

DIARY OF WHITE HOUSE LEADERSHIP
MEETINGS -- 91st CONGRESS

March 18, 1970

The Leadership met this morning in the theatre in the west wing while work is in progress in the Cabinet Room. The principal agenda item was inflation and the message the President expects to deliver to the Congress today on construction. RMN is acutely aware that 3 times during the Eisenhower years -- 1954, 1958 and 1960 -- downturns in the economy began early but effects were felt primarily in the fall preceding the election. He warned that too much talk about the possibility of a recession helps to create the atmosphere which brings it on. In the months of March, April and May, there will be little change in the Index figures, but in the summer months and following through the fall months, the nation can expect a gradual but significant upturn. He introduced McCracken, who used a series of charts to illustrate his lecture. The charts showed some stagnation of retail sales in 1969 but increasing personal incomes in every quarter of 1969. At the same time, so-called "consumer sentiment" deteriorated. The index of industrial production fell back. Labor market conditions softened. In October of 1969 the unemployment rate was 3.8%. Today it is 4.2%. Investments in plant and equipment projections remain strong. The ratio of inventories to sales is low enough and stable enough to be reassuring. We are now going through an uncomfortable interlude of economic readjustment. There is always a substantial lag time before monetary controls or tax changes take effect and become visible in the economy. We should begin now planning for an increase in the money supply of about 5% so that its full effects can be felt by late summer.

Shultz discussed the construction message. Mayo said that the President will announce that the September 4 slow-down



in state projects will be suspended and federal funds will be made available again for federally-aided projects. This will be a \$1.2 billion federal impact and \$300 million state and local impact for a total impact of \$1.5 billion.

RMN said that the Federal Reserve Board by its delay has been the culprit in the 3 recessions he mentioned. This time, he expects the Board to move promptly.

Mayo explained the "immediate shot in the arm" to the housing industry. This will include \$250 million for the Federal Home Loan Bank to subsidize interest rates on advances to savings and loan associations to stimulate new housing starts; \$25 million for rental housing; and \$25 million for the Rent Subsidy Program; totaling \$300 million to be requested in the Supplemental Appropriations bill.

RMN said that the housing industry is in 3 parts -- 1/3 residential, 1/3 public buildings and 1/3 industrial. The total program has an immediate effect upon the whole industry.

Scott gave a Senate report. He predicted a possible filibuster on Carswell to carry the vote beyond Easter.

Ford gave the House report. The welfare bill will not be debated until after the Easter recess. The same is probably true of the Voting Rights Conference Report. On the latter, there may be a motion to instruct conferees to accept the Senate amendment on 18 year-old voting, and the delay is designed to afford time to build public pressure.

Ford said that he hoped the Interstate and Foreign Commerce Committee would be able to conclude hearings on the railroad strike crisis well in advance of the April 7 deadline. If the Democrats attempt another bill like the last, Republicans should make a dedicated fight for the President's proposal.



The President asked Ehrlichman to explain the possible new legislation on the bombing crisis and bombing threats now prevalent in Maryland, the District of Columbia, New York and elsewhere. Ehrlichman said that legislation should be primarily preventive but should supplement the efforts of small communities unable to handle the problem themselves. He suggested 3 jurisdictional bases, viz, movement of explosives in interstate commerce, bombing of business establishments engaged in interstate commerce, and bombing of federal buildings.

RMN stressed the importance of a Leadership announcement that such legislation is in the process of being drafted by the Justice Department.

We adjourned at 10:40 a. m.

RICHARD H. POFF



K. Send to Ford via Hartman

FOR IMMEDIATE RELEASE

MARCH 17, 1970

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE
PRESS CONFERENCE
OF
SENATOR HUGH SCOTT
AND
CONGRESSMAN GERALD R. FORD
THE ROOSEVELT ROOM

AT 11:03 A.M. EST.

SENATOR SCOTT: Ladies and Gentlemen: This morning one of the Treasury Buildings was evacuated because of a bomb threat. The President is reviewing and giving careful consideration to recommendations with regard to the possible need for Federal legislation to meet the spate of bombings across the country.

The areas, of course, where the Federal Government is concerned, have yet to be worked out, but it could, of course, include Federal buildings, Interstate Commerce, where offices in private buildings are occupied by firms engaged in interstate commerce, and possibly the protection of Federal officials, the protection of vehicles and transportation of explosives across State lines.

So I think you can expect a message or suggested legislation somewhat later on that, in the near future.

CONGRESSMAN FORD: A major part of the meeting this morning involved comments by Dr. McCracken as to the situation as far as the economy is concerned, and that led to a message which will be sent to the Hill today, which is entitled, "A Statement by the President on Combating Construction Inflation and Meeting Future Construction Needs."

This message will point out the things that the President thinks have to be done in the area of vocational education, job training for construction workers.

There was discussion about the state of the economy. It was the consensus of those there, following the report by Dr. McCracken, that the state of the economy was good. The President reaffirmed what he has stated before, that this Administration will be an activist Administration in meeting any problems that might develop in the economy.

We were encouraged by the various reports indicating that the inflationary problems were cooling. At the same time, there was no serious problem developing in the field of unemployment.

The President, in the message, as you will find, is releasing the directive that was put into effect, I think, in September of 1969, the limitation that involved Federally assisted construction programs with State and local Governments. That limitation will be lifted.



MORE

It will have an impact on the construction industry across the country. It will have, however, no serious adverse impact on the budgetary expenditures as far as the Federal Government is concerned for this fiscal year, or for next.

As a matter of fact, this action by the President to release the limitation is a part of the program or plan that has been worked out to meet any inflationary problems or any unemployment problems that might develop.

In addition, the President wrote Senator Scott and myself, as well as the Democratic Leaders, yesterday, indicating that he was recommending legislation that would make available \$250 million for the savings and loans. If that legislation is authorized and funded, it means that some \$6 billion or more would be released for the housing industry and in addition, the President is requesting the Congress to add \$50 million in Federal funding for Sections 235 and 236 in the housing legislation.

All of these steps are taken as a part of a well considered plan to, on the one hand be careful about the problems of inflation, and at the same time, meet any problems related to the future of the economy.

SENATOR SCOTT: Let me add one thing. The President's request for consideration of Federal legislation on bombing was made to his department heads on Friday last.

On the matter of the removal of the freeze on Federally assisted construction, that amounts to \$1.2 billion, and also it releases \$300 million by the States who will be encouraged to do that. Then, other States, hopefully, as the bond market improves, will be able to release money which has been backed up.

New York State, for example, has \$900 million in projects backed up waiting for a favorable bond market.

Q Does the release of this money indicate a fear that the inflation has peaked and you want now to avoid a recession by pumping money back into the economy?

CONGRESSMAN FORD: I think the release of the money is aimed at making certain that the construction industry, both broad construction as well as the housing industry.-- they have suffered the most in the last six to twelve months -- and this action is aimed at trying to remedy the problems in that particular area.

As I understand it, the construction industry is about \$100 billion a year, a third of it in housing, a third of it in State and local and Federal projects, and another third in industry. In order to try and equalize the situation for this particular industry, these actions are being taken.

Q But I am speaking of timing now. Why are you doing it now?

CONGRESSMAN FORD: Because these industries have suffered the most in the last six or twelve months, and this is an effort to give them an opportunity to get moving in the economy as a whole.



Q I think following Peter's point, that late last Summer when these restrictions were put on, for the purpose of having to deal with inflation, and now the restrictions are being taken off, what has changed in that intervening time to change the President's decision about what should be done?

CONGRESSMAN FORD: I think there is a feeling that the problems of inflation have been defeated, and that now we have to try and equalize the development of the economy in the months ahead.

As I said at the outset, the President's message is a rather broad one. It not only provides for the actions that I have indicated in the Federally assisted construction programs, but points out the expansion of training programs, vocational education, manpower training.

I might add, one of the points made in the message, and I understand that Secretary Shultz will emphasize this later, is that the President speaks out about the need to upgrade in the minds of the American people, the craftsmen and skilled workers who are in some of these trades, who have not been adequately recognized in the past.

On Page Four of the message, the President speaks very emphatically about a need to restore pride in a craft and to promote the dignity of skilled labor. I think we have to do something in this area to bring in people who will create a bigger labor market in these particular trades.

MORE



Q Were there any apprehensions expressed this morning about the possibility of a recession?

CONGRESSMAN FORD: None whatsoever. As a matter of fact, the President was very affirmative in his belief that the economy was healthy and that his Administration was going to be an activist Administration in foreseeing any problems that might develop and taking affirmative action ahead of schedule so we would not have any problems in that area of unemployment.

SENATOR SCOTT: We expect 1970 to be a good year in every way.

Q Mr. Ford, could you give us some evidence that inflation has been defeated?

CONGRESSMAN FORD: There will be a briefing by Dr. McCracken later this morning. He is far more familiar than I am with the details as to why, in his judgment, we have dampened down the inflationary problems. But I am sure he can convince you, as he did me and others, that we are on top of the problem and that we can look forward in the months ahead to a decrease in the inflationary pressures that have plagued us for the last five years.

Q Does that mean, Mr. Ford, that the danger of skidding into a recession has been averted?

CONGRESSMAN FORD: Absolutely. The danger of any recession as far as the future is concerned is nil. This Administration has affirmatively met the problems of any recession, and from now on, we are going to be building forward on a stable economy rather than on one such as we have had in the past, in the 1950s and the early part of the 1960s. I might point out, the question is always raised about unemployment and my good friend Carl Albert, last week, criticized the Administration for the 4.2 unemployment figure that was announced.

I did a little checking, and I went back to the records of the early 1960s. Let me read to you the unemployment figures for 1961, 6.7 percent; 1962, 5.5 percent unemployment; 1963, 5.7 percent unemployment; 1964, 5.2 percent. As a matter of fact, the average in those four years in the early days of the Kennedy Administration, would indicate over 5.5 percent unemployment. We think that is unacceptable, totally unacceptable. This Administration is going to maximize its effort to keep unemployment down to a minimum.

Q Mr. Ford, it sounds as if you are ready to take on Larry O'Brien in his statement Sunday that the economy would be a major issue.

CONGRESSMAN FORD: I didn't hear it. What did he say?

Q He said he thought the major issue in the 1970 elections would be the economy.

CONGRESSMAN FORD: In my judgment it is because the economy is going to be good and healthy in 1970 and it will not be an issue. The Democrats won't have anything to talk about.



SENATOR SCOTT: Larry O'Brien asked me at the Gridiron Club to lend him ten until just the next day, but he didn't say ten what. (Laughter)

We have a later report on the evacuation of one of Treasury Buildings. It is the Bureau of Engraving and Printing at 14th and C Streets.

Q That legislation you mentioned, will that deal with bombing threats as well as actual bombings?

SENATOR SCOTT: I would expect that the legislation would deal with bombings and with conspiracies to commit that act.

Q Are you satisfied with the security on the Hill?

SENATOR SCOTT: Not entirely, no. I think the security on the Hill could be improved. I would hate for us to be isolated or for anything to be done to prevent free access by constituents, but I think the whole security problem is great in the country and great in Washington, D. C.

Q You mentioned that last Friday the President asked for some report. What did he ask for, legislation to be drawn up?

SENATOR SCOTT: It is my understanding that he has asked for a review and a study to indicate whether legislation in the Federal field is necessary to deal with this spread of bombings across the country. I had mentioned some areas that might well be covered by that study.

Q When is that study suppose to get back to him?

SENATOR SCOTT: I would expect in a few days. He had hoped to have it early this week. It will be very soon.

Q Senator, do you have a head count on the Carswell vote, and can you give it to us?

SENATOR SCOTT: Senator Griffin will be taking a head count very shortly on that. There are enough votes, and more, to confirm Judge Carswell.

Q Senator, did you discuss the President's coming civil rights statement this morning?

SENATOR SCOTT: No, there was no discussion on that.

Q What do you expect to come?

SENATOR SCOTT: Well, I think we had better wait and see what that statement contains. If I am asked, I will discuss it, but at this point I have no knowledge. But I meant if I were asked at the White House, I would discuss it here, but I have no knowledge of it.

Q Did you discuss the Israeli jet decision?

SENATOR SCOTT: That was not brought up today.

THE PRESS: Thank you.



HOUSE ACTION, PERIOD MARCH 3 THROUGH MARCH 16, 1970

Tuesday, March 3, 1970

HOME PORT TRANSPORTATION

The House cleared for the President H.R.8020, to provide round-trip transportation to the home port for a member of the naval service on permanent duty aboard a ship overhauling away from home port whose dependents are residing at the home port, by agreeing to the Senate amendments thereto.

AVIATION FACILITIES EXPANSION ACT

The House disagreed to the amendments of the Senate to H.R.14465, to provide for the expansion and improvement of the Nation's airport and airway system, for the imposition of airport and airway user charges; and agreed to a conference asked by the Senate. Representatives Staggers, Friedel, Dingell, Pickle, Springer, Devine and Watson were appointed as conferees; Representatives Mills, Boggs, Watts, and Byrnes of Wisconsin were appointed as conferees for the tax provision of the Senate amendments.

LABOR - H E W APPROPRIATIONS

The House disagreed to the amendments of the Senate to H.R.15931, making appropriations for the Departments of Labor and Health, Education and Welfare, and related agencies for the fiscal year ending June 30, 1970, and agreed to a conference asked by the Senate. Representatives Flood, Natcher, Smith of Iowa, Hull, Casey, Mahon, Michel, Shriver, Reid of Illinois, and Bow were appointed as conferees.

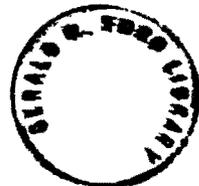
By a record vote of 228 yeas to 152 nays, the House agreed to a motion to instruct the conferees on the part of the House to agree to the Senate amendments. A motion to table the motion to instruct was rejected by a record vote of 164 yeas to 220 nays.

Subsequently, by a record vote of 324 yeas to 55 nays, the House agreed to the conference report on H.R.15931, and sent the measure to the Senate for further action.

SUSPENSIONS (THREE BILLS)

The House voted to suspend the rules and passed the following bills by voice votes:

S.2593 To exclude executive officers and managerial personnel of Western Hemisphere businesses from the numerical limitation of Western Hemisphere immigration.



H.R.4574 To provide for the admission to the United States of certain inhabitants of the Bonin Islands.

H.R.914 For the relief of Hood River County, Oregon.

Wednesday, March 4, 1970

ANIMAL QUARANTINE STATION

RULE

The House adopted H.Res.861, providing one hour of debate.

PASSAGE

By a voice vote, the House passed H.R.11832, to provide for the establishment of an international quarantine station and to permit the entry therein of animals from any other country and the subsequent movement of such animals into other parts of the United States for purposes of improving livestock breeds.

Subsequently, this passage was vacated and S.2306, a similar Senate-passed bill was passed in lieu after being amended to contain the language of the House bill as passed.

RAILWAY LABOR DISPUTE

RULE

By a voice vote, H.Res.867 was adopted, providing one hour of debate.

PASSAGE

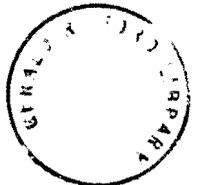
By a record vote of 343 yeas to 15 nays, the House passed H.J.Res.112, to provide for the settlement of the labor dispute between certain carriers by railroad and certain of their employees.

Subsequently, this passage was vacated and S.J.Res.180, an identical Senate-passed measure, was passed in lieu.

Thursday, March 5, 1970

WHITE HOUSE EMBASSY PROTECTION

The House cleared for the President H.R.14944, to authorize an adequate force for the protection of the Executive Mansion and foreign embassies, by agreeing by a voice vote to the Senate amendments thereto.



LIBRARY OF CONGRESS

RULE

By a record vote of 289 yeas to 62 nays, the rule, H.Res.862, was agreed to, providing for one hour of debate.

PASSAGE

By a record vote of 209 yeas to 133 nays, with one voting "present", the House passed S.2910, to authorize additional funds for the Library of Congress James Madison Memorial Building.

RECOMMIT

By a record vote of 150 yeas to 197 nays, Mr. Snyder's motion to recommit the bill to the Committee on Public Works with instructions not to report it back until all plans and designs are completed, was rejected.

RAILROAD RETIREMENT

By a voice vote, the House agreed to the conference report on H.R.13300, to amend the Railroad Retirement Act of 1937 and the Railroad Retirement Tax Act to provide for the extension of supplemental annuities and the mandatory retirement of employees, clearing the measure for the White House.

Subsequently, the House agreed to H.Con.Res.527, authorizing a change in the title of the measure.

Monday, March 9, 1970

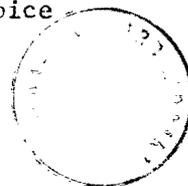
ELEMENTARY AND SECONDARY EDUCATION

The House disagreed to the amendment of the Senate to H.R.514, to extend programs of assistance for elementary and secondary education; and asked a conference with the Senate. Representatives Perkins, Green of Oregon, Thompson of New Jersey, Dent, Pucinski, Daniels, Brademas, O'Hara, Carey, Hawkins, William D. Ford, Hathaway, Mink, Meeds, Ayres, Quie, Ashbrook, Bell of California, Erlenborn, Scherle, Dellenback, Esch, Steiger of Wisconsin and Ruth were appointed as conferees.

Tuesday, March 10, 1970

STOCKPILE DISPOSALS

By unanimous consent, the various bills authorizing disposals from the national stockpile were called up, considered, and passed by voice votes.



DOMESTIC WINE

RULE

The House adopted H.Res.860 by a voice vote; this rule provided for one hour of debate.

PASSAGE

By a voice vote, the House passed H.R.14169, to remove certain restrictions against domestic wine under title I of the Agricultural Trade Development and Assistance Act of 1954.

Wednesday, March 11, 1970

MARITIME AUTHORIZATION

RULE

H.Res.873, providing for two hours of debate, was adopted by a voice vote.

PASSAGE

By a record vote of 370 yeas to 12 nays, the House passed H.R.15945, to authorize appropriations for certain maritime programs of the Department of Commerce; the House agreed to the committee amendments.

Monday, March 16, 1970

SUSPENSIONS

The House passed the following suspensions:

- H.R.15143 By a record vote of 269 yeas to 44 nays, to provide the grade of Lieutenant General for the Chief of the National Guard Bureau.
- H.R.1187 By a voice vote, to amend the Cape Cod National Seashore Act.
- H.R.14896 By a record vote of 317 yeas to 9 nays, to amend the Act establishing a program for the preservation of historic properties.
- H.R.15689 By a voice vote, to increase the authorization for the Missouri River Basin.
- H.R.15700 By a voice vote, to authorize appropriations for the saline water conversion program.
- S.743 By a voice vote, to authorize the Touchet division, Walla Walla project, Oregon-Washington.



Tuesday, March 17, 1970, and Balance of Week

- H.R.15694 Coast Guard Authorization for FY 1971 (Open Rule - one hour of debate).
- S.858 (H.R.485) Tukelake Area Durum Wheat Allotments (Open Rule - one hour of debate).
- S.952 To provide for the appointment of additional District judges (subject to a rule being granted).
- H.R.15728 To authorize the extension of certain naval vessel loans (Open Rule - one hour of debate).
- H.R.16196 District of Columbia Court Reform and Criminal Procedure Act of 1970 (subject to a rule being granted).
- H.R.15628 Foreign Military Sales Act Amendments (subject to a rule being granted).

