Conversation No. 60-1

Date: June 8, 1971
Time: 8:03 am - unknown before 10:31 am
Location: Cabinet Room


[General conversation/Unintelligible]

Attendance at meeting
- Aids to Cabinet officers
  - Ehrlichman’s view of input
- Responsibilities of those attending
  - Domestic Policy Council planning
    - Budget planning for Fiscal Year 1973
    - Legislative package
    - Republican Party platform

Topics/Issues
- Homes in America
  - Goals
  - Policy
  - Programs
    - Focus of discussion
- Domestic Council approach
  - Identification of next year’s issues
  - Summary of action-forcing events
    - 1972 election
      - Emphasis
  - Action needed
  - Polls
    - Perceptions of people
-Issues

Polls on issues
  -Gallup poll
  -Types of polls
  -Gallup polls on concerns of people
    -Questions
      -National problems
      -Results
      -International problems
      -Results
    -Race relations
      -1968-1971 movement
    -Crime
    -Poverty
    -Education
      -Drop in concern
    -Drug problem
    -Youth protest
      -Rise in concern
    -Pollution
    -Cost of living
      -Increase in concern
      -Inclusive issues
  -Other poll results
    -Question
      -Domestic concerns
    -Timing
    -Concerns
      -Inflation
      -Cost of living
      -Taxes
    -Nature of poll
      -"Open poll"
        -Definition
    -Pollution
    -Unemployment
    -Drugs
    -Alcohol
    -Youth unrest
    -Rioting, violence, demonstrations
  -Decreases in concern
- Race
  - Student unrest
- Community problems
  - Pollution
- Family problems
  - Cost of living
  - Taxes
  - Education
    - College concerns
- Decrease
  - Crime
  - Housing
- Timing
  - Effect on results
  - Correlation with national events
- Nature of questions
  - Use of information
- Need for updating
- Problems
  - Questions
- Use of results in policy formulation
  - Money question

Other suggestions for initiatives
- Richardson’s input
  - Arrangement
  - Details
    - Topics for consideration
- Low income group
  - Problems
  - Identification
- Government programs
- Constituent-oriented analysis
- Strategy for selection of desirable programs
  - Basis of selection
  - Need for total strategy and priorities
- Blue collar initiatives
  - Need for focus
- Richardson
- Strategy
- Inner city youth
- Blue collar
-Priorities
-Health issues
-Energy
  -Effect on voters
  -Regional concern versus national concern
-Conservation
  -Total philosophy
  -Regional concerns
  -Coordination of administration programs
  -Credit for accomplishments
    -Awareness of population
-Pollution
  -Air pollution
    -Need for focal point
  -Water pollution
    -Credit lag time
  -Multiple agency focus
    -Mobile causes of pollution
    -Stationary causes
      -Programs
  -Municipal air pollution
    -Need for credit
  -Credit gap
    -Connally’s view
      -Focus on one area
      -Poll results
-Connally’s view
  -Overextension of administration
-Concerns of public
  -Focus on problems
  -Farmers
    -Trade benefits
  -Business
    -Inflation
    -International trade
  -Taxes
  -Attack on six or seven basic problems
    -Concentration
      -Awareness increase
-Consumerism
  -Business position in public perception
  -Ralph Nader movement
- Credibility
- Cost of living effect
  - Nader’s interest
- Identification of major issues
- Energy
  - Public relations
    - Claudia A. (Taylor) (“Lady Bird”) Johnson’s role
  - Attention drawn to environment
- Concern with polls
  - Public concern
    - Formation
- Economy
  - As central issue
- Focus on issues
  - Effect of high visibility
    - Mass transit system
    - Pollution clean up of one area
- Nature of public concerns
- Health reform
  - Congressional action
- Gut issues
  - Revenue sharing
    - Need for effort
- Achievement of proposed programs
- Economics
  - Interest rates
    - Effect on economy
  - Concentration of improvement
- Housing programs
  - Subsidies
    - Inequality
    - Effects
    - Rural electrification
- Housing
  - Effect of subsidies
  - Nature of new housing
- Economics
  - Labor concerns
    - Cost of living
  - Housing start financing
    - Details
    - Money necessary
- Conservation
  - Use as an issue
- Consumerism
  - As an issue
  - Perception of public
- International news
  - War
- Jobs
- Inflation
- Poll results
  - Public interest in jobs and inflation
- Realistic goals
  - Unemployment relief
    - Use of statistics
  - Inflation
- Use of housing in attack on unemployment
  - Interest rate role
    - Arthur F. Burns’ view
    - Rapid effect on jobs
    - Problems
- Subsidiary issues
  - War
  - Inflation
  - Environment
  - Health
    - Edward M. (“Ted”) Kennedy’s role
    - Poll results
- Need for focus
  - Understanding of public
  - Pilot programs
    - Washington, DC crime effort
- Unemployment
  - House debate
    - Technical argument
    - Revenue sharing
      - Public identification
  - Focus on issue and political effect
    - Election impact
    - Efficient use of money
- Efficient relief through housing
  - Housing industry
    - Burns reference
-Opposition program
  -Permanent government employment
  -Focus on fundamental party differences
- Loyalty to party principles
-Revenue sharing
  -Effect on foundation of Democrats
  -Understanding by people at lower levels
- Political value
-Relation to programs
  -”Rescue of cities”
    -Impact of term
  -Stress of relief for individual
-Location of large employers
-Most efficient use of money to stimulate employment
-Tax credits
  -Popularity
    -Bush’s view
  -Utility industry role
-Focus on issues
-Public relations
  -Tax reduction emphasis
-Technological supremacy of United States
  -Volpe
  -France
  -Japan
  -West Germany
  -Barry M. Goldwater’s view
    -”Concorde” effort
-Beautification program
  -Congress’ view versus administration
  -Credit for effort
-International trade
  -Employment
  -Sale of technology
    -Yugoslavia needs
    -Foreign sales
    -Desirability
    -Rapid transit
    -State of the art
-Poll changes
  -Race relations
  -Government efforts
- Beautification
  - Johnson’s role
    - Congressional reception
- Economy
  - Need for visible congressional efforts
    - Coordination within administration
- Taxation
  - Real estate tax
    - Regressive nature
  - Role of revenue sharing
    - Long range effect
- Employment
  - Current decisions
    - Longer range effect

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France

[To listen to the segment (1m28s) declassified on 02/28/2002, please refer to RC# E-528.]

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- Business concerns
  - Election help
  - Economic decisions
    - Role of business
  - Environmental decisions
    - Alaska pipeline
    - Effect on business
      - Delay of job producing programs
  - William D. Ruckelshaus’ role
  - Environment versus business
  - Complexity of issues
  - Industry role
  - Administration role
    - Court problems
    - Permits for building
  - Speedup of problem solving
  - Environmental Protection Agency
The President left at 9:40 am

[General conversation/Unintelligible]

The Vice President, et al. left at an unknown time before 10:31 am

Date: June 8, 1971
Time: 10:31 am - unknown before 11:59 pm
Location: Cabinet Room

The President met with John A. Volpe, Roger Lewis, David W. Kendall, Catherine May Bedell, General Frank S. Besson, David E. Bradshaw, John J. Gilhooley, Arthur D. Lewis, Charles Luna, John P. Olsson, William H. Moore, William J. Quinn, John D. Ehrlichman, Egil (“Bud”) Krogh, Jr., Charles Clapp, and Donald B. Rice

Congressional view of subsidy for National Railroad Passenger Corporation/American
Track [AMTRAK] [?]
- Bill prospects
  - Edward M. (“Ted”) Kennedy’s role
  - AMTRAK

AMTRAK operation plans
- Inefficiencies
- Rate system

AMTRAK Board
- Contract negotiations with other railroads
  - Benefits
- Past contract negotiations
  - Outcome
- AMTRAK preparation for takeover
- Kendall’s view of preparation for takeover
  - Appreciation of help
    - The President’s staff
    - Volpe’s staff
  - Benefits
- Besson’s role in preparation
  - Labor problems
- Volpe’s role
- AMTRAK office
  - Location
- Desire for railroad passenger service
  - Reason for passenger decline
    - Research effort
  - Beliefs of board
    - Service to meet public desire
  - Service improvements
    - Efforts to improve ridership
- Advantages of AMTRAK
  - Size
  - Money
  - Flexibility
  - People
    - Attack on ridership problem
      - Personal background
  - National system
    - Corporate structure
      - Public role
-Support
  -Prescription for success
  -Government attitude
  -Personnel
  -Ridership
  -Ridership question
  -Research in public polling
  -Other railroads
    -Capabilities
  -Price structure
  -Advertising
  -Quality of service
    -Nationwide trend
      -Airline operation
    -Competition with other forms of travel
      -Highways
        -Benefits of driving
      -Accommodations
  -Accommodations on train
  -Speed versus quality
  -Airlines’ service
  -Impact of quality service
    -Attitude of rail help
  -Impact
  -Airlines
    -Northwest Orient
      -Benefits of competition
      -Impact of competition
  -Impact of service
  -Pride in work
  -Service competition
  -Uniqueness of train travel
  -Effect of unions on trains
  -Service problems
    -Punctuality
    -Consideration
  -Management problems
  -Benefits of service

Gift presentation
  -Cuff links
  -Bipartisan nature
-Gifts for wives

The President left at 11:04 am

[General conversation/Unintelligible]

Volpe, et al. left at an unknown time before 11:59 pm

Conversation No. 60-3

Date: June 10, 1971
Time: Unknown between 11:01 am and 11:59 pm
Location: Cabinet Room


Secretary of Defense

Service Secretaries
   -Army, Navy, Air Force

[General conversation/Unintelligible]

The President and Peter M. Flanigan entered at 11:01 am

Introductions

[General conversation/Unintelligible]

White House conversation
   -Railroad problems
      -Meeting with railroad executives

Railroads in United States
   -Economic role
   -Government role
      -Interstate Commerce Commission [ICC]
      -History
- Airline meeting
- Relevant problems
- Benefits of meeting with railroad executives
- Problems
  - Regulation
  - Finance
  - Labor
  - Make-up of leadership
  - Capitalization
    - Rate of return
    - Compared with steel industry
    - Labor problem
- Operation costs
- Legislation
  - Analysis of problems by experts
  - Results
- Competition with highways
- Volpe’s forecast
  - Role of railroads in economy
- Need for expansion to meet growing need
  - Public funds
    - Economic use
- Quick consideration of needs
  - Legislative impact
  - Disparity of views
- Congressional action
- Endorsement of goals
- Labor situation
  - The President’s meeting with labor leaders
- Productivity problem
  - Featherbedding
  - Steel strike of 1959
  - Background
  - Roger M. Blough
  - James P. Mitchell
  - David MacDonald
- Technology versus labor
- Emergency Board
  - Wage increases
    - Conditions
  - Committee formation
    - Goals
-Willie J. Usery, Jr.
  -Effort on agreement
-Charlie Lewen [sp?]
  -New labor agreement
  -Compared with George P. Shultz and meatpackers
-Effect on Penn Central
-Emergency Board use
  -Union view
    -United Transportation Union [UTU]
-Strike situation
  -Drawbacks
-UTU/management combined effort
-Combined effort
  -Productivity progress
-Productivity problem
  -Government takeover
  -Effect on industry
-New York situation
-Railroad approach
  -Use by other sectors
-Public employee strikes
-Foreign experiences
-Administration bill
  -Public employee strikes
  -Other industry strikes
-Dispute-solving machinery
  -Areas other than labor
-Illinois Central/General Motors connection
  -Status
  -Opposition by Justice Department
  -Justice action
    -John N. Mitchell
    -Background
-Obstacles of regulatory agencies
  -Volpe’s program
    -Labor problem
-Congressional obstacles
-Taft-Hartley passage
  -Public view
-Usery’s effort
-Taft-Hartley drafting
  -The President’s role
- Busting unions
- Lead of transportation industry
  - Charles J. Chamberlain’s role
- Air traffic controllers’ strike
  - Effect
- Union leaders
  - Relationship with the President
- Regulatory problems
- Political problems
- Eastern railroad situations
  - Immediate needs
    - Finance
    - Regulatory
  - Penn Central
  - Congressional responsibility
- Public support
- Congressional obstacles
  - Rate problems
- Administration strategy
  - Need for action
- Deregulation
  - Antitrust problem
    - Input from railroads on congressional efforts
      - Benefits
    - Trucking, shipping, and railroad views
  - Rate formulation
  - Need for uniform rate structure
    - Views of trucking, shipping, and railroads
    - Maintenance in legislation
- Justice Department intervention
  - Merger cases
  - The President’s role
  - Airline negotiations
  - Railroad negotiations
- Regulation
  - Independence of agencies
- Antitrust
  - Power of administration
  - Department of Transportation view
  - Paul Cherington
  - Department of Justice view
  - Conflicting signals
-Monopoly perception by individuals
-Railroad cooperation with other industries

-Taxes
  -Federal income tax
    -Amortization
  -Administrative remedies
    -Opposition
      -New York Times’ view
  -Tax deferral
  -Details of tax reform
    -Treasury Department role
  -Other tax remedies
  -John B. Connally’s view toward business

-Unity of railroad industry

-Taxes
  -Effect on reinvestment
    -Investment needs
  -Safety rules
    -Financing
      -Borrowing problems
  -Long term future of industry

-Freight versus passenger service
  -Penn Central outlook

-Extent of rail system
-Extent of rail use
  -Competition with airplanes and cars

-Appreciation of the President’s help
  -Discriminatory Tax Act
    -Outlook
  -Other legislation

-Appreciation of Flanigan and Charles D. Baker
  -Introduction of legislation

-Penn Central

-Railroad legislation
  -Administration focus
  -Future of railroad
    -Need for capital

-Government financing
  -Lockheed Aircraft Corporation
    -Job consideration
      -Supersonic Transport [SST]
  -Competition with Soviets
-McDonnell-Douglas Corporation
  -New York Times’ criticism
-Political problems
  -Perception of railroads by public and Congress
  -George A. Smathers
-Self-generation of capital
  -Edward H. Harriman
  -Deregulation
  -Labor
  -Deprivation of opportunity
  -Administration action
-Informing Connally
  -Tax problem
    -Edwin S. Cohen’s role
-Volpe
  -Effort
-Congressional effort
-Rapidity of change
  -Airline problems
    -DC-3s
-Need for diverse transportation
  -Perception of railroads
-Dedication of railroad people
-The President’s experience on railroads
  -Sam Snead
  -William P. Rogers
  -San Clemente
  -California stations
    -Franklin D. Roosevelt’s travels

Presentation of gifts by the President
  -Gifts for wives

The President left at 12:21 pm

[General conversation/Unintelligible]

Biaggini, et al. left at an unknown time before 11:59 pm
Date: June 10, 1971
Time: Unknown between 12:21 pm and 11:59 pm
Location: Cabinet Room

Unknown people [tour group] met

History of Cabinet Room
  - Franklin D. Roosevelt
  - Ceiling
  - Smoking
  - [Thomas] Woodrow Wilson
  - Dwight D. Eisenhower
  - Seating
    - The Vice President
    - John B. Connally
    - John A. Volpe
  - Chairs
    - Removal
    - Secretary of Labor
    - Connally

The unknown people [tour group] left at an unknown time before 11:59 pm