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MEMORANDOM

THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL

MEMORANDUM OF CONVERSATION

CABINET MEETING

DATE AND TIME:	Wednesday,	December 5, 1973
	10:00 a.m.	

PLACE: The Cabinet Room

SUBJECTS: Budget and Energy

Simon gives an energy organization briefing.

<u>President:</u> I will participate heavily and regularly in these energy meetings. Especially on major decisions like rationing -- that can't be done on a knee-jerk reaction.

On short range problems we need a sense of direction. We should have small rather than large meetings. It makes decisions easier.

Now for the budget.

<u>Ash:</u> The 1975 income is estimated at \$292 billion. Projected outlays are somewhat above that. Congressional "add ons" could add \$7.5 billion.

The energy crisis we estimate will cost \$2 to 3 billion.

Controllable budget items have increased from 60 percent to 75 percent of the total since 1967. And we really control less -- because DOD, etc. have to be maintained, so we actually have only 5-10 percent discretionary items. For 1975 we estimate a \$24.7 billion increase in uncontrollables.

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