

THE WHITE HOUSE
WASHINGTON



MINUTES OF THE CABINET MEETING May 7, 1975
The Sequoia

The President convened the meeting at 8:22 p.m.

He introduced the Acting Secretaries of Interior and HEW, Messrs. Kent Frizzell and Stephen Kurzman, respectively.

The President then asked Jack Marsh to report on the activities to date of the 94th Congress. Mr. Marsh noted that the problems of a 2 to 1 Democratic majority and the emergence of the caucus compounded the usual difficulties of Executive/Congressional relations. These problems included the existence of a large, organized freshman Democratic class. Marsh noted that all of the above factors had had a significant impact on the leadership and on committee chairmen.

Mr. Marsh pointed out a secondary impact on the membership generally of Congress. Some members intimidate other members. He characterized the Congress as having a negative reaction to the President's program, while not being able to produce programs of its own. He further characterized it as being irresponsible in foreign and fiscal affairs. The Republicans, he noted, although their numbers are small are our Congressional base. We should not neglect that base. However, each of the Members now places a relatively high value on his own support; they want a role in policy. Marsh then turned to the subject of the veto. The purpose of the veto is not to put the Executive Branch into a negative posture. The veto should be used as a tool to modify policies, to achieve the policies of the Administration, to change policy and to develop public support. He urged the Cabinet members to step up their contacts on the Hill. Cabinet members should use various methods in order to maintain contact with the Congress. This includes using SubCabinet officers. He suggested the need to contact all members of Congress prior to the Memorial Day recess. This would include meetings with members of the SubCabinet. They should be informed they are being given a courtesy call. In discussions three points should be stressed, first, the status of departmental activities; secondly, a discussion of the President's energy program; and thirdly, the no new spending program policy. As an example, the activities in the consumer legislation area, which will be discussed later by Jim Cannon, had not been good and illustrated clearly a need for coordination to support the President's vetoes. He requested that a report be made to Max Friedersdorf's office on the extent to which Members had been contacted by Cabinet officers.



The President then asked individual members of the Cabinet to present their views.

Secretary Schlesinger indicated that he felt some moderates and liberals on the Hill were becoming more responsible, perhaps as a reaction to the Vietnam collapse. He pointed out the Senate was becoming a more responsible body than it had been in the past, and that moderates and liberals on the House side were becoming more stable. Secretary Schlesinger indicated that although some were generally incorrigible on all military matters, others were concerned only with S. E. Asia. He felt that half of the freshmen class were willing to listen and that they were beginning to understand that the world was more complicated than they realized. He noted that the cuts in the Defense budget recommended by the new budget committees are quite severe. He also indicated that in discussions of S. E. Asia it appeared the tone was changing, the repercussions were severe and they were beginning to have an effect. There is somewhat less irresponsibility on this subject.

The President commented that the Senate and House committees action on the defense budget was somewhat disappointing, but more in appearance than in substance. His conversations with three Prime Ministers (Australia, New Zealand and Great Britain) demonstrated the importance of appearances. He felt the situation was better than in January, but we cannot yet be satisfied. Our posture on the defense budget must be to oppose reductions. Our capitulation will only open the floodgates to further reductions. He will continue to insist on a strong defense budget, and he asked all Cabinet members to support him in fighting for the figures in the President's budget .

Attorney General Levi reported that the main problem he is facing is incessant demands for information. For example, requests for raw FBI files. They have resisted these demands to date. Nevertheless, requests from Kastenmeier, Kennedy and Church have come in demanding national security and foreign surveillance information. He advised other Cabinet officers to be very careful in terms of how they respond to such requests for information.

The Attorney General discussed the revision of the Federal Criminal Code. This was a chance, he argued, to reshape legislation in the criminal area. He expected to testify in a relatively short period of time on gun control, and he indicated his efforts to get the consumer advocacy bill referred to the Judiciary Committee.

The President recalled Levi's speech to the New York Bar Association laid out the relationship between personal and governmental privacy. The Cabinet Secretary will get copies of Levi's speech and distribute them to the Cabinet members.



Secretary Butz reported that the farm bill veto had become a necessity. We have to hold the budget line, he argued.

The President stressed that we need to win this vote.

Secretary Dunlop indicated that as far as the Department of Labor was concerned, most of the action was in the future. He indicated that the Congressional committees were inordinately interested in oversight activities.

Deputy Secretary of the Treasury Gardner indicated the concerns the Treasury had about capital formation. Some impact was being had on the Congress, but he saw several problems ahead. Most important was the debt limit on which action was required before June 30th. In the area of revenue sharing it appeared that prospects looked good, but that there was a tendency to begin to tinker with the mechanisms.

Tax reform was a problem, and bank regulation, but the largest single problem in the future was the need to replenish international financial institution funds. He indicated that there was considerable pressure within this Congress to allocate credit.

Secretary Coleman felt there was a problem related to an open Administration. He was pleased with his involvement in Executive Branch decisions, but he pointed out that in testimony before Senator Moss' committee he was asked to discuss the positions taken by individuals in Executive Branch discussions about no fault insurance. The Secretary also asked for some degree of freedom in the conduct of negotiations with the Congress. He pointed out the need for expediting Administration decisions on issues that would be coming before the Congress.

The President indicated he hopes to expedite the process of Administration decisions. We should be ahead of any kind of power curve when it came to Congressional decisions. Flexibility was desirable and we should attempt to do it.

Under Secretary of Commerce Tabor indicated that there was a tremendous lack of understanding about the private enterprise system in the Congress, and that the Department's major concern would be to improve understanding.

The President observed that there will be a lot of drudgery involved in getting the Congress to pass Administration programs, but it is necessary to do that drudgery; we must scrounge for every vote; we must do the work necessary to get the votes.

Kent Frizzell of the Department of the Interior talked about oversight excesses generally, of which he gave several examples, and particularly of the strip mining legislation.



Mr. Kurzman of HEW indicated serious problems with existing program rescissions. He indicated they appeared to have better luck in determining new spending programs rather than in cutting back on present programs.

The President agreed with Kurzman on the difficulty of reducing current program levels as opposed to stopping new efforts.

Ambassador Dent discussed the different role of the Special Trade Representative in his relationship to the President and the Congress.

Jim Lynn talked about the necessity of keeping up a sense of momentum. Congress, he observed, was extremely susceptible to constituent pressure. The Cabinet officers can have an impact on public opinion, and as a result when they get the opportunity the Cabinet officers ought to stress the Presidential themes and develop their own ways to present the Administration's message.

The President directed Jim Lynn to communicate to each of the Cabinet officers a report on employment cutbacks and inflation impact statements.

Alan Greenspan noted that the economic upturn may lead to a new set of Congressional spending initiatives. The Congress may push for much more rigid overall economic planning with a considerable stress on goals setting. He noted that the private sector is passive and immobile, and there is a need to confront the private sector with strong public sector debate.

Frank Zarb indicated that as far as the Congress was concerned the energy problem was a political one, not a policy one.

The President complimented Frank Zarb. He expects the Congress to fall flat by demonstrating an inability to come up with a strong program. He emphasized we must keep pushing for our program.

Russ Train commented on the difficulties with the clean air act, the process is slow, and he doubts we would be given any new flexibility to do anything about it.

The President said we know there is a problem, but nobody in the Congress has the courage to do anything about it. This is the least productive Congress he has ever seen.

The President brought up the refugee problem, and asked Secretary Schlesinger to outline the dimensions of the evacuees situation.



Secretary Schlesinger stated there were approximately 113,000 refugees, about 10,000 of which are still at sea; 63,000 are in Guam, Wake and the Phillipines, 12,000 are already assimilated. There are problems in the area of public health. TB and infectious hepatitis are serious problems. He pointed out that there had been a higher than expected flow of refugees. The foreign response to date has been uneven; the Canadians, however, have agreed to take 5000. The resistance has been diminishing re funding of refugees.

The major responsibility he argued is ours.

The President then asked Jim Cannon to comment on the Consumer Advocacy legislation situation.

Mr. Cannon indicated that the response so far has been disappointing. The Cabinet as a group has not lobbied effectively against the bill. Some of the Cabinet officers have, in fact, been very effective in their actions, but each member must take the responsibility of seeing their committees.

The President again urged that contacts be made by the Cabinet officers with the members of the Congressional committees and their staffs.

The President then discussed briefly his intention to send a crime message to the Congress. The theme of his Yale University talk, he stated, should be the basis for the message, and the emphasis ought to be on ensuring domestic tranquility. He asked the Attorney General to comment.

Attorney General Levi said that we can build on the Yale talk, and that the emphasis should be on the victims. We can be severe without being vindictive. The Attorney General also pointed out the importance of revising the Federal Criminal Code, and discussed the gun control issue, which, he noted, would require decision.

The President indicated that the Attorney General's approach in particular to the gun control question was interesting.

The President noted that although we had a tough job ahead, he was not pessimistic.

The President adjourned the meeting at 10:10 p.m.