Date: January 24, 1973  
Time: Unknown between 4:42 pm and 6:10 pm  
Location: Cabinet Room  


[This conversation continues from Conversation No. 111-4; a portion of this conversation was not recorded while the tape was changed]  

1974 budget  
-Labor support  
-Brennan’s view  
-Future  
-Programs  
-Congressional Democrats  
-Committees  
-John L. McClellan  
-Labor support  
-Tax reform, jobs  
-Agriculture  
-Congress  
-Price supports  
-Previous administrations  
-Proposed cuts  
-Support  
-Gale W. McGee  
-Press conference  
-Disaster loans  
-Minnesota, South Dakota  
-Costs  
-Rural Electrification Administration [REA]  
-Costs  
-Compromise  
-Shultz’s view  
-Cuts  
-1972 election
-President’s constituency
-Congress
  -Spending
  -Taxes, tax money, inflation
-Selling the budget program
  -Public
  -Revenue sharing
  -Congress
  -Republicans
    -George H. Mahon
    -Bipartisanship
    -Problems
-Compromise
-Maritime concerns
-Agriculture
  -World markets
    -Trade increases
-Labor
  -Jobs
  -Food prices
    -Stability
-Agriculture
  -Farmers
    -Market-based programs
  -Herman E. Talmadge and Strom Thurmond
    -Peanut subsidy
    -Carl B. Albert
-Farm constituency
  -Problems
  -Congress
-Need for industry encouragement
  -Job creation
  -Alaska Pipeline
    -Court case
  -Refineries
  -Jobs
-Public support
-Programs
  -Compromise
  -Budget cuts
    -Amount
  -Congress
- Tax increases
- Defense budget

[General conversation/Unintelligible]

The President, et al. left at 6:10 pm

Conversation No. 113-2

Date: January 26, 1973
Time: 8:37 am - 10:11 am
Location: Cabinet Room


Republican leadership meeting
- Agenda

1974 Budget
- Congress
  - 1972 ceiling
  - 1973, 1974, 1975
    - Increases
  - National economy
    - 1972, 1973, 1974
  - Full employment budget
- Programs
- As a whole
  - Taxes
  - Limestone, Rural Electrification Administration [REA]

1973 Budget
- Expenditures
- Deficit
- Taxes as percentage of Gross National Product [GNP]
1974 Budget
- Charts
- Data
  - President’s radio address
  - Increases by Congress
- Deficits
- Spending ceiling
  - Effect on future budgets
  - Deficits
  - Tax increase
- Dividends
- Sources of income
- Program cuts
  - Need for legislation
  - Medicaid, Medicare
  - Veterans’ Administration [VA]
    - Pensions
  - Foreign economic assistance
  - US Department of Agriculture [USDA]
    - Farm income
    - Subsidies
- Emergency loans
  - Reforms
    - Los Angeles earthquake
- REA loans
  - Lobbyists
- Department of Health, Education, and Welfare [HEW]
- USDA
- Department of Transportation
- Environmental Protection Agency [EPA]
- Increases
  - Department of Energy
  - Department of Justice
- Federal Aviation Administration [FAA]
- 1957, 1958, 1959, 1960
- National economic growth
  - Effect of budget
  - Federal Reserve Board
  - Monetary policy
    - Wilbur D. Mills, Arthur F. Burns
- Incomes policy
  - Inflation rate
- Wage and price system
- Expenditure controls
- Impoundment
- REA
- Impoundment
  - Judicial history
  - Political history
    - Franklin D. Roosevelt, Harry S Truman, Dwight D. Eisenhower, John F. Kennedy, Lyndon B. Johnson
    - Congressional obligations
    - Past Executive Branch actions
    - Legal requirements
      - Supreme Court
- Truman
  - Veto
- Talking paper for congressmen
  - History
- Congress
  - Reassertion of authority
  - Debt limit
  - Administration’s ability to control budget
  - Economic stimulation
    - Tax reduction
  - Human resources compared with defense
    - Percent of budget
    - Military payroll
      - Percentage
      - Problems due to inflation
        - Increase

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Defense costs

[To listen to the segment (1m12s) declassified on 02/28/2002, please refer to RC# E-607.]
- All-volunteer army
  - Personnel
    - Manpower costs
      - Ash
  - Increases

1974 Budget
  - Increases
    - Environmental programs
  - Aid to elderly
    - Security, Medicare
  - Food assistance
    - Food stamps, school lunch programs
      - USDA
  - Welfare reform
    - 1968
  - Republican approach
    - Private industry
  - Differences between Democrats and Republicans
    - Expenditures
    - Social programs
    - Economic growth
  - Public relations
    - Impoundment
      - Spending cuts
    - Inflation
    - Impoundment
      - Democrats
    - Terminology
    - History
    - Administration position
    - Tax increases
    - Program cuts
      - Fiscal responsibility
  - Support for President
    - Statements
      - Democrats versus Republicans
  - Congress
    - Spending ceiling
      - 1974 budget
  - Increases
    - Medicare
-Civil rights programs
  -Minority assistance
  -Enforcement
  -Education
  -Amounts
-Veterans
-Food assistance
-Environment
  -Clean Water Act
  -Pollution control
-Agriculture
  -Reduction of price supports
  -Increase of farm income
-Urban transportation
-Housing
  -Subsidies
-Revenue sharing
-Public statements
  -Ash’s briefing
  -Supporting data

Oliver F. (“Ollie”) Atkins entered at an unknown time after 8:37 am

Photography

Atkins left at an unknown time before 10:11 am

1974 budget
  -Revenue sharing
  -President’s speech
    -Language
  -Deficit
  -Cuts
  -Congress
  -Prosperity budget
  -Tax increases
  -Congress
  -Aid to impacted school districts
  -Peacetime budget
    -Program expenditures
  -Statements of support
  -Impact on national economy
-National situation
  -Peace and prosperity
  -Statements
-Agriculture
  -Cheese and beef producers and consumers
  -Farm prosperity
    -New world markets
-Congress
  -Statements of support
    -Importance
-Aid to impacted school districts
-Higher education
  -Aid
  -Defense funds
  -Protestors
  -Student money
  -Grants to faculty and universities

Harry S. Dent
  -Return to South Carolina

BEGIN WITHDRAWN ITEM NO. 2
[Personal Returnable]
[Duration: _3m 51s_]

END WITHDRAWN ITEM NO. 2

Economy
  -Budget
  -Presidential veto
    -Reasons
  -Economic projections
    -Stein
    -Shultz
    -Fiscal policy
    -Impoundments
-Effect of budget

BEGIN WITHDRAWN ITEM NO. 3
[Personal Returnable]
[Duration: 1m 3s]

END WITHDRAWN ITEM NO. 3

President’s schedule

The President left at 10:11 am

[General conversation/Unintelligible]

Weinberger, et al. left at an unknown time before 10:34 am

Date: January 26, 1973
Time: Unknown between 10:11 am and 10:34 am
Location: Cabinet Room

Unknown men met

[General conversation/Unintelligible]

Bipartisan leadership meeting
- Schedule
- Photographs
- Physical arrangements for next meeting
  - Positions of charts
  - President’s location
  - Recorders
Date: January 26, 1973
Time: Unknown between 10:11 am and 11:04 am
Location: Cabinet Room


[General conversation/Unintelligible]

The President entered at 10:34 am

Vietnam settlement

1974 budget
   -Dwight D. Eisenhower years
   -1973 budget
      -Figures
      -Effects on national economy
      -Debt policy
      -Federal Reserve
      -Stein
      -Economic report
      -1972 statistics
         -Unemployment rate
         -Inflation
         -Consumer Price Index [CPI]
         -Comparison between 1969 and 1972
- Food prices
  - 1973
    - Forecasts
- Military expenses
  - Decreases
- Unemployment figures
  - Veterans
- Business investments
  - Equipment expenditures
- Consumers spending
- Housing starts
  - Subsidized housing
- Unemployment, inflation rates
  - Decreases
- Controls and problem areas
  - Food prices
  - Sector markets
- Budget
  - Full employment
  - Monetary expansion
- Federal Reserve
- President’s economic report
- Projected 1973 unemployment and inflation
  - Rates
    - 1965 and 1968 projected economic growth
- Projected deficits
  - Amount
  - Federal fund figure
    - Trust funds
      - 1974
    - Revenue sharing
- Items not controlled by Congress
  - Trust fund programs
    - Percentages
  - Controllable
    - Appropriations
      - Social services spending ceiling
- Congressional limits
  - Need for reductions
- Appropriation Committee
  - Outlay authority
  - Effects on future budgets
The President left at 11:04 am

[General conversation/Unintelligible]

[Conversation continues as Conversation No. 113-5]
Frederic V. Malek, Phillis Galanti, Darlene Sadler, and Helene Knapp; the White House photographer and members of the press were present at the beginning of the meeting [This is a continuation of Conversation No. 113-4]

Prisoner of war [POW] wives
-Introduction
-Efforts
-President’s remarks

Galanti, Sadler, and Knapp left at 11:15 am

[General conversation/Unintelligible]

Possible Congressional Resolution
-National Day of Prayer
-Bipartisan support

Vietnam cease-fire agreement
-Effect on budget
-Military withdrawal
-Economic aid
-North Vietnam
-Defense budget
-Vietnam War expenditures
-All-volunteer military
-Force levels
-Costs
-Background briefing book

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Defense budget

[To listen to the segment (1m31s) declassified on 02/28/2002, please refer to RC# E-607.]

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1973 Budget
-Unspent appropriated funds
-Congressional appropriations
1974 budget
- Program reductions
  - Impoundment
  - Balanced budget
  - Congress
- Military
  - Pay
- Program increases
  - Aid to elderly
  - Food stamps
  - School lunches
  - Veterans’ Administration [VA] care
  - Environment
  - Civil rights enforcement, minority assistance
  - Crime assistance
  - Pollution control
  - Agriculture
    - Farmer’s income
  - Mass transit
- Housing
  - Federally assisted
    - Department of Housing and Urban Development [HUD]
- Revenue sharing
- Briefing books
- Expenses controllable by Congress
- Congressional responsibility
  - Tax increase
  - Spending ceilings
    - Inflation
  - Harry S Truman
    - Air Force
- Impoundment
  - Precedent
  - President’s responsibility
  - Congressional appropriations
    - Inflation
- Future budgets
  - Spending ceilings
- Constitutionality
  - Richard G. Kleindienst’s opinion
- Options and role of Congress
  - Debt limit
- Impoundment
  - Constitutionality
- Congressional action
  - Deficit
  - Taxes
- Airport construction bill
- Ceiling
- Controllables versus noncontrollables
- Joint Budget Committee
  - Impoundment problems
    - McClellan
- Congressional spending
  - Ceilings
- Ways and Means Committee
  - Mills’ view
  - Appropriations Committee
    - Mahon’s view
    - McClellan
  - Taxes
- Lyndon B. Johnson
- Congress
  - Taxes
  - Spending
- Budget cuts
- Guaranteed loans
- Rural Electrification Administration [REA]
  - Loans
- Compromise
- Bipartisan breakfast meetings
- President’s responsibility
  - Defense
Defense budget

[To listen to the segment (12s) declassified on 02/28/2002, please refer to RC# E-607.]

President’s schedule

[General conversation/Unintelligible]

The President, et al. left at 11:59 am
1974 Budget signing ceremony
   - Quality of pens
   - Duke University Library
     - President’s employment
   - Distribution of pens
     - Weinberger
       - Work on budget
         - Department of Health, Education, and Welfare [HEW]
     - Cohn
     - Veatch
       - Office of Management and Budget [OMB] personnel
         - Length of service
   - OMB’s role

[General conversation/Unintelligible]

The President, et al. left at 12:15 pm