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THE PRESIDENT HAS SEEN....

C.F.

WASHINGTON

July 14, 1975

MEETING WITH SECRETARY OF THE INTERIOR

STANLEY K. HATHAWAY

Tuesday, July 15, 1975 2:00 p.m. (60 minutes) The Oval Office

From: James E. Connor

I. PURPOSE

To meet with Secretary Hathaway in order to discuss several broad issues of mutual concern.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. <u>Background:</u> This is your first private session with Secretary Hathaway. You previously saw him at the Cabinet Meeting on June 25th, at which time you introduced him to the other members of the Cabinet, and you were present at his swearing-in at the Department of the Interior on Friday, June 13th.

This will be the fifth in a series of meetings with your new Cabinet officers. It is intended to enable you and the Secretary to get to know one another better, and to enable each of you to indicate general policy areas and approaches you consider important.

- B. Participants: Secretary of the Interior Stanley Hathaway, Jim Cannon and James E. Connor.
- C. <u>Press Plan</u>: Announcement to the Press. Press Photo opportunity at beginning of the meeting and David Hume Kennerly photo.
- D. <u>Discussion:</u> Secretary Hathaway has suggested several items he would like to discuss with you:
 - 1. <u>Coal Production</u>. A recent Court of Appeals decision (<u>Sierra Club v. Morton</u>) has stopped Interior Department leasing of coal rights in the Northern Great Plains area until regional

Environmental Impact Statements have been prepared. The Court reached this decision, notwithstanding the fact that Interior is already doing Impact Statements on a nationwide basis and for specific sites.

Russ Peterson has promised to work closely with any Cabinet member having problems in this area. You might wish to encourage Secretary Hathaway, Peterson and Attorney General Levi to work this problem out very quickly and file whatever appeals are necessary to get this program back on track.

As a related matter, you will shortly be making a decision concerning your policy on strip mining. You may wish to ask Secretary Hathaway to take a look at this issue and make his views known to the Energy Resources Council, which is preparing a decision memorandum for you.

- 2. <u>Natural Gas</u>. There is an urgent need to develop a delivery system for Prudhoe Bay natural gas.
- U. S. domestic production declined 6% in 1974, the first significant drop since 1958. Interstate natural gas curtailments grew from 70 billion cubic feet in 1970 to 1.7 trillion cubic feet in 1974, and are expected to reach 3 TCF this coming year (a 45% increase).

Interior is doing an economic feasibility study of alternative routes for the Alaskan gas, and they are also doing the requisite environmental impact studies (along with the Federal Power Commission).

In essence, the alternatives are via pipeline through Canada or across Alaska by pipeline, and then via ships to the West Coast in liquefied form.

Once a decision is made on which route will be used, you may wish to submit legislation to expedite this project--similar to the Alaska pipeline legislation.

3. Outer Continental Shelf Leasing. The OCS development program has been slowed down considerably because of State and environmental opposition. There are bills in both Houses of Congress to provide economic assistance to the States to plan for the impact of OCS

development. Congress is also considering in this legislation, separating exploration and development.

Secretary Hathaway plans to meet with Governor Brown concerning leasing off the California coast. Currently, they have a lease sale planned for October, but there is very determined opposition from the State. Governor Brown has indicated support for OCS development, but he wants to separate exploration from development and hopes to hold off on leasing immediately, especially in the channel just off the coast (e.g., off Santa Monica).

You may wish to point out that the important thing is to keep up the momentum in the OCS development program. If legitimate and reasonable compromises can be made with California, resulting in a firm commitment to develop these lease areas in a reasonable time frame, then sensible compromises on our side might be in the national interest.

A separate subject concerns the revenue sharing issue, and you have asked for a report which is being prepared jointly by Interior and OMB.

4. Environmental Issues. The Secretary will discuss with you the possibility of new environmental initiatives in 1976, including improvement of Federal-State cooperation over land and water uses.

The fiscal '76 funding for the Land and Water Conservation Fund is \$300 million. You have declined to increase this during this fiscal year because of the projected budget deficit. You may wish to encourage Secretary Hathaway to develop some initiatives in this area and submit them through the normal budget process for fiscal year '77.

Two additional issues which you may wish to raise with the Secretary are:

5. Land Use. You reviewed this issue last Winter with the Domestic Council Committee on Land Use, which is chaired by the Secretary of the Interior. You directed that an interagency group analyze the impact of Federal actions on the development of non-Federal land. This report is being worked on by Interior, OMB, Domestic Council, and others.

It is clear that the Federal government affects land use planning and controls at all levels. Existing authorities are scattered among many single-purpose Federal programs, and there is no effective coordination or direction. Direct Federal influence stems from a range of programs, including airport and highway systems, public works, parks and recreation land acquisition, pollution regulation, as well as from less obvious sources, such as tax and credit policies.

Prior to endorsing any new legislation in this field, you have indicated that you will review the results of the interagency study of existing authority.

In the meantime, you have concluded that your 'ho new spending program' policy precludes Administration support of the land use bill currently being considered by Congress.

6. Predator Control. You have asked Jim Cannon to pull together all the facts concerning this complex issue, and you had a meeting on this subject on Friday, July 11th. You may wish to ask Secretary Hathaway to give you his views on this subject directly because he was involved with the issue as Governor of Wyoming. You should be aware, however, of the fact that at his confirmation hearings Secretary Hathaway stated that he would not become personally involved in a reassessment of the Department's position on predator control and has designated the Department's responsibility on this issue to the Solicitor's Office.

III. TALKING POINTS

- 1. Stan, I've had a meeting with each of my new Cabinet officers to discuss broad policy questions. I'd like to get your views and to give you my own.
- 2. I understand there are several areas you would like to discuss. Let's start with them.
- 3. Stan, I know you have heard a lot about land use planning. I have been concerned with some of the bills that have been introduced in this field. They extend the Federal Government's role much farther than I think is necessary or desirable. Thus far, we have rejected these bills on the basis of our

"no new spending programs," but I think philosophically we have got to be very careful about what kinds of rules we are carving out for the Federal Government. I hope you will pay close attention to this area.

- 4. As you know, I have been concerned recently with the coyote problem in the West. Jim Cannon has pulled some material together for me on this, and we had a meeting last Friday, July 11th, at which Mr. Lindgren of your Solicitor's office was present. While I understand you have delegated the responsibility for the Department on this issue to the Solicitor's Office, I would like to get your own views as a 'Westerner' on the problem.
- 5. I want you to know that you will have access to me whenever you need it. I've asked Jim Connor to meet with you regularly. If you need quick answers or want to see me, let him know.