

**The original documents are located in Box C20, folder “Presidential Handwriting, 5/9/1975 (2)” of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.**

### **Copyright Notice**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

THE WHITE HOUSE  
WASHINGTON

May 9, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE VICE PRESIDENT

SUBJECT: Domestic Council Meeting


Your memorandum to the President of April 30 on the above subject has been reviewed and the following notation was made:

-- Arrange meeting week of  
May 12th -- later part. I would  
think 60 to 90 minutes.

It should include a review of where  
studies are as well as those to be  
undertaken.

Please follow-up with the appropriate action.

Thank you.

  
Jerry H. Jones  
Staff Secretary

cc: Don Rumsfeld  
Warren Rustand  
Jim Cannon

THE WHITE HOUSE  
WASHINGTON

Vice President

---

Arrange meeting week  
of May 12<sup>th</sup> - later part.  
I would think 60 to 90

minutes.

It should include a  
review of whose studies are as  
well as those to be undertaken.



THE VICE PRESIDENT  
WASHINGTON

April 30, 1975

ACTION

MEMORANDUM FOR: THE PRESIDENT  
FROM: THE VICE PRESIDENT  
SUBJECT: Domestic Council Meeting

I. BACKGROUND

1. On February 27, with your approval, I invited the members of the Domestic Council to prepare estimates of our national domestic needs and major policy problems. I have reviewed their replies and enclose them in digest form at TAB A.

2. In the course of reading these replies, I was struck by about a dozen needs and problems which, in differing language and with varying emphasis, Domestic Council members seem to agree upon.

3. At TAB B, I have related these estimates of needs and problems to a conceptual framework that perhaps might be useful to you in shaping the goals and directing the course of our Nation. This conceptual framework has four aspects:

- I - Our Strength and Vitality as a Nation in an Interdependent World of Accelerating Change
- II - The Strength of Our Free Enterprise System and the Impact on It of Government Regulation and Intervention
- III - The Structure and Function of Our Federal System as the Framework for Individual Freedom and National Purpose
- IV - The Quality of Our National Life for Individuals and for Society

4. I suggest that, after you have reviewed these estimates of national needs and policy problems, you may want to convene a meeting of the Domestic Council in order to identify and select those topics which merit in-depth study and analysis by Domestic Council review groups.

The results of these analyses could provide the keystones of Administration strategy for the next 20 months.

## II. RECOMMENDATION

That you call a meeting of the Domestic Council for \_\_\_\_\_  
at \_\_\_\_\_ in order to:

- a. Select policy issues for further study;
- b. Establish appropriate Domestic Council review groups.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

### Attachments:

TAB A - Digests of Department and Agency Estimates of  
Major National Needs and Policy Problems

TAB B - Conceptual Framework and Summary Inventory of  
Major National Needs and Policy Problems



DIGESTS OF ESTIMATES OF  
MAJOR NATIONAL NEEDS AND POLICY PROBLEMS  
AS MADE BY:

ACTION AGENCY

DEPARTMENT OF AGRICULTURE

DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

COUNCIL ON ENVIRONMENTAL QUALITY

ECONOMIC POLICY BOARD

ENERGY RESOURCES COUNCIL

ENVIRONMENTAL PROTECTION AGENCY

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

DEPARTMENT OF THE INTERIOR

DEPARTMENT OF JUSTICE

DEPARTMENT OF LABOR

DEPARTMENT OF TRANSPORTATION

DEPARTMENT OF THE TREASURY

VETERANS ADMINISTRATION

## ACTION AGENCY

- I. Design programs in special motivational categories for community placement of full-time volunteers, supported by federal manpower money, superior to any other public manpower programs.

### Examples

1. Seek expanded funding for PLS (Program for Local Service) and FGP (Foster Grandparents);
2. Seek expanded funds for "career assistance" to locally recruited low-income VISTA volunteers;
3. Ask for the amendment of basic legislation so as to obtain community contributions to programs costs, and to allow communities to tap revenue sharing monies for that purpose.



## DEPARTMENT OF AGRICULTURE

- I. Agricultural Production and Farm Income
  1. Decontrol production
  2. Provide income safeguards sufficient for investment incentives
  3. Assume adequate availability of fuel, fertilizers etc.
- II. Food Assistance for Welfare Purposes
  1. Redefine poverty more rationally, realistically and comprehensively
  2. Design a comprehensive national welfare strategy
  3. Better coordinate the many federal welfare assistance programs
  4. Reform USDA food-assistance programs and make them more cost-effective
  5. Get better data on the nature and extent of poverty-caused hunger and malnutrition in the U.S.
- III. An Efficient and Responsive Agricultural Marketing System
  1. Eliminate unproductive and inhibiting regulatory policies and procedures
  2. Create a competitive economic climate favorable to efficiency-increasing technological and institutional change
- IV. Land Use Policy and Planning
  1. Better coordinate federal, state and local efforts for wiser land use planning
  2. Achieve reasonable cost-benefit-risk trade-offs of environmental protection regulations related to land-use

DEPARTMENT OF COMMERCE

1. Revitalize the economy by enhancing the climate for private investment
2. Protect and stimulate the free market
3. Achieve balance between environmental and economic needs
4. Arrest the growth of government
5. Initiate an ocean policy study
6. Formulate statement on national tourism policy
7. Review institutional framework for science policy formulation and coordination within the Executive Branch
8. Improve capability to anticipate climate changes and their impact on food production
9. Produce statistical data illuminating emerging domestic problems in more detail

## COUNCIL OF ECONOMIC ADVISERS

### I. Stability and Economic Growth

1. Demand Management - Stimulate economic recovery without relapsing into inflation.
2. Expenditures policy - establish firm priorities to govern allocation of tax revenues, "both between the various expenditure programs and between outlays and future tax reductions."
3. Tax policy - Consider indexing income tax deductions and brackets, "so that in real terms the income tax an individual pays is invariant with the rate of inflation."
4. Regulatory reform.
5. Long-term growth - more systematic policy formulation.
6. Restoration of business investment to a more adequate level.

### II. Natural Resources

1. Examine and improve benefit-cost ratios for major environmental regulations.
2. Improve incentives to polluters to make changes in production and consumption techniques that would reduce pollution.
3. Deregulate natural gas.
4. Create adequate emergency petroleum supplies.
5. Coordinate energy policy and policy announcements.

### III. Human Resources

1. Income transfers:
  - Negative income tax;
  - Single-agency, simplified-eligibility welfare delivery systems.
2. Food stamps - modifications to make more efficient and equitable.
3. Health care - re-think national health care policies.
4. Unemployment insurance - reform.
5. Social security - refinancing.
6. Child care - reform.

### IV. Agriculture

1. Decontrol, while maintaining investment incentives;
2. Agricultural research.

## COUNCIL ON ENVIRONMENTAL QUALITY

1. Environmentally acceptable development of domestic energy supplies.
2. Create a comprehensive regulatory structure to protect health from the effects of chemicals in the environment.
3. Improve land-use patterns to forestall economically and environmentally costly pollution.
4. Materials and energy conservation through resource recovery.
5. Adequately funded, efficient and environmentally protective public lands management.
6. Expanded ecological research for pollution control and resource management.

## ECONOMIC POLICY BOARD

1. Adequate capital formation to meet future requirements.
2. Re-examination (with a view towards reducing):
  - the size of the public sector of the economy;
  - the amount and type of government regulation of the private sector;
  - the role and dimension of economic planning.
3. Assessment of the economic consequences of a declining birth-rate and an aging population.
4. International economic inter-dependence.
5. Responding to critical scarcities.

## ENERGY RESOURCES COUNCIL

1. Reduce national vulnerability through the reduction of petroleum imports.
2. Restrain energy demand and eliminate waste.
3. Increase energy supplies through exploitation and technological development.

## ENVIRONMENTAL PROTECTION AGENCY

1. Development of a national land-use policy.
2. Reassessment of federal-state relations in light of the shift from categorical to block-grants.
3. Development of a coordinated urban transportation policy.
4. A more precise definition of the federal role in energy conservation programs.
5. Establishment of policy regarding the development of western energy resources.
6. Establishment of policy regarding the development of the outer continental shelf oil and gas reserves.
- 7.- Establishment of policy regarding nuclear energy development.



DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

1. Provide adequate income security through welfare reform and the resolution of Social Security financing.
2. Achieve equal access to human development activities, especially a comprehensive health insurance policy and a strategy for dealing with disability.
3. Achieve a more coherent and better coordinated delivery system for human services.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

1. Provide a realistic home ownership option for the majority of Americans.
2. House lower-income families.
3. Protect the consuming public.
4. Encourage and assist community development.

DEPARTMENT OF THE INTERIOR

1. Initiatives for energy independence
  - a. Discourage consumption and imports through price supports;
  - b. Conservation;
  - c. Increase energy supply from secure domestic sources.
2. Increase federal aid to the states for acquisition, development and operation of parks.
3. Create greater opportunities for self-determination for Indians.
4. Create a Department of Energy and Natural Resources.
5. Strengthen land-use planning procedures and institutions at the state level.

## DEPARTMENT OF JUSTICE

- I. A National Anti-Crime Program:
  - a. Reform of the Federal Criminal Code
  - b. Career Criminal Program
  - c. White collar crime and official corruption
  - d. Handgun control
  - e. Federal assistance to state and local criminal justice systems
  - f. Drug enforcement
  
- II. Minority Rights - Major Issues:
  - a. Extension of the Voting Rights Act of 1965
  - b. Cross-district busing
  - c. Retroactive seniority for minority employees
  - d. Indian rights
  
- III. The Right of Privacy - Major Issues:
  - a. Restriction on dissemination of criminal justice information
  - b. Development of standards to guide the acquisition, retention and dissemination of information by the F.B.I.
  
- IV. Major Economic Issues:
  - a. Foreign investment in the United States
  - b. Deregulation of surface and air transportation
  - c. Federal repeal of state fair-trade laws
  - d. No-fault insurance
  - e. Illegal aliens

## DEPARTMENT OF LABOR

1. Better economic data and analyses.
2. Adjustment of unemployment insurance and manpower services to better meet the special problems of specific groups, areas and industries.
3. Welfare reform.
4. Ways of coping with the increasing number of illegal immigrants.
5. Vocational training and job placement.
6. Public sector collective bargaining.
7. Improved farm labor relations and farm labor standards.
8. How to deal with newly discovered occupational health and safety standards.
9. Workers' compensation reform.
10. Social security and private pensions: financing of increased costs and fairer sharing of private pensions subsidies.
11. Equal employment opportunities - evaluation of the effectiveness of present programs.

## DEPARTMENT OF TRANSPORTATION

1. Revitalization of the railroad industry.
2. Effecting sound trade-offs among safety, economic, energy and environmental objectives in automobiles.
3. Modernizing economic regulation in transportation.
4. Promoting effectiveness in urban transportation.
5. Supporting no-fault automobile insurance.

DEPARTMENT OF THE TREASURY

1. Fiscal and monetary stability.
2. Encouragement of capital investment.
3. Achievement of energy independence.
4. Increased productivity through investment and regulatory reform.
5. Fulfilling society's welfare goals in reducing poverty and social problems.
6. Rehabilitation of Inter-governmental Relations.

## VETERANS ADMINISTRATION

1. Preparation of the veterans' health care system for the advent of national health insurance.
2. Evaluation of the impact of the \$36,000 salary ceiling on the VA medical program.
3. Evaluation of the impact on VA workload of the economic downturn.
4. Training disadvantaged veterans.
5. Job placement of the disabled.
6. Timely payment of veterans' benefits.
7. The impact of automation on veterans compensation, pension and education programs.
8. Better coordination of VA and other Federal, State and local programs, as they affect veterans.
9. Termination of Vietnam-era veterans benefits.
10. Expansion of the national cemeteries.
11. Provisions for addressing problems of morale and hostility to the Agency.



**B**

CONCEPTUAL FRAMEWORK AND SUMMARY INVENTORY OF MAJOR NATIONAL NEEDS  
AND POLICY PROBLEMS

## A. A CONCEPTUAL FRAMEWORK

A number of common themes emerge from the digests of Department and Agency reports in the preceding section. These themes reflect the central elements of a conceptual framework for our concerns as individuals and as a Nation. These central elements are:

### I. Our Strength and Vitality as a Nation in an Inter-dependent World of Accelerating Change

- The foundations of our national strength and vitality are unmistakable; they are:

- our unity of purpose;

- our over-riding concern for the individual as the ultimate source of political power and the ultimate purpose for the existence of national policy;

- our fidelity to the ethical principles of freedom and democracy.

- It is these foundations which determine:

- our ability to meet the needs of our people at home and to fulfill our international responsibilities as the leading free nation in the world;

- the strength of our economy;

- the way in which our economy and the structure and functioning of our government are interrelated;

- the methods by which the working-out of this inter-relationship accomplishes the objectives of our national economic and social policies.

### II. The Strength of Our Free Enterprise System and the Impact on It of Government Regulation and Intervention

- Our free enterprise economy is responsible directly and indirectly for generating 85% of the tax revenues that sustain the cost of government. Our free enterprise economy is thus the engine of our political and social system.

- To maintain itself, our free enterprise economy requires adequate capital for investment, sufficient supplies of energy and raw materials, a secure and reliable transportation network, and, above all, a framework of laws within which our economy can operate and make commitments for the future with some certainty;

- This framework of laws reflects our dedication to liberty, equality and freedom of choice. This framework is the ultimate manifestation of our concern for the quality of our society and our environment;

- The danger lies in the transformation of a nation governed by clear, reasonable and equitably enforced laws into a society ruled by proliferating, constantly changing, individually interpreted and often arbitrarily enforced regulations;

- This evolution from a government of laws to government by regulations will inevitably:

- Accelerate the centralization of power, weaken State and local government as central components of our federal system, and ultimately transform government into society's master rather than its servant;

- Stifle individual creativity, energy and initiative, leading to the destruction of our free-enterprise economy and to a loss of self-confidence and self-respect;

- Erode and ultimately destroy the two fundamental ingredients of liberty:

- freedom of choice;

- the belief that there is a reasonable chance that one's choice will make some difference.

### III. The Structure and Function of the Federal System as the Framework for Individual Freedom and National Purpose

- The genius of our federal system lies in:

- its separation of powers between the Executive, Legislative and Judicial branches of government; and

- its division of powers between the Federal, State and local levels of government;

- This double allocation of powers is an important guarantee of individualism and diversity within a framework of national unity;

- This American combination of unity and diversity is unique; it provides for the maximum freedom and opportunity for individual creativity, energy and initiative;

- These qualities of individual freedom within a framework of laws, sustained and nourished by our federal system, are the dynamic force behind our economic strength and the unparalleled prosperity of our free enterprise system.

#### IV. The Quality of Our National Life for Individuals and for Society

- Our social system rests on the assumption that government will do only those things for people which they cannot do for themselves;

- The danger is that too much government intervention and too many social programs will, because of their costs, depress the dynamism of our free-enterprise economy;

- This vast inventory of attempted short-term solutions to our social problems, concocted in an atmosphere of continuing emergency, without sufficient concern for their long-term implications for our federal system and free enterprise economy, will lead to the breakdown of our society as we know it.

B. WITHIN THIS CONCEPTUAL FRAMEWORK, A SUMMARY OF MAJOR NATIONAL NEEDS AND POLICY PROBLEMS

1. The conceptual framework just outlined provides a reference point for evaluating the estimates of national domestic needs and major policy problems which the Departments and Agencies have furnished and which have been prepared in digest form at TAB A, above.

2. What follows is a summary of those estimates of needs and problems within the terms of the conceptual framework just presented.

3. The result is an organized inventory of policy objectives and options which could merit in-depth study and analysis by Domestic Council review groups.

I. Our Strength and Vitality as a Nation in an Interdependent World of Accelerating Change

- To make America's bicentennial:

- A time for celebration of the magnificent achievements of two hundred years of social and economic history;

- A time for inspiration and rededication to the spirit and ideals which are the foundation of our Nation and our democracy;

- A time for gathering together:

- Our citizens, joining one another throughout the Nation in ceremonies of reunion and renewal;

- Our thoughts, of what we as a people have accomplished and of what tasks remain as yet undone;

- Our hopes, for strength in the face of a future fraught with grave dangers as well as astounding opportunities;

- Our determination

- Not to rest upon what we have done;

- Not to shrink before what lies ahead;

- But, with courage, intelligence and compassion, to advance as a people blessed in freedom.

- In planning our bicentennial:

- to capture, in word and in event, the essence of America's past;

- to set forth anew, perhaps in a modern version of the Federalist Papers or some similar document, our goals for the future and the course we shall set to achieve them.

## II. The Strength of Our Free Enterprise System and the Impact on It of Government Regulation and Intervention

In general, to determine the best method of ensuring that America's economic strength will be able to provide the level of quality of life for individuals and for society that we as Americans desire.

In particular, in the areas of

### 1. Capital Formation:

- To ensure the formation of sufficient capital to increase productivity and to meet present and future needs;

- To recognize and meet the need to divert a larger percentage of the Gross National Product to capital formation.

### 2. Coordinated Energy and Resource Policy:

- To formulate a coherent and coordinated energy and resources policy that is consistent with sound economic and ecological objectives;

- To consider and coordinate all of the regulatory issues involved in any proposed energy and energy-related projects, with special attention to their impact on entrepreneurial initiative;

- To consider the appropriate organization for achieving energy and resources goals.

### 3. The Economic Impact of Regulation:

- To design procedures and mechanisms for balancing environmental and other regulations with their social and economic costs, especially in terms of their possible negative social impact on individual and entrepreneurial initiative and creativity;

- To thoroughly analyze the impact of present Federal environmental programs, and, if warranted, to formulate a series of policy options for restructuring existing policies and procedures in specific respects.



4. Reducing the Impediments and Uncertainties of Conflicting, Changing and Overlapping Regulations:

- To simplify and clarify government regulations, thus reducing their inhibiting effect on the operation of our free market economy, by thoroughly reviewing and, when necessary, streamlining direct and indirect government regulatory policies;

- To consider the replacement of regulations by a system of rewards and incentives in appropriate industries and other economic activities.

5. Agricultural Decontrol with Income Safeguards:

- To decontrol agricultural production while providing income safeguards and other investment incentives;

- Thereby developing and maintaining an economic climate favorable to:

- Technological and institutional improvements;

- Assurance of adequate fuel and fertilizer supplies.

6. Transportation:

- To develop a coordinated and integrated overall passenger and freight policy in the following aspects:

- Auto

- Bus

- Truck

- Rail

- Air

- Sea

7. Income-Tax Indexing:

- To review the desirability of indexing income tax deductions and brackets so that, in real terms, the income tax an individual pays does not vary with the rate of inflation.

III. The Structure and Function of Our Federal System as the Framework for Individual Freedom and National Purpose

1. The Intrusiveness of the Federal Government:

- To examine ways to reduce the impingement of the Federal government on;
  - the management and operation of State and local government;
  - public and private entrepreneurial activity.

2. New Mechanisms for Government:

- To examine new frameworks for entrepreneurial activity, designed to accomplish broad objectives in the public and private sectors by combining maximum autonomy, initiative and creativity within a framework of law and policy guidance.

3. The Relationship of Federal, State and Local Government:

- To re-determine the allocation of responsibility and authority for certain functions of government, and the removal of overlapping and redundant authority and responsibility;
- To assess the impact of the reduction of categorical in favor of block grants;
- To develop coordinated policies and procedures for land-use planning and land-use management.

IV. The Quality of Our National Life for Individuals and for Society

1. Social and Economic Assistance:

- To develop a set of positive administrative and legislative policies and procedures to improve, consolidate and rationalize:

a. Alternatives for health financing and delivery;  
b. Alternatives for restructuring or replacement of Federal programs of income assistance, including:

(1) AFDC (Assistance to Families with Dependent Children);

(2) Unemployment insurance;

(3) Social Security;

(4) Food Stamps and all related nutritional programs;

(5) The new 10% "earned income credit;"

c. Possible approaches to consolidating existing categorical grant programs, including a rethinking and possible redivision of responsibilities among the Federal, State and local governments.

2. Social Indicators:

- To determine the feasibility of a periodic reporting system on selected aspects of the State of the Nation, through a series of statistical readings and interpretive comments on where we are now and where we are going as a Nation and as a society.

3. National Public Opinion and Morale:

- In conjunction, to determine the feasibility of a procedure for quickly sampling national public opinion and morale.

4. Marketability of Administration Proposals:

- To determine the feasibility of a plan for increasing the effectiveness of communication by the Administration with the public on major Administration proposals.