

August 14, 1974

MEMORANDUM FOR THE FILE

FROM: DICK CHENEY

This concerns a phone call I got from Dick Cook... Now with Lockheed but formerly with the Congressional staff of the White House.... on August 13, 1974 (872-5980).

Dick called to say that he had some thoughts on basically the perqs terqs of the White House staff. He feels very strongly about it and is concerned that timing is of the essence. That if action is not taken immediately to change the style of operation of the White House, it will become more and more difficult to make any progress in the months ahead.

1. Cut the White House staff. He strongly feels that the size of the White House staff is one of the most serious problems with the Nixon Presidency. He believes it has at least tripled over the last six years and that it must change. He also feels it should be flexible in terms of being able to assign people to meet specific needs as they arise. The problem is that when you beef up a shop to deal with one specific issue for a period of months, it is never there after reduced.

He gave some examples, including, for example, the Special Interest Section now headed by Baroody. He said that shop never existed in previous Administrations. When it began in the Nixon Administration, it was a two-man operation -- Colson and Cashen. He said, from the time late '69, early '70 when it was set up with two people until November '72 the height of the campaign, it went from two people to 35. He added that that does not include those people who worked for Colson that were carried on other peoples roles.

He is worried about the size of the staff because he had been hopeful that the President, when he became Vice President, would reduce what he called the "bloated Agnew staff." Instead, however, he said Mr. Ford increased the size of the Vice Presidential staff by four or five slots over and above what Agnew already had. He said that he needed to take a meat ax to the staff and he must do it fast. He absolutely cannot wait because the opportunity will pass and time will make it impossible to do later.

CARS

2. He said the current setup with respect to White House transportation for White House staffers is ridiculous. Porgal transportation should be prohibited for all but the most senior group of four or five White House aides who have a legitimate need to be driven to and from their homes. He said, furthermore, there should be a small pool of cars available to a group of staff people during the day to run to the Hill etc. but there is absolutely nothing wrong with the Washington, D.C. cab system and people ought to use it.

BARBERSHOP

3. He says having White House staffers use the White House barbershop to get their hair cut is outrageous. He questions whether this should even be a White House barber. He thinks it would be good for the President to go out of the White House from time to time on personal tasks and either go back to the Hill and get his hair cut or to go out to someplace into the city to have his hair cut. He recognizes there may be reasons why that is difficult but under no circumstances should the rest of the White House staff be catered to by having their own in house barber.

MESS

4. He said the hassle over mess privileges and access to the White House Mess did great harm to the Nixon Administration. He thinks that the number of people who have access to the Mess should be drastically reduced. He thinks you need to provide a facility in the building where people can get food but should only be the barest kind. He questions the wisdom of having both breakfast and dinner served in the White House Mess. He thinks lunch is appropriate but that having it possible for White House staffers to come in and eat breakfast lunch and dinner in the White House keeps them here longer than they need to be here and that they should be home with their families and/or having to eat the same as everyone else. He also thinks the idea of servants in the Mess to wait on the White House staff hand and foot is bad. It gives them notions of grandeur and serves to contribute to their overall arrogance.

HOURS

5. He said the biggest status symbol in the White House is the idea that you were so indispensable that you must work 18 hours a day in order to do your job. He said that it's ludicrous. He said a number of policies should be established, which firmly limit the number of hours any one individual can work. He personally thinks 12 hours is more than adequate and that if a man cannot do his work in 12 hours, there are only two possible explanations -- 1) he is incompetent or 2) he is not properly organized and does not have the right kind of support to get the work done. He said that people should have to explain to the chief of staff why they are working more than 12 hours rather than have to explain why they're working less than 18.

LEAVE

6. He said that the fortress mentalities created by the fact that people spend long hours and weekends working all the time. That over a period of months a man actually loses touch with reality. He thinks the isolation of the White House under Nixon was at least as great for the staff as it was for the President. He said that it should be a requirement that every member of the staff including the Chief of Staff himself, his National Security Advisor, etc., should be required to spend at least one three-day weekend out of the city of Washington every six weeks to two months. He said there should be absolutely no exceptions to this policy. Travel with the President does not count as time out of Washington because you travel in a tube and you are too isolated.... surrounded by the powers of the Presidency and cut off from contact with the real world.

CONCLUDING COMMENTS

He said that it is essential in his mind that these types of changes be instituted immediately in order to preserve and promote the concept of an open Presidency which Ford has so successfully begun. He believes that if the President and those around him who are new to the operation do not move immediately, they will become captives of the system. He said, for example, you have got the situation of Mess privileges. He said that unless some action is taken, you will end up adding the new people to the Mess as well as keeping the old, which only doubles the number of people who have the perks and therefore effected by the White House mentality. He said once you've been in power for a period of weeks the turf will have been established, people will know where they stand vis-a-vis the President issues a power will be at stake in terms of the prerogatives that go with the office and that if you don't

move now the Ford staff will become tainted just as rapidly as the Nixon staff did. He asked that his views be kept in confidence but he did definitely want DR to see them.

DRAFT

Following are some thoughts and ideas that came out of a session I had with Congressman Pete Biester of Pennsylvania

I. The Economy

Someway has to be found to perceive an anti-inflationary policy and reduce interest rates at the same time. Burns is wrong but no one can shake him. It is vitally important that the President develop a close working relationship with Burns and avoid at all costs any fundamental split or division.

Congress must cooperate to put across a balanced budget in order to permit and persuade Burns to reduce interest rates. In addition, to other efforts, someway has to found to improve capital markets. Vetos of the budget busting bills would be a mistake at the start. The President's power must come from public enthusiasm for him and public reluctance to see anymore confrontation. He should not be seen as jeopardizing the feeling and the mood or permit the public to see him as the confronter at the outset. The new budget for FY'76 should be balanced. There should be no salary increases for government people for one year and this should be kept with the state and local governments pledge the same. In addition, some agreement should be worked out in advance that progress on ^ureducing the size of the federal deficit will be acceptable to him at sufficient cause to begin to reduce interest rates.

II. Style

Postpone moving into the White House for as long as possible. Ideally, don't move into the White House at all. As soon as possible schedule a one on one or a three on one television type interview or conversation in the Alexandria house, preferably sometime within the next month. Call by telephone over the course of the next couple of weeks 10, 15, or 20 generally respected editors and publishers of newspapers of 50-100,000 circulation requesting ideas. Cut down on the trap-ins in the office of the Presidency. This would include such things as doing away with ruffles and flourishes at State Dinners, more business at dinners and less emphasis on black-tie affairs. Also forget and no longer discuss publicly the fact that he was not elected by all the people. One way to look at it is that the first poll on whether or not the public agreed with the change in President's showed 79% approved -- in a sense that's the mandate that the President starts with. Have members of Congress in for Cabinet level briefings as Johnson did in 1967. Don't let Betty become a typically plastic First Lady.

III. Foreign Affairs

Let Kissinger know who is boss gently but firmly, as soon as possible. Have Giscard, Wilson, Schmidt, Tanaka here relatively soon and preferably together. Have Trudeau and the President of Mexico in together soon. Begin correspondence with selected leaders such as Mao, Bresnev, Sadat, the Shah of Iran,

Gowon Ganda, etc. Speak to the U.N. but not too soon.

Make no sudden change in foreign policy or initiatives until next year.

Then go for Detant with Cuba.

Early Options
for Ford Imprint

Personal Touches:

1. Trip to Grand Rapids (Labor Day, Veterans Day?)
2. What he does with his friends *golf*
3. Visit with top civil servants (careers, pay, etc.)
4. Regional listening sessions *(Roger Whyte?)*
(instead of campaigning)
(2-3 days in one place; TV talk show for several communities;
minimum rallies; few speeches)
5. Swimming pool/golf *(golf in S. lawn)*
6. Visit with young people (perhaps selected by the President's
children or at their schools)
7. Meeting his new neighbors in the District of Columbia
8. George Meany's birthday party, Friday, August 16
9. Meet with old Vice Presidential staff
10. August 28 luncheon with Mansfield and Murphy Committee
| (should be prepared to have something to say, but the main
| purpose is to indicate willingness to go meet the Congress.
11. Swear in a few early appointees, e.g., Greenspan, Carlson,
etc. (indicates awareness of importance of sub-Cabinet)

12. *Walks*

2nd
vs: impractical

Early Options
for Ford Imprint

in name of reconciliation.

Issues:

1. Amnesty
2. Economic policy "summit"
3. ~~Waiver of blanket executive privilege -- early or with reorganization~~
4. Cuba
5. Privacy
6. Cable -- launch major debate
7. Sharing his education on the economy and/or energy
8. Bicentennial (?)
- 9. Meet with education leaders on signing Education Bill
- 10. New imprint on consumer problems on the occasion of signing the Consumer Protection Bill
11. Non prosecution (*Stennis will help*)
12. Pension reform.

*not complete
something they can do*

Bob Taft

(Hart has amendment)

TriptoGR
intellectual (int wing league)

1. Visit with top career Civil Servants. The past Administration did not disguise its contempt and its distrust for career Civil Service. Mistaking bureaucratic and institutional behavior for hostility to the White House and to the public of principals. The majority of Civil Service supergrade employees are competent and often dedicated. They are concerned about their role in government, about the past compression due to Congress's refusal to raise executive level salaries and about orderly career development. The President should find several ways to indicate his respect for those Civil Servants who do perform an important public service. A very good way to set the initial tone would be for the President to meet with 10 or 20 such Civil Servants in the Cabinet Room for about 1/2 hour.

TIMING: Sometime in the next two weeks.

2. Regional Listening Sessions. There will be great pressures on the President to campaign for Republican candidates around the country, but this is contradictory to the necessary Presidential image of bi-partisanship and in healing and pulling the country together. Moreover, this is the first President not elected by the people. He did not campaign nationally for the office he holds. Finally, the President has returned to his office suddenly and the people have a need to see him, to touch him, to get to know the President; conversely, he needs to get out and listen and hear what they have to say. This purpose could be served by having a series of about 5-10 regional listening sessions. The President would go to a city (not necessarily the largest) representative of a region of the country, establish a working base for 1-3 days, give a few speeches with a wide variety of business and community and labor leaders, give TV and radio interviews to broadcast stations in the region for use on their home stations, etc.

TIMING: This would be spread over the next two and one-half months.

3. Luncheon with Mr. Mansfield and the Murphy Committee on organization of foreign policy. As Vice President, Mr. Ford was asked to be a witness for this Committee, and declined, but accepted Mr. Murphy's invitation to go to the Hill and have lunch with the members of the committee. As President he would not be expected to go to the Hill, but it probably would be expected that he will honor this commitment in some way. However, there are lots of reason why a President should go to the Hill for lunch to show willingness to work with the Congress and to come to them from time to time. This would greatly reduce the feeling on the Hill of the President as King, isolated President, etc., and it would put the President at a correct philosophical advantage in case he wanted to ask the Hill to come to him.

TIMING: August 28, 1974

4. Amnesty. Would be healing and a more significant practice from the posture of the past Administration with respect to the social divisions for the past 10 years with President's proposal for amnesty which were options to war(?). No one expects blanket amnesty so we are talking about some amnesty for draft evaders and some kind of leniency policy for special review and AWOL and desserters. The Veterans groups have mild-to-moderate options to the amnesty approaching and hostile to blanket amnesty. Some quick checks with labor and Conservatives on the Hill and with Vet groups would tell if the President could pull this off. The logical time and approach is his appearance at the VFW Convention that is on August 19(?).

*Least
Lubbers from
Grand Regard*

5. Economic Summit. The President has named Inflation as our nation's No. 1 problem. He has identified some as our major initiative on it. How the Summit is designed, how it is used in dealing with the Congress' new budget committies, OMB, etc., is crucial to the effective development of bi-partisans and politically saleable anti-inflation policy. As Alan Greenspan says, it is "a golden opportunity we are not likely to see again." It is, therefore, crucial that this be a success, crucial for the country and crucial for the success of a Ford Presidency. With the lack of confidence the country has had in itself and its government over the last ten years, we cannot afford to have this President fumble the ball on this crucial issue.

TIMING: Initial action by or on Labor Day.

But the Summit in successive phases might well carry through until the President's State of the Union, Economic, and Budget messages next year.

6. Education Bill Signing. This is an opportunity to relations between the Administration and the many educational lobbying organizations. The bill is an authorization bill for approximately \$500 million additional expenditures and has a moderately controversial busing proposal for the President can't(?) _____ it. We could suggest he go to HEW for its signing, addressing an audience of education officials from around the country and HEW employees, sign the bill there, and talk a bit about his approval of the principal of the bill and the high priority of education in his Administration but that when it comes to appropriations, education like everyone else will have to weigh their priorities but the country will have to weigh its wish to spend money on education or on other areas.

7. Pension Reform. This bill could be signed on Labor Day. Vesting of pensions has been an important issue. Treasury and OMB recommend veto, but for technical reasons the President probably should sign the bill. He can give a ringing statement about pension for vesting, etc., as crucial to a mobile work force and to an individual's economic freedom. The President thus could use the signing of a Nixon bill as a platform to launch a call for truly comprehensive and far reaching pension reform in the future.

8. Health Insurance. Secretary Weinberger needs clear negotiating posture in dealing with Congress and will be healer(?) bill. As the President has said, the key question is whether this bill will fight(?) on the principal of non-Federalism. He should meet with Secretary Weinberger, perhaps shortly, before or after the meeting with a non(?) or medical groups and consumers of medical care. Then make his announcement forcefully that he wants health insurance and will compromise with the Congress but he will not the aide of the Congress by the Federal Government. The Federal Government can make sure that people have available good health insurance, but the Federal Government should not dictate to them that they will have only one form of health insurance.

9. Invite King Hussein to Alexandria home for cocktails and travel with the King to the White House for the State Dinner this Friday night.

UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

August 14, 1974

WILLIAM E. KRIEGSMAN
COMMISSIONER

EYES ONLY

MEMORANDUM FOR TOM WHITEHEAD

SUBJECT: Breeder Reactor Program

Attached is a summary of the "Politics of the Breeder Reactor." I furnished this statement to Bob Hartmann and recommended that the then Vice President "stay out of the controversy over the Breeder. Public statements should be limited, for example, to praise for the effort to date ... and the promise, in general, for nuclear energy contributing to the solution of our energy problems."

Recommendation for the President

The President should call for a high level ad hoc review of the Breeder Reactor program to determine:

1. Whether the high cost of the demo plant warrants its initiation at this time?
2. Whether additional large component development work, advanced fuels studies and safety studies should precede construction of the demo plant?
3. What priorities should other breeder systems such as LWBR, GCFBR and MSBR have when compared to the LMFBR?

Rationale

This recommendation is based on the following considerations:

1. Cost estimates for the Breeder have skyrocketed.
2. Federal spending must be reduced due to current inflationary situation.
3. Serious unresolved questions remain regarding the economic need and environmental impacts of the Breeder.
4. Current contractual and management structure is not conducive to best management of a very complex program.

Enclosure

gfk

*Final Report that due shortly (breeder cost/ton)
Cost determination due soon (#7-1.8-2-3-4)
Recommen. Study
in 17, K reactor - you
V. AEC report in 104*

POLITICS OF THE BREEDER REACTOR

1. What is a breeder reactor? A breeder reactor is a nuclear reactor which over the long run produces ("breeds") more nuclear fuel than it burns up. It accomplishes this feat by capturing in natural uranium the neutrons resulting from the fission of enriched uranium or plutonium. By this process the natural uranium is converted to plutonium which can then be used as fuel. There are several varieties of breeder reactors under consideration: the Molten Salt Breeder Reactor (MSBR), the Light Water Breeder Reactor (LWBR), the Gas Cooled Fast Breeder Reactor (GCFBR) and most importantly the Liquid Metal Fast Breeder Reactor (LMFBR).
2. Why do we need a breeder reactor? An efficient breeder reactor system will not, in contrast to current reactors, require a continuing supply of enriched uranium. While we now have sufficient low cost natural uranium from which to produce enriched uranium, the supply is not inexhaustible.

Secondly, the British, French, and Russians are vigorously pursuing breeder R&D programs and, it is argued, that the United States should not relinquish its supremacy in the nuclear field by foregoing similar R&D activities.

3. What is the U.S. Government's program? While the AEC supports the MSBR, the LWBR and GCFBR, the bulk of its funds are directed toward the LMFBR program (Liquid Metal Fast Breeder Reactor). The LMFBR program consists at this time of three elements -- a base R&D program costing several hundred million dollars per year -- the construction of a test facility at Hanford, Washington, the FFTF which is currently estimated to cost \$500 million -- and a proposed demonstration plant near Oak Ridge, Tennessee, (the Clinch River Breeder Reactor) for which \$700 million has been authorized but is currently (and privately) estimated to cost in excess of \$1.8 billion. *really #2-4*

The EBR-II at Idaho Falls was one of the earliest breeder reactors and is presently used in the base program for general R&D purposes.

4. What are the problems? The breeder program is under attack on two diverse fronts. Conservative economists oppose the program because of its very high near-term costs and what seems to them to be a rather distant requirement for replacing conventional reactors with the breeder. Central to their argument is the belief that as the capital costs of a breeder reactor increase over the comparable costs of conventional reactors, the utilities

can afford to buy more expensive uranium to fuel their conventional reactors and that there is, in fact, no near-term shortage of higher cost uranium.

The breeder is under even sharper attack from the environmentalists and anti-nuclear forces who believe that breeder reactors are unsafe and environmentally hazardous. Their focal point is now related to the safeguards issue. Their argument is that the plutonium which is produced in large amounts in the breeder poses an enormous threat as a source of nuclear weapons for terrorists or irrational foreign governments. They also worry about plutonium contamination.

5. Who are the players?

- A. Chet Holifield - Holifield has clearly provided the Congressional push for the Liquid Metal Fast Breeder Program. His commitment is total (and very emotional). He believes that the LMFB program is the primary if not sole answer to the energy crisis.
- B. The President - The President at Holifield's urging first supported the program in 1971, giving it his personal endorsement and setting a 1980 date for the completion of the demonstration plant (this date cannot be met). It appears that his support was based on a sincere belief in the merits of the program as well as a desire to obtain Holifield's support for his (RN's) reorganization plans. Subsequently, the President's enthusiasm for the program has varied, although on balance he has supported it.
- C. OMB, Domestic Council staff, FEA and CEA have never shared very much enthusiasm for the program, but have not to date vigorously opposed it.
- D. The reactor manufacturers, particularly Westinghouse, vigorously support the program. They, of course, stand to gain the most from both the current Federal contracts and future sales.
- E. The utility industry has collectively pledged \$250 million to cooperate in the demonstration (Clinch River) plant. Their interest has been lukewarm, at best, and seems to be waivering even more at this moment.
- F. Within AEC support continues high among the staff. The leading proponents -- former Commissioner Ramey and R&D Director Milt Shaw -- have, however, left AEC. At the Commission level, Chairman Ray is the only vocal supporter of the program, although Commissioner Anders also supports it. Commissioners Doub and Kriegsman have supported the AEC's efforts to date, but have not been vocal supporters of the program and remain uncommitted with respect to future actions.

UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

WILLIAM E. KRIEGSMAN
COMMISSIONER

August 14, 1974

EYES ONLY

MEMORANDUM FOR TOM WHITEHEAD

SUBJECT: ERDA/NEC

The overriding concern is that we promptly separate the AEC's regulatory functions from the rest of its programs, placing the latter under a single administrator. While the present legislation would accomplish that, the bill has been thoroughly fouled up by Senate Committee action; floor action promises to make things worse.

Holifield's man called me this afternoon (for the first time in months) to say that the Senate bill will pass; that Holifield probably will not be able to resolve the differences to his satisfaction in conference this session and that OMB has not done its work in the Senate. Obviously, he wants Administration support for Holifield's version of the bill; by remaining silent we can probably doom the existing ERDA-NEC legislation.

Recommendation

That we remain silent on the ERDA/NEC legislation, knowing that silence will cause the legislation to die in the conference committee.

That we propose, early next year, legislation which will split off from AEC all non-regulatory functions and assign them to a new energy research and development organization, DOD, etc.

Rationale

While the intent of the present legislation is generally ok, it is in detail very bad.

Letting the legislation die in Conference takes the heat off the President.

This procedure would also allow us time to reexamine the whole issue and come up with a better solution (Holifield will have retired).



Background

In 1971 the Administration proposed four major reorganization measures intended to consolidate seven major departments of the Government into four Agencies, each of which aimed at one of the Nation's major goals. One of these proposals would have created a Department of Natural Resources (DNR), which would have consolidated Interior, parts of Agriculture and the Atomic Energy Commission. The Congress held hearings but took no action on the proposals.

In June 1973, in light of the energy crisis, the Administration modified its reorganization proposal for DNR, renaming it the Department of Energy and Natural Resources, and at the same time proposing an Energy Research and Development Administration to carry out the Government's energy related R&D programs. ERDA would be composed mainly of AEC (except for its regulatory programs) and parts of Interior (the Office of Coal Research). AEC's regulatory programs would be placed under a new agency to be named the Nuclear Energy Commission or the Nuclear Safety and Licensing Commission. The DNR proposal has not moved.

Current Situation

The Nixon Administration's ERDA/NEC proposal was developed by Holifield and Dixy Lee Ray. It would create an independent energy research and development administration and a separate nuclear energy regulatory commission.

The House has passed the ERDA/NEC legislation essentially as proposed by the Nixon Administration.

The Senate Government Operations Committee has reported out a bill with significant changes. Senate floor debate will begin tomorrow. Indications are that floor amendments will be unacceptable to both the House and the Administration.

The Players

Retiring Congressman Chet Holifield supports the ERDA proposal; was violently opposed to the earlier Administration idea of placing all or any part of AEC within DNR. He is probably the key Congressional interest involved, but as noted is retiring.

Senator John Pastore, Chairman of the Joint Committee on Atomic Energy, his views could have significant impact, but no one seems to know his position.

Chairman Ray strongly supports ERDA and is lobbying hard to be its Administrator.

Senator Henry Jackson would rather have a DNR composed largely of Interior so as to vest jurisdiction in his Committee on Interior and Insular Affairs. Also, Jackson has his own ideas on energy R&D priorities which are set out in a Bill (S. 1283) which has already passed the Senate. Jackson's support for ERDA/NEC is lukewarm and he appears to be using it as a bargaining chip for S. 1283.

Senator Abe Ribicoff has invested considerable time on this measure, as he did with the Consumer Protection Agency Bill. His staff has strong views on the internal organization of the proposed nuclear regulatory agency and has been influenced by the Nader organization and others holding similar views.

Issues

The Bill has one outstanding feature -- separating AEC's regulatory and other programs from one another. This should have been done long ago, and may very well balance the deficiencies.

The Nixon Administration/Holifield bill has several basic deficiencies:

1. It would create another independent agency with a strong advocacy group behind it.
2. It is heavily weighted towards nuclear research and development.
3. It is essentially independent of the resource management policy development and execution arms of the Government.

The Senate bill is an abortion and likely will be worse when floor amendments have been included.

The Federal Government with or without ERDA/NEC will still not have an effective organization for dealing with energy problems.

Viable Options

1. Endorse House Bill, but not Senate version.
2. Try to buy time for a new look at energy organizational options.
3. Remain silent.
4. Endorse DNR.
5. Merely endorse splitting off of AEC's regulatory programs.

THE WHITE HOUSE

WASHINGTON

August 20, 1974

MEMORANDUM FOR:

THE PRESIDENT

FROM:

KENNETH RUSH
L. WM. SEIDMAN

SUBJECT:

Summit Conference on Inflation

This memorandum sets out a basic plan for the summit conference on the economy.

Goals to be Achieved From the Summit Conference

Goals which should guide the planning and conduct of the Economic Summit Conference are:

1. The Summit should clarify the realities of the nation's present economic condition.
2. The Summit must seek to develop a consensus on the basic policies which should be adopted to deal with the problem of inflation. This consensus could take the form either of specific agreements adopted as conference positions or of a statement of a comprehensive Administration position.
3. Consensus on the need for fiscal restraint through control of the federal budget is the first action to be sought. Also a dialogue on monetary policy will seek agreed objectives in this area. Consensus also should emerge on the need for responsible private wage and price behavior and a national effort to increase productivity.
4. New and realistic approaches to combating inflation will be sought and explored. No attempt will be made to reach agreements on these new approaches at this time.
5. Areas of hardship needing immediate action will be determined for recommended action.

Steering Committee

A steering committee of eight people will be formed from Executive and Legislative Branches and will be designated to provide overall direction for the meeting. The Executive representation on the committee will be Messrs. Rush, Ash, Simon, and Greenspan. Mr. Seidman will act as executive director.

Format Preparation

A series of presummit conferences involving various sectors of the economy will be held. Both legislative and congressional leaders will attend and each will be chaired by a Cabinet officer (schedule attached).

Each meeting will receive an economic briefing from the CEA on current economic situation and policy. Attendees will be asked to come prepared to present and discuss their view on how to control inflation. An attempt will be made to focus on fundamentals -- fiscal and monetary policy. A part of the meeting may be public.

A special group of professional nongovernmental economists will be formed under the direction of CEA. They will meet with the President, prepare presentations for the summit conference, and attend the sector meetings.

Substantive Preparation

A very brief statement on the present economic situation and outlook and current economic policy will be developed by the Council of Economic Advisers to be issued to those participating in the Summit Conference on Inflation. To help the Administration provide leadership in framing fiscal policy as a key issue, OMB has outlined different options for achieving desired budget reductions. It has also prepared materials focussing on uncontrollable and controllable budget items, available programs for public service jobs, and the costs of additional public employment. A consensus as to monetary policy, wage and price restraint, and increased productivity will be sought in each meeting associated with the summit.

First Summit Conference

The series of meetings between the Administration, the Congress, and representatives of the private sector would culminate in a two-day

Summit conference on September 30 and October 1. It will be open to the public. This meeting, presided over by the President, would include participants from each of the groups invited to the preliminary meetings and would hopefully result in a public expression of commitment and willingness to accept the necessary sacrifices.

S C H E D U L E

Presidential Pre-Summit Meeting

1. August 20, 1974 (AM) Congressional leaders as designated by the leadership of the Congress. President outlines what he hopes to accomplish substantively through the economic summit and describes the preparatory steps to the summit. Asks for their comments and suggestions on proposed program.
2. August 26, 1974 Cabinet, CEA, and OMB meetings. President briefs the Cabinet on outcome of meeting with Congressional leaders and on the summit plans. OMB briefs on budget alternatives. CEA gives current economic situation.
3. August 28, 1974 Academic, business and labor economists. President with aid of CEA discusses the current state of the economy and possible new approaches to dealing with the problem. Request analysis and recommendations from this group for use in summit and their participation in other sector meetings.
4. September 4, 1974 Labor leaders. President and Secretary of Labor outline plans for the economic summit, discuss economic situation, seek advice from them to report at summit.

Cabinet Officer's Pre-Summit Meetings -- September 9-23

These meetings will have broad participation of leaders in various sectors as follows:

1. Business -- Dent to take overall responsibility for sub-meetings, as follows:
 - a. Housing and Constructions -- Lynn
 - b. Utilities and other regulated industries -- Brinegar
 - c. The service sector -- Dent
 - d. Manufacturing -- Dent

2. Banking and Finance -- Simon
3. Agriculture -- Butz
4. State and Local Government -- Lynn
5. Consumers and other Public Interest Groups -- Weinberger
6. Other meetings may be scheduled if considered desirable.

Detailed planning and responsibility for meetings will be with the Cabinet officer involved.

Total number of participants will vary from 25-50, depending upon subject, and will include representation from the relevant committees of Congress.

Meetings will open with brief survey by officials of the current economic situation and an explanation of existing policy.

Participants will then be invited to comment on current situation and policies and to offer new ideas.

Each meeting will produce a report of its analysis and recommendations for use at the summit.

Agenda:

For maximum results, it is important that a carefully drawn agenda be prepared for each of the departmental meetings and for the meeting with the economic leaders.

Summit -- September 30 - October 1

All participants in presummit meetings will be at the summit. However, each sector meeting will choose several of its own members, perhaps a maximum of 10, to take an active role in presenting its report and engaging in discussion at the summit. The others would participate as observers and in a question period during the meeting.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

stop dinner outsiders

"amb lyer"

freedom
previous
air bags

March Hoffman
amnesty ref: opens crack for exploitation
don't mention until ready.

early action forces RN issue - but more flex.
late action keeps decoupled.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~7. Cuba~~

Legisl allow
Under 2^d Dep.

Clements got commitment to no 2^d Dep
2^d Dep orig for Fred Buzant

Under Sec designed to give ISA level III
better party in dealing DoS

Ellsworth, former Amb Nato, deserves statue
former S bait.
Clements for it.

Better option, smoother ops etc.

Pge of negotiation ^{involves} ~~and~~ more
complex issues, better inty & coord
exec br. indirectly with
these issues

strength w/o higher #.

RE caliber of guy want to approach.

MEMORANDUM

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Priority imprint

visit w/ top civil servants
regional listening sessions
8/28 Mansfield luncheon.

- ② Tilt to Democracy
① State summit
④ HG Education bill signing. - Big 6 along.
⑤ HG Pension reform
③ Health Insur. - need clear negotiating position
see to mtg w/ doctors

4:30

Party

Comp/Sen. - go to HEW?

Business cocktails

energy area.

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ABA consid Taft Amnesty approach Bill
Section Indian Rights & Response
Support in principle.

VFW etc oppose

Am Legion - earned immunity
gen support.

House of Sen Judiciary

↓
McClure.

Kennedy Bill
1 day wings

→ HR 13001
Robinson (NY)
Koch
McClure } also
Hearings.

Sounded out judiciary
what accepted & not
McClure

Hruska
✓

VFW opp
upto 5 & lib new bill.

Tamm bill off shelf to avoid cons backlash.
Hist of courts is "patently inf."

Deserters (maybe adv bd or review bd for Mil Court
90% processed (some in jail)

Saxby (dogs)
policy

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Ford Presidency

General

1. stag dinners

phone calls in addn mtgs

cut staff size by surgery

cars: no P-P except as nec
all should have parking place &
be expected to use it.

get Bush out of cabinet & meet sep

Drop b' shop

Mess: realign priv