 2: Phase-out capitation subsidies over a 4-year period. Meet geographic and specialty mal-distribution through special projects and scholarships.

\_\_\_\_\_  
APPROVE  
(Lynn, Friedersdorf,  
Greenspan)

\_\_\_\_\_  
DISAPPROVE

Student Assistance

Option 1: Establish a new off-the-budget loan program for medical and dental students.

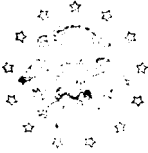
\_\_\_\_\_  
APPROVE  
(Mathews)

\_\_\_\_\_  
DISAPPROVE

Option 2: Consider a new income-related loan repayment program as part of a comprehensive review of Federal education loan programs in the context of developing the 1977 budget.

\_\_\_\_\_  
APPROVE  
(Cannon, Lynn, Buchen,  
Friedersdorf, Greenspan)

\_\_\_\_\_  
DISAPPROVE



THE VICE PRESIDENT  
WASHINGTON

AGENDA FOR THE  
MEETING WITH THE PRESIDENT  
Tuesday, September 16, 1975

1. Impressions from the London trip
2. Energy Independence Authority, and the Importance of its Relationship to
  - jobs;
  - stimulating the economy.
3. CIA - Jim Connor's request to prepare a final decision memo on Presidential actions relating to the intelligence community; TAB A
4. Office of Science and Technology Policy TAB B
5. Domestic Council Hearings
  - anticipating a major overhaul of social programs, that will enable the nation to meet human needs on a basis of fiscal integrity,
  - while eliminating red-tape and bureaucratic repetition;

6. Bicentennial Speech Ideas

- idea for a series of Presidential Bicentennial speeches on key subjects, that could ultimately be published in book form sometime next year; TAB C
- a sample speech -- on "The Role of Philanthropy in Our History" TAB D



THE WHITE HOUSE

WASHINGTON

September 16, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JIM CANNON

JIM LYNN

FROM:

JIM CONNOR 

SUBJECT:

Administration Position on Federal Role  
in Health Professions Education

The President reviewed the recommendations submitted to him yesterday on the above subject and approved the following:

Capitation Subsidies

Option 1: Continue capitation for medical and dental schools that agree to participate in geographic and specialty distribution initiatives.

Student Assistance

Option 2: Consider a new income-related loan repayment program as part of a comprehensive review of Federal education loan programs in the context of developing the 1977 budget.

Please follow-up with appropriate action.

cc: Don Rumsfeld

THE WHITE HOUSE

WASHINGTON

September 16, 1975

WEEKLY DOMESTIC ACTIVITIES REPORT  
FOR THE PRESIDENT

1. Domestic Council Hearings

We are making arrangements for the Domestic Council hearings and believe it is time for you to make a formal announcement to the White House Press Corps. We understand you plan to discuss the hearings at tomorrow's Cabinet meeting and express your desire to have members of the Cabinet participate personally in the hearings. We also think it would be appropriate if you would go down to the Press Briefing Room after the Cabinet meeting to announce the hearings and ask the Vice President to describe what they are designed to achieve.

2. Key Facts on Domestic Issues

We have our staff at work developing draft positions, based on your statements, on some 60 domestic issues, from busing to welfare reform. Once the drafts are complete, we will circulate them to your senior staff for their review and then to you for your approval.

The purpose is to provide your senior staff and members of the Cabinet with a ready reference on your positions on issues for their review prior to their press conferences and public appearances. Once we complete this set of positions, we will continue to update them and to add new items as issues develop.

3. Office of Science and Technology

The Teague-Mosher Bill as introduced on July 30 will probably be marked up October 8. We probably could live with the bill as now drafted if necessary, but we are working to get some changes. The Senate's

posture at this point is to wait until the House completes action before moving. Senators Moss and Magnuson say they want prompt action and will probably accept most of the House bill. Kennedy may press for public hearings and expansion of the House bill.

4. Development of State of the Union Options

Our meetings with members of the Cabinet to solicit their ideas and views for next year are producing some warmed-over ideas, but some new suggestions. We met last week with the Attorney General and Secretary Mathews. We meet this week with Secretary Hills and next week with Secretary Simon. That leaves five to go--FEA, CEA, CEQ, VA, and ACTION.

5. Auto Emissions

Bill Seidman and I met individually with representatives of the auto companies to get their views on suspending tighter controls. In brief:

- a. An early decision by Congress is quite important to all four.
- b. A two-year suspension would be of marginal benefit to GM and Ford, because both have already made major investments in developing ways to reach the standards for the 1977 and 1978 model years. But American Motors is so hard pressed that any suspension would help them.
- c. All made a good case that a three-year suspension is sound economically and environmentally.
- d. Several suggested a new approach: That Congress not legislate arbitrary mandatory standards, but direct that emission standards be set annually, four or five years in advance, by a group of government agencies that might include FEA, EPA, HEW and the National Science Foundation. Congress, under their plan, would retain veto power over the results.

6. Busing

Senator Henry Bellmon has suggested to Dick Parsons and me that the Administration create a small information unit of Justice and HEW officials who could, upon request, inform a school board or a Federal judge about ways other school districts have used to bring about an orderly desegregation of a school system. Bellmon's idea came from the experience of Tulsa and Oklahoma City, one of which desegregated with few problems, the other with big problems. Bellmon believes that many judges and school officials are inexperienced and have no place to go to find out how other school districts made it work.

If you feel Bellmon's idea could be helpful, I will take it up with the Attorney General and Secretary Mathews.

7. Southern Governors

Both Senator Mansfield and Al Ullman made a poor impression on most of the 15 Southern governors. Mansfield expressed great pessimism about the free enterprise system being able to meet problems, and Ullman made a speech so partisan as to be embarrassing to most of his fellow Democrats.

Several Democratic governors mentioned to me later that, with the present Congressional leadership, they have little hope that Congress will do anything about energy or the economy.

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THE WHITE HOUSE

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September 16, 1975

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*Good*

\* By Friday

Must be an  
affirmative thing<sup>3</sup>  
we could put together

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Bru Taylor

Bob Stranes

\* Can Bob Callaway -

Watch  
WJ Bob  
Goldman  
idea

[9/16/75]

P. Henri - go through  
step. m. step

then.

I pour water out

four - stumps

student

aged

female - has horizontal

NP - <sup>in</sup> Southern.  
Rep. Rec. - putting up an  
alternative

What I Congress  
don't do.





6 - Not a bad idea.

Gulbourn

union of counts  
and Esch scale.

Ash Count + Un.  
fund out if not -  
If not, why.

Congress want to see Juvenile's

Counts. of Bellman +  
Esch

Esch - law into effect  
on Louisville & Boston?



Courts must to follow  
Senate's Congress laid down.

