

(RN NOTES)

NOVEMBER 1973

Cabinet 11/6/73

P- Energy sit is reaching major proportions - we've been working on it - MCL - done a good job on strategy -

Love - some energy shortages last winter & summer -

this winter we started needing more imports than we did get & so therefore we'd have a shortfall of oil - M-E war made problem much worse -

Shortfall in range of 2-3M barrels per day vs 17M usage - 10-16% -

Shortage won't impact evenly across nation or by product.

Review of legis wishes -

repeal EPA air & water stds.

speed limits reduction

emergency restrictions

legislation

working hours etc.

energy consumption reduction

AEC - fuel licenses

ICC etc etc chg schedules -

State & Local govt

bus lanes

higher parking taxes

conservation -

- no #s on page -
- tables left to understand -

* Get me a copy of Core briefing paper.

Symbolic gestures for Fed Govt -
Daylight savings -

* Putting together a planning task force under OMB -

Legis strategy -

Jackson going to go w/o bills -

1 on emergency nature

other for the long term -

Find & re: committee jurisdictional
problem - MRC - send us brief
send list & let Cong work out
the housekeeping details -

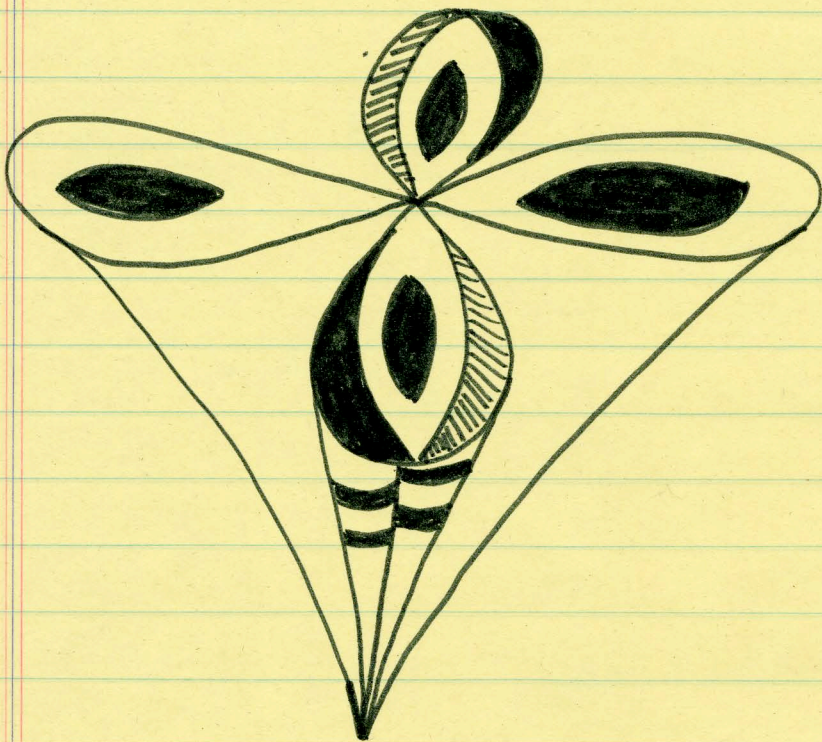
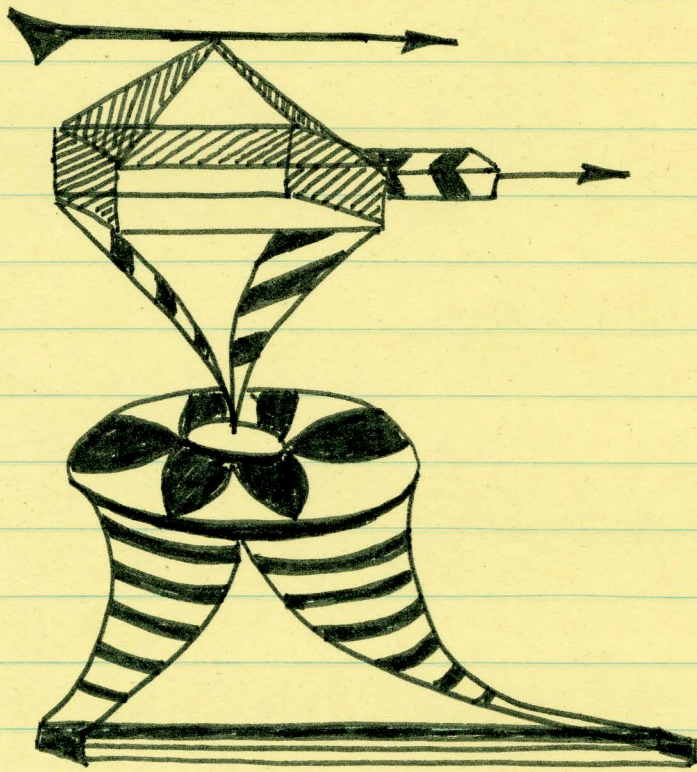
* Problem getting people who know
energy into govt to manage
the program -

Thurs. send an outline of things wanted
after the speech

BT In the 3rd - P will turn to MRC for points
on what is needed legislatively

Temporary Control fees - smells like
a tax - Justice Dept. says this
wd mean avoiding W&H - need to
avoid W&H in order to move fast
enough.

P. if we get anything that's like a
tax it'll go to W&H - look at it for
next go for a big winner



MRC thinks it ought to be part of the pkg.

Bruegar - if we don't manage shortfall properly - country is going to have very real GNP problems -
Important thing is to get usage down fast.

34 - tax is a better way of rationing than some kind of rationing plan - ought to tax domestic crude so that tax spreads across the board - problem of raising too much \$ - then need to find a way to give \$ back in a way consistent w/ budget policy.

x P. rationing is an awful idea in terms of its effect on people

any system that is going to work will require a large patriotic push

need to design system that avoids hurting people who drive cars & trucks -

Clements - strong stmt re adverse impact of expected shortfall.
& problem did get lots worse - rationing won't solve all the problems -

P. ought to try every other device possible before we go to rationing fact that it only relieved 6% of the problem in WWII is reason to indicate that ~~pro~~ rationing doesn't work -

Brinegar - rationing better than tax

Love - can save 6-7% thru voluntary efforts -

Rog - problem is that right now no one believes we have a problem -

Brennan - a tax hits the poor not the rich & we'll be charged with hitting the poor again

Meeting deteriorates into inter-cabinet squabbling over details - taxes de-reg of nat. gas etc.

de-reg of nat gas prices has an immediate effect - according to Clements - Bush - MRL disagrees -

Love - what can we do at the Fed level -

Rog - turn off the lights -

Brinegar - Daylight savings - 1-2% nation wide -

MRL - gas-de-reg & DST should go in the package -

Cap - ask for joint single hearings
in the Cong -

P - not for gunnicks - Cab Off riding
in VA's -

speed limit chg is not a gunnick
we're going to try to get speed
limit to 50 on Fed & State
installations & on interstate
highways -

Brinegar - speed limit chg will
have an adverse impact on
trucking industry - it's geared
to 70 mph - very adverse
economic impacts - safety
problem at mixed speeds.

* Dent - need to meet w/ Gov's -
prepare a wire to each
Gov from P indicating
action being taken at Fed
level -

P. If you know of anyone just
getting out of college who likes
to push people around -
wire them for rationing.

Ford - Conf. Rept. on Alaska Pipeline
I now guarantee amendments
that bus. community is very
upset about -

Ford - P is going to have to sign
the bill - there are ways to
control -

If P veto's - public will
never understand -
make me go at re-committing
Wednesday -

Ford - War power - w/in 5 votes
anyone in Cab who wants
to help - we'll get them a list
thousands - should get

X
11/7/73 - Gov's & Energy -

P. exchange w/ Washington re stairs
can't he get them going in the
first half.

Albin Booth -

P. general word - then needs to
work on speech which will have
to be chgd due to meetings w/
leaders.

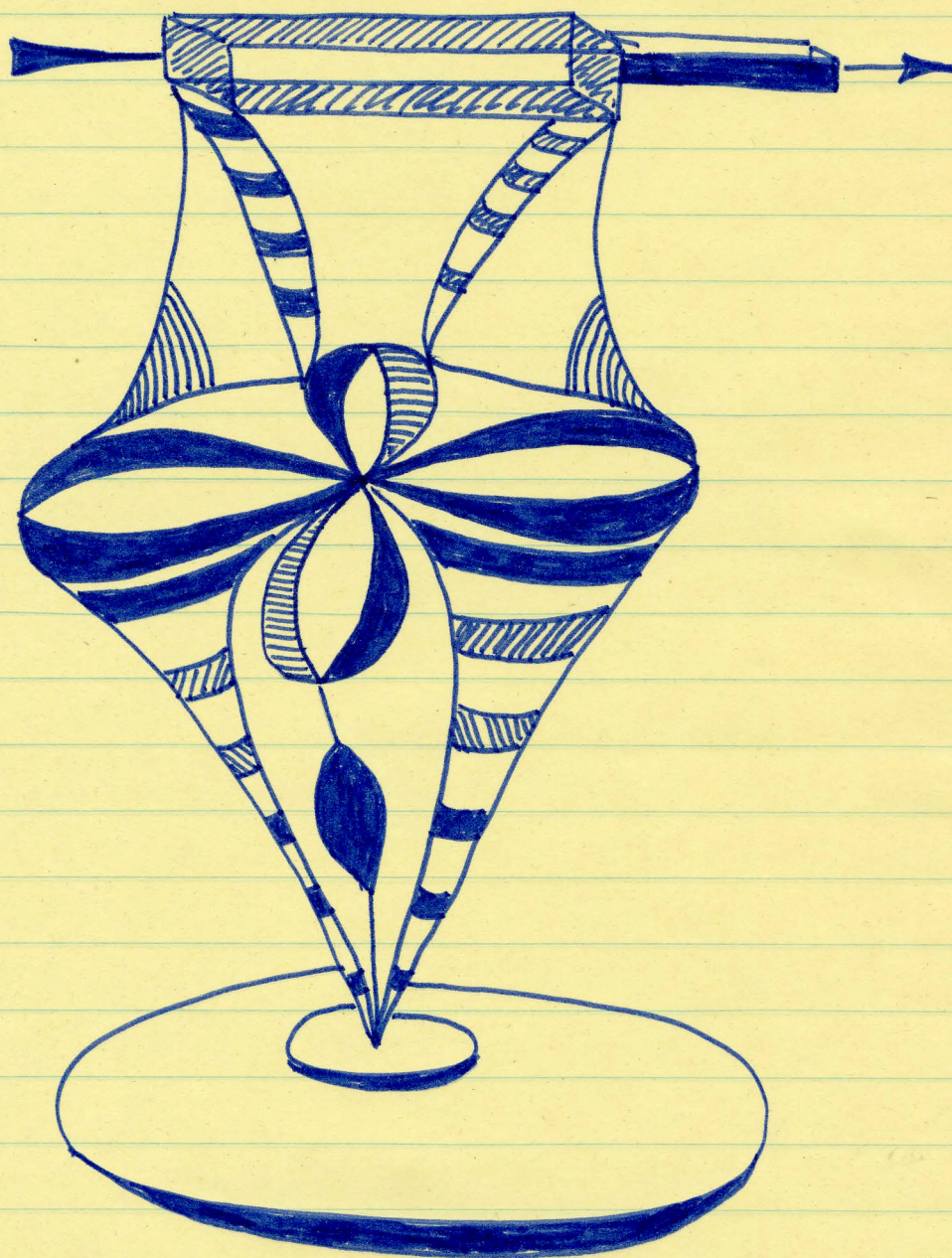
Energy now a crisis b/c what
has happened in M-E

10% shortage is misleading
b/c we get so much more
oil from Europe - distillates
we've already lost a month

Diplomatic prospects - we are
working on them - neither hopeless
nor hopeful - we need to get a
diplomatic solution or we will
continue to have a problem w/
the Arab states

Last tanker now on the high
seas -

Intransigent Israel - will
cause us to pay a great price



Even w/settlement we'll have a
shortfall

Passing our assumptions in worst
case but hoping for the best.
means - rationing - & a # of
other serious strains on economy
will affect jobs - for production
transportation and others -

Asking Cong to pass legis to help
so that we can ration - requires
stringent measures now - by
Feds - States Citys & Counties -

Binnicks - n.g. - have to do things
that have real meaning -
speed limits - reduce speed
to 50 - Fed gov'ts vehicles won't
go over 50 - states etc shld do
the same - looking at reduce
speed on interstates to 50 - all
the people have to help too -
Can save up to 250,000 bbls
per day -

Environment - wise all for the
environment - but going to have to
make some chgs - coal -
Worst hurt here is impact on jobs -
factories farms etc need energy
to operate -

Wanted - less auto fuel will mean a
reduction in gas tax revenue

may need some extensions
for program accomplishments

States must step up to need
to moderate environmental
restrictions -

*

Primary need is for people to
understand they must - we
need their help. no way
to mandate things -

car pools - lower speed limits
lower thermostats -

Gov's etc ought to ask people to
take these steps -

Problem can be dealt with -
in the long run -

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Long term - what we must set
as a goal Project Independence -
1980 - self sufficient in energy
our goal - if we go forward
w/nuclear power we can make
it. Going to cost alot of \$ - but
we must do it - w/o energy or
fuel we'll have nothing -

Not looking at Arabs etc in a
retaliatory way - that's n.g.
must use persuasion

What we's -

Mandel - we can't get any cooperation from EPA

P. lot of environmentalists - I'm one
EPA Administrator is to do
all he can do w/in the law -
but we also need Congress
to change the law - very diff. for
Cong to act. On top of our list
for priority Cong action - enthusiasm
in Cong not great.

Phos made decision - hate to
make a choice - long term we
don't have to - looking at clean
fuels - short term energy
comes first - P ready to take
heat.

Noel - trying to get some sitting
in R.I. - takes 7 years to
get permit - then 4 years -
to build - goal can't be met
unless we make chgs -

P. Ray to do what she can to
change the thinking - P longtime
advocate of nuclear power

P. change law - don't say put off til
next session - P wants to go
further than any of the experts -
want to go -

Noel - paid \$400k to prepare an environmental impact stud.
 Mel - get in Train - CEA - Mel do it - not soft, ^{but} clever - EPA has gone overboard - smog dirty water - save nature - everytime I get anything environ position overrides everything else
 Alaska Pipeline a good example.

No city ever when GRS haven't raised this subj -

Proj - what can be done under law - what can be done in legis -

Mandel - issue reg that they (CEA) has to make a decision w/in a certain point of time - we have to wait 18 mos. to 2 years now -

Thompson - N.H. is going to have a transp problem - even if we go to coal - can't let RL lines be abandoned.

Docking - can we expect a drop in price of gas at well-head thru Admin action -

MRC - can't do thru Admin action

P. FR old do it - but they are very slow

P. very tough to get a bill - 2 bills
have reached desk of P & they've
been vetoed - if one reaches me
it'll be signed -

Oil & gas to public conjures
picture of big, fat cigar, smoking
cigars -

Bureaucracy - nomination to FPC is good -

Core - problem w/ FPC - no way
to rely on rates set by them -

Canadian problems - they aren't
cooperating -

Noel - wants some export controls -

Plaves - to oration

MRL -

P going to ask for authority to
lift clean air act stds
daylight saving time
de-reg of gas on emergency basis
speed limit - interstate highways.
reduce transportation - jet fuel
substantial reduction in flights
immediate tapping of Naval
petroleum reserve -
energy conservation -
work hours etc -
ornamental lighting etc.

* Work
w/ various
orgs -

Wing going for a 5% to a 15%
shortage & even if we get a
settlement we can look to
a 10% shortage -
Some problems in the House &
Senate -

~~Core~~ - state, city & city input -

Mandel - let the Gov's make the
decision -

Core - allocation program doesn't
work as well as it ought to -
we need to take some creative
steps -

Ray - it's really a bad situation
we've got the worst people

Lugar - why not just empower the
Gov to make the decision
as to allocation -

* Ray - Gov won't respond til there's
an emergency - won't set aside
to anticipate an emergency -
then say emerg oil must be
dest then oil co. dealers

* Mandel - oil Co's afraid to set in
same office w/ a Gov because
of anti-trust law -

Noel told me yesterday he's
been out for past 5 weeks
saying stop this talk about
impeachment - for good of
nation.

- taking heat
- but will try.

Thompson - will shed incl some provision to give state & to administer the program

Cutting back streamlining of Navy in all areas except land -

For flying - cutting back all but necessary training & readiness flying. No more proficiency flying

HRC - big increase in cost of gasoline - 8¢ per gal - Congress took the controls off at the well-head -

Curry - Tax increase is a good idea
HRC - for a tax - but we can't get it through -

Muskell - try to save in general aviation -

~~82%~~ ~~prop~~ 82% people drive to work
50% single
if people had 3-4 per car
save 14%
Compacts save another 12%

Bumpers - will support but not sure - need to go to rationing -

* Send all 60's etc. papers explaining how going to DST helps -

Frd- put the hammer down quick - we need to move now

Conr- we'll have to go to ratifying

Business 11/9/73

P. same remarks as to Gov's
& Mayors -

M-E prob has taken 80% of P's
time in last 3 weeks.

P gets confused in explaining who
wanted cease fire - then goes
back & straightens it out.

Oil is the life blood of U.S. economy
U.S. can't allow foreign cty to
hold it hostage -

Coal is the key fuel - U.S. has 48%
of world fuel -

Take on environmentalists -
P. leaves to ovation -

LOVE

MRL - '72 used 17 MBLS per day
73 do to economic expansion
can use 18 MBLS per day.
Large tax cuts - 12 mil

Hoyer - need better line of communications
to deal w/ problems

Worner - 50 state allocators & regional
allocators - not smart enough
in the jobs - need people
who understand oil dist & supply

PARTICIPANTS

Wednesday, November 7, 1973 -- 11:00 a.m.

Governor William G. Milliken, Michigan (R)
Governor James E. Holshouser, Jr., North Carolina (R)
Governor Robert D. Ray, Iowa (R)
Governor Thomas J. Meskill, Connecticut (R)
Governor Meldrim Thomson, New Hampshire (R)
Governor Linwood Holton, Virginia (R)

- Governor Dale Bumpers, Arkansas (D)
- Governor Dolph Briscoe, Texas (D)
- Governor Philip Noel, Rhode Island (D)
- Governor Robert B. Docking, Kansas (D)
- Governor Patrick J. Lucey, Wisconsin (D)
- Governor Wendell H. Ford, Kentucky (D)
- Governor Marvin Mandel, Maryland (D)

Mayor Richard Lugar, Indianapolis, Indiana (R)
Mayor Walter E. Washington, Washington, D.C.

County Supervisor Gladys Spellman, Maryland (D)
County Supervisor Dan Mikesell, California (R)
County Supervisor James P. Gleason, Maryland (R)

(S)

Public Interest Group Executives

Charles A. Byrley, National Governors' Conference
Brevard Cihfield, The Council of State Governments
Bernard F. Hillenbrand, National Association of Counties
(J) John J. Gunther, United States Conference of Mayors

White House

Governor John Love
Charles DiBona
James Falk
Warren Hendriks

Ken Cole
Richard Fairbanks

Consumer Rep - when councils are appointed we need consumers or public reps on the councils -

Chaplin - I must be as emphatic as possible as to what people can and must do - need to mount a total ongoing effort to communicate the problems to the people -

Core - Office of Energy Conservation

MRC - Keeping thermostat at 68° will reduce consumption by 15% -

Will I have authority to halt the export of coal -

Shut-off Christmas lights



T & Gov's - 11/20/73

Demonstrators can be
heard in bckgr -

Winter Conference/Republican Governors Association/November 18-20, 1973



Down - Thanks P for
coming -

P - talks of Peace & foreign
policy - Russia & Red
China

Domestic - inflation -
spending - now energy
is major problem -
Controls not much good

Arab Israeli situation
won't be resolved til
after Israeli election -
Can't count on more
Arab oil until a way
seems clear to a long
term settlement -

Political scene was is
a disaster - didn't pay
attention to '72 Political
campaign - now trying
to restore lack of
confidence in Exec Branch
Despite problems - not
going to chg policies -

Press Center

Memphis



2.

Winter Conference/Republican Governors Association/November 18-20, 1973



QUESTIONS -

1. Dumm - Gov's best understand
mob & faces - no more
sympathetic groups -
Dumm has offered more
support that is deserved.
NOT SUFFICIENT INPUT -
2. Meshell - applaud P efforts
to get out - Am people
shaken by obs -
3. Williams - raises the case
he tried to place to is
in Arizona lots of support.
wld like his calls to be
taken when placed to
P. - [P - will return calls]
4. Reagan - asks P to reveal
his stance re W-gate &
give the time -
[P - can't control what
judicial will do - 90%
ready - cooperate w/Enin
committee but won't go that
far with them -] **Stannis**

Press Center

Memphis



3.

Winter Conference/Republican Governors Association/November 18-20, 1973



Country - G&A session best
AP Eds thought then D's
better - maybe smaller
groups -

Tape system - unsophisticated
Mitchell & Dean conv's -
Defense of Exec Privilege

FUNDAMENTAL POINT - cooperation
w/Spec Pres & Cong but in
a way not to impair
confidentiality of P -

P - would never ask any
politician to support
him if he thought they'd
ward us a/egg on their
face - cldn't speak out
before because of damage
to others -

If dropping below 40%
in Gallup is grounds
for resign well have
totally chgd political
system - Truman
example -

Press Center

Memphis



4.

Winter Conference/Republican Governors Association/November 18-20, 1973



Ragan - Anchorman
news conf - a good
idea -

Bond - Q & A sessions are
really helpful - I not heard
answer re - San Clemente

[P - recites ans re his
personal finances -

K.B. exps 137k for bullet
proof glass

San Clemente - chgd heating
system to elec for gas
because no fire station
nearby - other I for
walls etc -

P to send papers -
Personal finances

ITT

Unk Fund -
other subjects -



5.

Winter Conference/Republican Governors Association/November 18-20, 1973



Gov McColl - ERK a
liar - are there
any more bombs -
is S happy w/ answers -
[P. ans ok - doesn't know
if there are any
more bombs - on
ERK - recollection diff
from King & 3 lawyers -
ERK may run for Gov -
Obviously angry at ERK

Hulliken - informing city at
large is most inst - wldn't
it be more effective for
P to have an open ended
meeting w/ selected members
of the press -

Ray - V.P. situation - how
do we know P is telling
truth if V.P. said he
was innocent - what
else can P do abt telling
the truth -

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6.

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Gov Evans - Holton - no
resolution & then the
group came together
to pass resolution -
P-good in foreign policy
Domestic concerns are
good too - P ought
to give them personal
attention & work with
Governors - Don Govs
can be re-elected -
[P - 3 areas for next
budget - energy - welfare
Health -

Thomson - we 10 Govs
we rise & fall
together - we need
to get on the offensive
need to get up
to Gov's on positive
programs -



Winter Conference/Republican Governors Association/November 18-20, 1973



Let national
media propose
panels,
White House select
one or rejects all

(RN NOTES)

DECEMBER 1973

12/10/73 -

Cap W - Health -

① Cost \$5 bil - start FY '76
no tax inc. required -

② Need to stop -
Hosp Cust. Reg Med Progs.

③ Broad plan - gets away from idea
of hosp covg only - covers
many prevent services

④ Percy - Scott - \$20 bil } reason for
Kennedy - \$80 bil - } Cap wanting to
go ahead now.

P. ⑤ Cap ann health program
for next year - don't get into
 alot of specifics -

⑥ Packwood - Sen. Schuerbli Hse
will carry the bill -

⑦ Thurs D.C. Conf on Health -
Cap to prepare paper after
that mtg -

⑧ Impact on lge companies - small
smaller co's will have larger
impact -

⑨ Going to build support among
public -

P9 What will reaction of opponents be -

⑫ Long - catastrophic - \$70 bil cost -
 Kennedy - we don't control med
 profession - his cost \$77 bil
 Cost won't be exp -

⑬ Cost \$5.6 bil

⑭ Health Credit Card & real cost
 control features -

P13 How much of a govt intervention
 into the system is it -

P14 Spend as much time as possible
 w/ Long - talk to him after this
 mtg -

P15 Attend D.C. mtg.? - Work it out so
 that P has mty drop by at
 beginning - meet in Cab. Rm.

⑮ Cap to brief press after this mtg
 P - lift the lid - P has
 decided to go ahead - D.C.
 meeting on Thurs. - did
 hold a Cab mtg.

[JUST DO D.C. COMTE MTG]

Consult w/ Cong & int. groups
 Top D.C. program of 1974
 emph - two features -

quality and
 care await to
 all -

esp quality. 1. no new taxes -
 2. not destroy present system -

⑦ Tries to balance quality - supply & demand -

⑧ Used case progs are directed to benefit of very rich & very poor - this one is designed to help lower & middle income people

New/revolutionary - controversial

⑨ Briefing - ready for Cong until Cong returns - gives some leeway as to date 1/71 deadline for legis

⑩ Friedman plan - ready for P's review sometime next week - P - keep it secret.

f 12/11/73 - American Hosp. Assoc.

① P. Concern abt quality & cost
cost up - quality down

② W-H - getting people operational again
quicker -

③ P. How?

④ W-H - newspapers N.Y. - advertising -

⑤ P. Health care a personal service
shld be prt rather than public
need sensitivity -
want initiative
• deal w/ legit needs -
• alternative for our supporters in
Cong

✓
Gov's Energy - 12/13/73

P. Size of group indicates the size of the problem -

One of V.P.'s major resp is to work w/ Gov's on their probs. To assist people on Domestic Council -

① NE Crisis made everyone realize that what was once a problem - now a crisis

② Now we can get public support for long term actions

Amount of research & will probably go up -

Working on diplomatic front - no way to know when we'll get a solution - but we are making progress.

Lifting of embargo won't remove the problem -

Minor - brief review of situation

1.2 to 1.4 bbls per day for NE

.3 Europe

.3 Defense

.3 other

Impact on jobs - critical choice -

1st Qtr - can't be helped now
even if embargo is lifted -
U.S. Economic Impact based
on a full year embargo -

get me
copy of
this info

Supply info ^{ann.} ~~lasted~~ weekly
Demand info monthly
a "Four Sheet"

Johnson - willing to visit states -

P. but your job is here - you've got
to stay here to beat the bureaucrats.
Get to have one man to be the SOB
of the bunch -

Evans - we want to help & want to be
involved - most importantly - want
a role in policy making &
implementation.

P. people need to think it's their
patriotic duty to conserve energy

Hathaway - Gov's for efforts to increase
supply of energy - major concerns
are short age on allocation -

1. Agriculture - moved to cat. 2.

It should be a top priority

2. No clear info on supply & the
formula for state emergency
use - have 3% want 10% -

3. Speed limit - 50-55 m.p.h. - need
to have one speed limit - most
favor 55

4. Propane ought to be included in emergency allocation to states -

Simon -

1. Agriculture - cat 1. essential services
cat 2 - three priorities - Agriculture,

P. good idea to let Govs determine the priorities - keeps things closer to the problem -

Summary - no state by state #s and no info on Independents - only the majors - Simon has set up an ad-hoc system to monitor situation.

Kreis - 2 major suppliers may pull out in South Dakota -

5 mile an hour differential is safe according to govt studies - States just don't agree w/ this -

up the weight limits on the interstate system -

Big trucks really damaging cooperation - people get mad when they get passed by big trucks - and it isn't safe

Weskill - the best idea is a speed limit of 55 MPH - but much voluntary efforts are very directed to 50 MPH - we'd destroy the speed limit now - keep them all at 50 MPH.

Thompson - safety study - speed limit 55 for both cars & trucks.

McCall - 5 acts on 55 - working well. also stress case by case basis when talking about environmental changes -

P. our long range effort is devoted to finding and developing clean fuel.

Simon - to work out some kind of funding for Kentucky coal mining activity

P. Simon to re-look at impact of allocation program on agriculture

Carter - Regs as written don't reflect Simon's explanation - ought to review reading -

Simon - was in the comment period

Foreign Crude - going to be at \$10 per barrel when it starts vs. \$4 per barrel when it stopped.

Carter - favors rationing over price inc.
gas prices in Ca. 54¢ per gal
& truckers pay 74¢ for diesel oil
price inc. really hurts in a
low income state.

Simon - prices going up no matter what.
inc. prices will help supply.

Curtis - if we hesitate any longer
we'll have a recession because
people have lost confidence.

Weskill - people want rationing & now -
but they assume that the price
won't go up & that there'll be
supply. We shouldn't allow the
people to be misled on this.

Briscoe - people in Texas aren't
for rationing - it won't work
we can save w/ program that
Feds have now. -

X
Health - 12/13/73

P. Philosophy -

1. Quality - most put quantity - but have best care in U.S. the best in the world. Any govt program must be measured by whether it has an adverse impact on quality. [Problem of cost]
Govt medicine - free care - will reduce the quality.
2. Programs won't get the enthusiastic support of any group - med groups for the status quo - can't go that way because a lot of people need help & Long is going to stomp a govt med program down on their throats - P. thinks it's a good program - but it's not a 50-50 Cap's program or "nothing" choice between this & Kennedy.
3. Have impression that problem is one of poor - not so - problem is one of middle class - doesn't overlook poor & rich, but does help the middle.

Baker thought out the '71 program -
Concerned abt cost.

Thinking - legis & using to go immediately
after 500 - same time of welfare

our practice - future intps - V.P. to
preside -

Cep. going to get a paper to P early next week -

P. do best to get as much support as possible

Ford - need to neutralize some of our opponents -

P. long, Percy have clinkers - w/big price tag & wrong approach

Frd. is the purpose of mty to get views of others concerned.

P. details not frozen

Weinberger Grips -

1. Q of whether health plan is mandatory - employees has to take it - (Brumman)
2. Not broad enough - ought to incl annual physical (AA)
3. Stein - too expensive - too comprehensive too much govt control - inflationary
4. V.P. - try to determine impact of mandatory vs. voluntary.

Brennan - 12/17/73

- X
- ① Humphries Bill a good one -
 - *② Brennan brief the press -
 - ③ P. major probs - ~~no~~ effect of energy crisis - excess profits tax -
 - ④ Brennan ought to take leave - some sacrifices - U.S. is fortunate that of all countries U.S. gets hit least
 - ⑤ Brennan to see to it that any hardships caused by energy - we'll act to help as much as possible
 - ⑥ How? - spend more \$ to get more energy - job transferability equalization of impact - no one industry hurt harder than others - Brennan to watch for P. economic program designed to save jobs
 - ⑦ \$ will come -
 - ⑧ no one shall profit unduly no windfall.
 - ⑨ money for taxes will go back to research -
 - ⑩ Brennan should get to know coal people

Won't

Don't exaggerate increase in
unemp.

B. helping in New England -

Fitz - put abt attention being
given to independents -

P. Brinegar has the message now -

B. usery not going to go w/ usery

* B. we must give Teamsters same
treatment as AFL-CIO -

* P. Chg the policy

B. Asst Sec. also Weiss - for
Teamsters - some problems
Planning job -

P. wld lead to the Teamsters man

B. want to put in a blind person

P. give him to Cap & give
the labor job to Weiss

B. But Humphrey was previous
candidate - blind man named
Hry -

B. going to bring in some labor
people re supporting P.
friends - meet next year. P.
dld drop in - AFL move
on misplacement not making
great headway -

B. Concern abt authority as Sec of
labor - some of the usery
problem -

P. v there to help Brinegar -

* JERRY
JONES

* Baker

B - wants to deal w/ P - to get msg
to P on labor stuff -

P - Muirger not to deal w/ unions

* P. inform union - no decisions
on actions re: labor w/o checking
& including Brennan -

B. Quite upset by DOT w/o Teamsters -

P - Tell Fitz - re: his parents -

"the day worked out

"Don't be impatient - he's
being listened to" -

B - Some trying to give up a
general strike - truckers - pilots
etc. Fitz to think abt re-opening
contracts - will be low key -

P. directed that contingency plans
are to be prepared to deal
w/ every conceivable hardship.

December 14, 1973

MEMORANDUM FOR JOHN CARLSON

FROM: JIM CAVANAUGH

SUBJECT: Information on Secretary Brennan's meeting with the President
Monday, 11:15 a.m.

Announcement of Meeting

I hope this meeting can be announced on Saturday. It should be said that the Secretary will be in to see the President on Monday to discuss one or two final issues on the manpower legislation that is now in conference to resolve differences between the House and Senate passed versions of the bill.

Item for Jerry's Monday Morning Briefing

At 11:15 Secretary Brennan will meet with the President to discuss the progress the House-Senate conferees are making on the manpower revenue sharing legislation. You will recall that the President originally proposed manpower revenue sharing legislation in early 1971. After two years of pursuit of this legislation to reform the manpower program, the President instructed the Department of Labor in his FY74 budget to implement manpower revenue sharing by administrative action. This action was largely responsible in hearings being held in both the House and the Senate. This morning the Secretary and the President are discussing various aspects of the legislation. We are hopeful that the conferees will be in a position to report a bill to both Houses this week so that they will be able to send the bill to the President's desk before they adjourn.

Background on legislation for Jerry

The Federal Government's manpower training system has been operated by the Department of Labor through 10,000 contracts with public and private sponsors. The President's manpower revenue sharing program would

distribut these funds to about 400 prime sponsors including States, cities and other sponsors. The funds would be made available to these prime sponsors under a formula. They would be given complete responsibility for planning and operating their own locally based manpower training programs. The Government's role would then become one of national leadership and general oversight rather than the day to day monitoring of program activity which now takes place. About \$1 billion would be made available for this activity in the current fiscal year.

The President's Manpower Revenue Sharing Proposal carries out his concept of the new Federalism designed to turn over to the States and localities responsibility for planning and implementing what are essentially local programs designed to meet local problems.

✓
P- 12/21/73

Gov Muskie - talked w/him.

Told him we'd tilt toward
him if we cld.

Pls look into it & see what
we can do - he's a swell
guy.