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THE WHITE HOUSE

WASHINGTON

September 16, 1975

MEMORANDUM FOR

THE CABINET

SUBJECT: CABINET MEETING, WEDNESDAY, SEPTEMBER 17,1975 11:00 A.M., THE CABINET ROOM

The President has approved the following agenda for the Cabinet Meeting scheduled for Wednesday, September 17th at 11:00 a.m.

Introduction	The President	10 minutes
Briefing on New York Financial Situation	Secretary Simon, James Lynn and James Cannon	15 minutes
Discussion of the Sale of U. S. Grain	Secretary Butz and Secretary Dunlop	15 minutes
Report on the Busing Situation	Attorney General Levi and Secretary Mathews	10 minutes
Report on the Domestic Council Public Forums	James Cannon	10 minutes
Economic Up-Date	Alan Greenspan	5 minutes
Energy Up-Date	Frank Zarb	5 minutes

JAMES E. CONNOR

SECRETARY TO THE CABINET

THE WHITE HOUSE

WASHINGTON

September 16, 1975

CABINET MEETING

Wednesday, September 17, 1975 11:00 a.m. (90 minutes) The Cabinet Room

I. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- 1. <u>Background</u>: You last met with the Cabinet on August 27th when the agenda included an assessment of the relationship with the Congress, a briefing on the status of Appropriations Bills, discussion of the decontrol issue, a presentation on the Congressional Committees dealing with the Intelligence Community Activities, and a report on the Turkish Aid situation.
- 2. Participants: Attached at Tab A.
- 3. Press Plan: Press Photo at Beginning of the Meeting and David Kennerly Photo.

II. TALKING POINTS

- 1. I would like to take a moment to welcome the new Under Secretary of Labor, <u>Bob Aders</u>. We are glad to have him as a member of this Administration. [John Dunlop will be leaving mid-way in the meeting and Bob Aders will be representing the Department of Labor for the balance of the meeting.]
- 2. Before we take up the items on the agenda, I have a few items I would like to bring to your attention.

Jim Lynn has provided me with a report (attached at Tab B) which tracks the progress of the initiatives I have announced since assuming office. After reviewing the status of these initiative, I want you to know that I am concerned about the progress we are making--I think we can do better. Jim has copies for you and will distribute them after the meeting. I would like to highlight the following areas:

Reauthorize Child Nutrition Programs - (Agriculture)

The Administration block grant proposal was submitted in June, but Congress has not seriously considered it and is about to extend and expand (by \$1.3B) the present categorical programs.

Expand Crop Insurance Program and Eliminate the Costly Disaster Payment Program - (Agriculture)

Since the disaster payment program cost was \$556 million last year, we should move quickly on the legislation we have submitted.

Executive Agency Regulatory Reform - (Domestic Council)

The Domestic Council Review Group was announced on July 16, but serious six-agency startup plans need to be completed very soon.

Foster Development and Production of Naval Petroleum Reserves - DOD

House and Senate have not yet scheduled a conference to resolve differences in respective bills. We should actively support acceptable provisions such as the expansion of production and move to change the unfavorable aspects of these bills.

Transfer PHS Hospitals to Communities - (DHEW)

The Department has not provided draft legislation to transfer two hospitals; instead it has proposed to study the feasibility of closing one or two hospitals.

Unfreeze Supplementary Medicare Insurance Premiums - (DHEW)

While legislation has been introduced in the House and the Senate, these bills are not moving. Attempts to submit this amendment to an acceptable bill which is moving through Congress have also failed. Strong Administration support is needed to promote this legislation.

Enact Budget Reduction Legislation (Multi-Agency)

The 1976 Budget proposed legislation to reduce budget outlays by 13.5 billion in FY 1975 and FY 1976. Necessary legislation has been submitted, but much of this legislation is not moving in Congress (e.g., Social Security Cost Control Act).



Got worked or provide

Only \$116 million out of a total of \$738 million in proposed recissions proposed in FY 1975 were achieved. We must do much better than this in FY 1976 to reach our budget goals.

You will recall that last Spring I directed that individual agency Consumer Representation plans be developed and submitted to Virginia Knauer by early October. I want to ask you to insure that these reports reach Mrs. Knauer on time. In addition, I would also like to suggest that once the plans are made available to the public, each agency hold public hearings on them, both to gain feedback on the plans and demonstrate that the Administration is serious about improving consumer representation in the Federal decision-making process, and to provide a basis for receiving consumer reaction to the plans. Jim Lynn, do you have anthing to add?

I would like to remind you all of the importance of the Bicentennial period which is now upon us and ask that each of you support your respective Federal Agency Bicentennial Task Force Member.

Specifically, I want to bring to your attention the science and technology exhibit at Cape Canaveral. The exhibit is scheduled to run for 100 days, starting in June 19%. The National Aeronautics and Space Administration has primary responsibility for development, implementation and management of the project, but at the same time support from other agencies will be necessary in terms of funds, personnel and exhibits.

I want to urge you to cooperate with NASA on this important project. Jack Marsh's office will be sending each of you more detailed information on the project, and I'm sure you will see to it that the appropriate people in your departments are instructed to lend whatever assistance is necessary and appropriate to make this project a success.

- 2. Now, let's move to the items on the Agenda. John Dunlop has to leave very shortly to attend a meeting of the Labor Management Committee, so we'll start with the grain situation. As you know, there has been considerable movement recently in this area, and I'd like to have John and Earl Butz describe the latest developments for us. John,... Earl,...
- 3. The busing situation is another area which has received a great deal of public attention in recent weeks. I'd like to have <u>Ed Levi</u> and <u>David Mathews</u> give us an up-to-date report on the situation, particularly that in Boston.

 <u>Ed,...</u> <u>David,...</u>

4. As you are all aware, the New York financial situation is again an item of high public visibility. It appears that the city is once again attempting to build up pressure for possible Federal bailout. I have asked Alan Greenspan, Jim Cannon and Jim Lynn to give us us a report on the situation. Let's start with Alan.

Jim Cannon and Jim Lynn, do you have anything you want to add?

5. In preparation for a State of the Union message, I have asked the Domestic Council to provide me with options for restructuring existing programs and to develop initiatives which recognize present budgetary constraints and the basic principles of this Administration. It is essential that we look at domestic policy from a broad point of view. I am asking the Domestic Council neither to isolate the issues, nor to isolate themselves with only a Washington perspective.

Meetings are being held among representatives of the Domestic Council, OMB, the EPB and individual Cabinet members to discuss priority issues for 1976.

The review process will include a series of Public Forums held throughout the country to obtain public input into the development of 1976 programs. The first two of these meetings have been scheduled in Denver, Colorado, on October 21, and Tampa, Florida, on October 29.

I've asked the <u>Vice President</u> to take a few minutes to describe the review process and the Public Forums in further detail. <u>Nelson</u>,

- 6. I think it would be useful for all of us to have an up-date on recent development in the economic area. I have asked Alan Greenspan to provide that for us. Alan, ...
- 7. Finally, I've asked <u>Frank Zarb</u> to give us an up-date on what is happening in the energy area. <u>Frank</u>,...

Attendees Cabinet Meeting September 17, 1975

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 Commerce, Rogers C. B. Morton

The Secretary of Labor, John T. Dunlop (Note: Secretary Dunlop will be able to stay only for the first 45 minutes of the meeting due to a meeting of the Labor-Management Committe - Under Secretary Robert Aders will serve as his alternate for the rest of the meeting)

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

(Note: Secretary of State Kissinger is out of the city and State Department has not been able to provide a representative to attend on his behalf)

The Deputy Secretary of the Treasury, Stephen Gardner (for Secretary Simon, who has another commitment)

The Under Secretary of Labor, Robert O. Aders (for the portion of the meeting Secretary Dunlop will be unable to attend)

The Counsel to the President, Philip 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 U. S. Representative to the United Nations, Daniel Patrick Moynihan

The Assistant to the President, Donald Rumsfeld ___

White House/Executive Office:

William Baroody, Assistant to the President for Public Laison

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

Agencies:

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

Other:

Mary Louise Smith, Chairman, Republican National Committee