MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Gerald Ford
Cabinet Members

DATE AND TIME: Friday, November 15, 1974
11:00 a.m.

PLACE: The Cabinet Room
The White House

President: I would like the Department reports on the economic initiatives. You have the handout. (See charts at Tab A. Each member reports on his Department’s activities.)

President: Okay. I have asked Henry to give us a rundown on his Middle East trip and a preview of my trip. Bill, do you want to say something?

[Mr. Timmons gave a preview of the lame duck session.]

President: That’s right. We must keep the pressure on the Congress.

Kissinger: My trip was in three categories: the Soviet Union, South Asia, and then the Middle East.

The Soviet portion was a review of our relations and preparation for your meeting [in Vladivostok]. They seem ambivalent toward us and our ability to deliver. They were outraged by what Jackson did with the trade legislation. They talked to all our newsmen to try to assess the strength of the President, the opposition, and so on. They look at the restrictive amendments -- the $300 million limit on EX-IM credits -- the attacks on the defense budget, etc., and they wonder. Conversely, they have a stake in detente, and the developments in SALT are getting to the point where we can at least have a discussion. The Vladivostok meeting is important to give momentum to a good relationship and to move on SALT in particular.

As for South Asia, I went as a result of Indian importuning. I had cancelled it twice before. For their own purposes, the Indians have decided to warm up to us. It must be frustrating for the Soviet Union, after all the aid they
have poured in. It is no credit to us -- the Indians want hegemony on the subcontinent. We want to draw them away from the Soviet Union.

The Middle East. I went right after Rabat. The press writes that we lost at Rabat. In fact it was a contest between Syria and Egypt. Syria succeeded because they put forward the PLO issue, because that would make the West Bank negotiations impossible and they knew that Egypt wouldn't dare move alone. We are now at a stage of quiet diplomacy because it is a highly sensitive period. All of them have said the door to progress is not closed, and if we do it quietly and if Israel will take a cooperative approach, we are moderately hopeful. If Israel will cooperate and if Sadat keeps up his courage.

On the President's trip. First, he is going to Japan. It is important to remember how it came about. [He described the history in terms of Japanese sensitivity, etc.] That is why the President reaffirmed the trip. It produced a major impact in Japan. The Japanese make decisions by consensus so you don't go to get commitments. You create a climate by the trip which creates an atmosphere through which decisions can emerge.

Once he went to Japan and Vladivostok, he couldn't not go to Korea without raising questions about our commitment. We must reaffirm our commitment, in the interests of Japan also.

In Vladivostok, it will be a tough meeting. There will be no great announcements, but it will lay the groundwork for next summer.

President: I think it is vital that I go on this trip. I don't see the validity of counterarguments. Communications are good; the message to the Congress is okay; the legislative package is in good shape.

Kissinger: If you cancel your trip now, you could do it only on the basis of domestic considerations, which is a bad image. The Chinese know of the Vladivostok visit, and it is the only way you could visit.

President: We want a good legislative plan for 1975. I want to have two Saturday sessions -- probably at Camp David -- to get the strategy set. This coincides with our push to make the Cabinet vigorous -- so the Cabinet members must participate in the input of plans and policy.

[The conversation then turned to other matters, including the Rockefeller confirmation.]
### Department of Agriculture

#### Legislative Initiatives
- Removal of restrictions on Rice
- Peanuts
- Extra-long staple cotton
- Amendment P.L 480

#### Administrative Initiatives
- Voluntary monitoring of exports
- Review marketing orders
- Review other Department Regulations
- Fertilizer reporting system
- Voluntary effort with companies

### Department of Commerce

#### Administrative Initiative
- Industry conservation audits

### Department of Housing and Urban Development

#### Legislative Initiatives
- Conventional mortgages eligible for purchase by GNMA

#### Administrative Initiatives
- Determination of level of commitments under the conventional home mortgage program
- Joint effort with Congress to develop solutions to mortgage credit problems

### Department of the Interior

#### Legislative Initiatives
- Deepwater port facilities

#### Administrative Initiatives
- Arctic gas
- Oil leasing
- MMR number 1 and number 4
- OCS leasing
- Oil shale, Geothermal leasing
## ECONOMIC INITIATIVES AND FOLLOW-UP

### Department of Justice

**Legislative Initiatives**
- Increase penalties for antitrust violations
- Strengthen investigation powers of Antitrust Division

**Administrative Initiatives**
- Price fixing and bid rigging enforcement

### Department of Labor

**Legislative Initiatives**
- Special unemployment insurance assistance program
- Community Improvement Program

**Administrative Initiatives**
- CETA Program

### Department of Transportation

**Legislative Initiatives**
- Surface Transportation Act

**Administrative Initiatives**
- 55 MPH limit and traffic control measures

### Department of the Treasury

**Legislative Initiatives**
- Financial Institutions Act
- Elimination of withholding tax on interest & dividend income to foreigners
- Increase Federal insurance on private deposits
- Increase and restructuring of investment tax credit
- Preferred Stock Dividends
- Ways & Means Bill including windfall profits tax on oil & relief for low income families

**Surplus Administrative Initiatives**
- Request Federal and State regulatory authorities to eliminate rate schedules which encourage excessive energy consumption

### Executive Office of the President

**Office of Management and Budget**

**Legislative Initiatives**
- ERDA and the Nuclear Regulatory Commission
- Amending the Employment Act of 1946
- Establishing a National Commission on Regulatory Reform

**Administrative Initiatives**
- Require all major legislation, rules and regulations developed in the Executive Branch to include an Inflation Impact Statement

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### Legislative and Senate Conference Signatures

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### Target Date
November 15, 1974
**ECONOMIC INITIATIVES AND FOLLOW-UP**

**Office of Management and Budget**

**Administrative Initiatives**
- $300 billion spending target: Determination of budget rescissions and deferrals
- Trade Reform Act
- Council on International Economic Policy

**Legislative Initiatives**
- Council on Wage and Price Stability
  - Monitoring wage and price movements in the private sector
  - Monitoring government actions

**Other Agencies**
- Atomic Energy Commission
  - Nuclear plant licensing
- Environmental Protection Agency
  - Amendments to Clean Air Acts
- Federal Energy Administration
  - Natural gas deregulation

**Administrative Initiatives**
- Monitoring wage and price movements in the private sector
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    - Natural gas deregulation

**WIN Program**
- Organization and Preliminary Implementation
- Full Implementation

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**WIN Program**
- Organization and Preliminary Implementation
- Full Implementation
P. Keep normal like avg. avg. economic situation 1/2

Commodities, their price in concise. We should prepare capacity.

Don't expect too much effort in running; shipping, etc.

I'm in the room.

Lyon house, etc.

In another meeting, see if I can talk to them about the

(Mr. Lyon is in another meeting) 0/50, hope to have

Meeting & present of my trip,

Timma (Financial Homestead session)

P. Think about the next trip, please come to a trip

(a) My trip over 3 categories: 54, 54, 45

was a matter of some relative proportion

(e.g. price) May stem from local trend or

some ability to deliver. They were satisfied by a trial, i.e.

their willingness to buy vol. is strength of P. operation, etc.

They look at technical aspects (for other) attack on D1 budget, etc.

Cameroon, they have a stake in electricity,

in the Nigerian S3/3, the well is the point where

we can at least have some margin. What really

important topic is petroleum. I think we should

touch on it in particular

E3/3. I expect the result of the discussion.

One more, vision of the future.

We have decided to continue the oil. Must be

processed for S3 in a day. Nothing has passed.

We have transmitted, not only yesterday, but also

week there. We are about to cease.

They are from S3.

Mr. Student requests other Robert, Peters
we left at 4 a.m. but it was a foggy day. the sun was not shining and it was very cold. we could see the city of san francisco from the top of the mountain. it was a beautiful view. we are planning to go back soon.

the city is very beautiful. there are many high-rise buildings and skyscrapers. it is a very busy city. we are planning to visit some museums and art galleries.

we are excited to see the city and explore it. we are planning to stay here for a few days. we are looking forward to the trip. we are excited to see the city and explore it.
I had dinner at 1 PM. Dinner was good.

I want to have a good dinner plan for 7 PM. I want to have 2-3 dinner sessions—probably at 6 PM.

I got a surprise.

Two evenings without positive results. Cabinet majors and Cabinet members must participate in dinner if possible.

I again considered esport Kovalevka confirmation.