

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

SECRET/NODIS/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Nixon
 Vice President Agnew
 Elliot Richardson, Attorney General
 Peter J. Brennan, Secretary of Labor
 Earl L. Butz, Secretary of Agriculture
 Frederick B. Dent, Secretary of Commerce
 Rogers C.B. Morton, Secretary of the Interior
 James. T. Lynn, Secretary of Housing and
 Urban Development
 Anne Armstrong, Counsellor to the President
 Amb. George Bush, Ambassador to the UN
 William E. Simon, Deputy Secretary of
 the Treasury
 Frank C. Carlucci, Under Secretary, Department
 of Health, Education and Welfare
 Major General Brent Scowcroft, Deputy Assistant
 to the President for National Security Affairs

DATE AND TIME: Friday, March 18, 1973 [May 18]
8:30 a. m.

PLACE: The Cabinet Room

SUBJECT: Cabinet Meeting

[The President invited each Cabinet member to review his or her activities:]

Armstrong: [Discusses minority hiring, a property review board, Commission on Organization of the Government for Foreign Policy. Francis Wilcox, the Executive Director, is getting started in a good way.]

The President: Anne, you are responsible for it.

Armstrong: Foreign Policy -- this is a new field for me.



CLASSIFIED BY Brent Scowcroft
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 E.O. 12958, Sec. 3.5
 NSC Memo, 11/24/98, State Dept. Guidelines, *Mohr visit, 1/69*
 By LL, NARA, Date 1/10/00

Richardson: [Discusses the problems with his charter and finding a prosecutor.]

Lynn: The new act, the "Better Communities Act," has gone to the Hill to replace seven separate acts. [He described other legislation being proposed.]

By the end of the year I will control 254,000 housing units. My relations with Congress are good.

There are problems in Detroit, Cleveland and other big cities.

Bush: Mayor Perk of Cleveland is a good man, a Republican. He thinks he will be reelected.

Brennan: Many may be willing to improvise on the minimum wage, unemployment insurance, etc. Picketing is a problem not only between business and labor but between labor groups.

Dent: The fallout of the President's trip to the Soviet Union is one of the most exciting things going on. The East European countries are standing in line for trade.

The President: On MFN, we can't bring Brezhnev over here and threaten him that if he doesn't give in, our relations with the Soviet Union will go down the tube. We need to proselytize on this.

Dent: There is a high level of prosperity in the country.

Brennan and I co-hosted a dinner for eight businessmen and eight labor leaders. They all see things the same way.

On Merchant Marines, there is the highest level of building ever.

There is a fishing problem. The Northeast area is overfished and we are about to take some actions. The Russians and Europeans are overfishing.

Butz: The plantings are going pretty well despite the floods. The new Farm Bill -- the Senate Bill will cost us more than the present one.

The appropriations bill is bad. We may ask for cuts.



The President: The new Attorney General will have sweeping responsibility.

Richardson: Yes. They tie in closely with HEW and HUD. That is a good kind of meeting to know what is going on.

The President: Yes. These are areas the people don't read about.

Carlucci: On Health, the reorganization is to create a line, mission-oriented organization. We are having trouble with Congress. We wanted to phase out some bad programs and the Congress keeps passing more.

Education is moving. The most significant in this area is grants for freshmen. If we get this through for four years, the students will be able to go to college irrespective of income. This will tie aid to the student, not the educational institution.

Looking at the whole area of welfare reform, across all government agencies, this will be a massive undertaking. We hope to have a plan by September.

Morton: Energy is the current primary concern. We hope to have the Pipeline Bill on the Senate floor by the end of May. The House bill is different and the conference will be difficult. If we are lucky, we can build this winter; if not, there will be a year delay.

[He discussed mine safety.]

Whitaker is doing a good job.

The Indian budget is 25% of the Department budget. We hope to end the fragmenting of Indian matters.

Simon: There is too much prosperity. Inflation is 6.1 percent, growth eight percent. The budget deficit is being cut to about \$18 billion. For FY '74, the deficit looks about \$3.5 billion.

There is an intense interest in Congress on energy. We should move ahead. Congress is responsive. The energy message was favorably received.

We need action in the Middle East. The Japanese are taking our markets away.



Mandatory oil imports is probably potentially necessary -- it won't work any better than voluntary.

The President: We will have this type of meeting monthly or every three weeks. In Paris, Dr. Kissinger has said we can't enforce the agreement if we have neither a carrot nor a stick.

The problem in Southeast Asia is blown out of proportion because of Cambodia. Article 20 clearly provides for their withdrawal from Cambodia and Laos. But that has not been done, and that is the problem.

The purpose of bombing is not to get into a war in Cambodia, but to enforce the peace in Vietnam. We don't want to encourage the Communists to go on the rampage again.

We have a carrot. I know the tremendous unpopularity of North Vietnamese aid, but most of us agree that if we get North Vietnamese cooperation, the best way to proceed is to help in reconstruction in Southeast Asia. The meetings are going forward and if they don't succeed, Congress is responsible for the failure. This is restricted to this room.

The North Vietnamese have other disincentives:

- They don't want a long war.
- They want a relationship to the U.S.
- They have problems with their major allies.

I don't discuss it, but put yourself in the Chinese and Soviet Union's shoes. Why would they risk a relationship to the U.S. for the purposes of a small irrational ally?

So it all fits together -- our relations. The Soviet Union is very important in what happens in Asia, the Middle East, and Europe. The Chinese too in Asia.

We shouldn't over-react to demonstrations against Rogers. The trip was successful but the press plays it up negative.

As we approach the summit, this is a watershed in world history. Either we move forward on a constructive basis as we began last year, or we stop. If it is the latter, the world will be a dangerous place. If we have no influence with the Soviet Union, the Chinese will have no use for us.



We are working on a trade agreement and SALT. Brezhnev is putting . . .

We will meet in Camp David and then San Clemente. A lot is riding on the visit.

In Vietnam, there is a vigorous economy and the South Vietnamese will survive a long time.

What happens in Cambodia and Laos, however, affects the states of South-east Asia and also the PRC. If we fail there, the PRC will see us as a paper tiger.

In the Middle East is the problem of Israel. Israel's lobby is so strong that Congress is not reasonable. When we try to get Israel reasonable, the excuse is an Israeli election, the U.S. election, or something.

This is my primary occupation. Please don't take an all-out Israeli line. The Israelis are attractive and efficient, but the stakes are big.

We are trying to get this difficult issue off dead center.

The basic point is Israel can defeat the Arabs with our aid. But if our relationship with the Soviet Union collapses, and the Soviet Union aids the Arabs, Israel will be swamped. This is why we need to have movement on trade with MFN. We have to have policies which don't allow an obsession with one state to destroy our status in the Middle East.

These are problems -- but when we came into office, we weren't talking to the PRC and not really to the Soviet Union. There was war in the Middle East and there were high casualties in Southeast Asia.

We have come a long way, but we must realize we never would have gotten here if we had had the thinking which dominates the Senate and much of the press. A weak U.S. which can't command respect, we will find. So if we need three billion to balance it, the easy thing is to squeeze it from DOD. But if the cost is to make the U.S. the second strongest power, having the cleanest cities won't matter because we won't be able to enjoy them.

I stand for a strong U.S. because no one else can keep stability in the world. Do you want a world where there is a prosperous U.S. but a leaner, tougher country decides the issues of peace and freedom in the world? You are



going through a tough period. Most of the people in this Administration are fine. We have come a long way and the improvement is because of us. [War in the cities, etc.]

Agnew: In the provinces, there is not the focus on Watergate like here. People come up to tell me of their confidence in the President.

The President: I am not Pollyanish. It is rough and will get rougher. They will go after us. My concern is not myself but all our family. The crap will fly, but don't think we have to deny every charge. Most of the charges will come from those who don't want us to succeed. Don't be deflected from your purpose. Be proud of our record and work to make it better.

Our major problem is with the politicians -- ours too.

Agnew: Not even here.

The President: Go to the press -- don't hide. But don't comment on the charges because of the legal processes. Just say you don't believe the President is involved. Express confidence in the judicial system.



✓ Cabinet 18 May

Cabinet Mtg
8:30 AM, Fri, 18 May 73

- Haig get together w/me on David Young - ^{stiff denial} prepared.
- Go through records - when Young saw or talked to Kissinger

Review by different members of their activities

Anne Armstrong - Ministry hiring

Property review board

→ From Counselor Organ of Govt for Foreign Policy

- From Wakeup - ex-director
Getting started in a good way

Anne is resp. for it.

"F.P. - this is a new field for me"

Richardson - Problems of his charter & finding a prosecutor

"Better committee act"

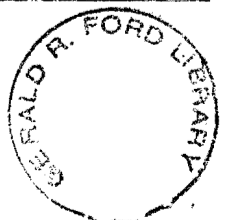
Logan - New act, gone to bills to replace 7 separate acts
Described other legis being prepared.

By end of year he will control 254,000 ^{units} downing
Relations w/ Congress good.

Detroit problems, Cleveland, other big cities

Bush - Major Peck (Cleveland) good known Republican, think
he will be selected.

^(his daughter)
Brennan - Many may be willing to compromise on
minimum wage, unemployment insurance, etc.
Prohibiting - problem not only bet business & labor
but bet labor groups.



Dent. Fallout of Pels Trip to SV is one of the most exciting things going on. The E. Europe countries are standing in line for trade

P. on M.F.V. Count being Bely we have a threat from that if he doesn't give in, our relations w/ SV will go down a tick. We need to prozeelyte on this.

High level of prosperity in a country.

Brennan & I collected a dossier for & ministers + & labor leaders. They all see things a same way.

Researcher Marina - highest level of building ever

Fishing problem - NE area is overfished & we are about to take some action (Russians & E. Europeans overfishing)

Bertz - Plantings going pretty well despite floods

New farm bill - Senate bill will cost no more than a present one.

Approp bill bad - may also be sets

P. New Atty Gen will have sweeping resp.

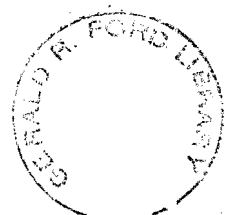
R. Yes. They tie in closely w/ H&C, H&D.

This good kind of meeting to know what is going on.

P. Yes. These are ^{people} issues ~~we~~ don't talk about.

Carlson - Health - negotiating to create a line, insurance oriented org. Having trouble w/ Craig - we wanted to phase out some bad parts + Craig keeps passing more

Count. h. caos / V.H.
Mid East -
Tel. com. /
Militarization
Dad's son
See later



Education is moving a ^{best sig} in this area
is grants for freshmen. If we get this thru, ^{for 4 yrs} students
will be able to go to college irrespective of income. This
will tie aid to a student, not a education institution.
Looking at a whole area of welfare reform - across
all govt agencies. Will be massive
undertaking - hope to have plan by Sept.

Morton - Energy is current primary concern. Pipeline
bill can Senate floor by end of May. House bill
is different + conf. will be difficult. If law says,
we can build this winter; if not, a year delay.
Nuclear safety.
W. Initiative doing good job.
Judicial budget 25% of Dept budget. Hope
to end fragmentation of Judiciary & matters

Simon - Too much prosperity. Inflation 6.1%, growth
8%. Budget deficit being cut by about
15 bil. For FY74, deficit looks about
3.5 bil.

Energy - Intense interest what in Cong.
We should move ahead. Cong is
responsive. Energy was
formerly dead.

→ We need action in NE. Japs
are taking our markets away.

Mandatory aid - reports probably politically
necessary - won't work any better than
voluntary.



P- We will have this type only monthly or every 3 wks.
Paris - R has said ~~will~~ ^{will} ~~not~~ ^{will} ~~impose~~ ^{impose} ~~sanctions~~ ^{sanctions} if ~~without~~ ^{without} ~~an~~ ^{an} ~~act~~ ^{act} or ~~strike~~ ^{strike}.

Perk in SEA is ~~been~~ ^{been} out of proportion because of ~~Construction~~ ^{Construction}.

Art is clearly ~~providing~~ ^{providing} for w/ demand from ~~Construction~~ ^{Construction} & ~~has~~ ^{has} not done & that is ~~not~~ ^{not} ~~the~~ ^{the} ~~purpose~~ ^{purpose}.

Purpose of ~~being~~ ^{being} is not to get into war in ~~Construction~~ ^{Construction} but to ~~impose~~ ^{impose} a ~~peace~~ ^{peace} in ~~SEA~~ ^{SEA}.

Don't want to encourage ~~costs~~ ^{costs} to go on ~~engage~~ ^{engage} again.

Can't - tremendous ~~importance~~ ^{importance} of ~~SEA~~ ^{SEA} ~~and~~ ^{and} don't want to see a ~~split~~ ^{split} that if we get ~~SEA~~ ^{SEA} ~~exp.~~ ^{exp.} best way to proceed is to ~~help~~ ^{help} ~~in~~ ⁱⁿ ~~Construction~~ ^{Construction} in ~~SEA~~ ^{SEA}.

Things going forward & if they don't succeed Congress is ~~not~~ ^{not} for a ~~feature~~ ^{feature}. This is ~~not~~ ^{not} ~~related~~ ^{related} to ~~this~~ ^{this} ~~issue~~ ^{issue}.

SEA has ~~other~~ ^{other} ~~disadvantages~~ ^{disadvantages}.

- long war

- ~~Went~~ ^{Went} ~~reluctantly~~ ^{reluctantly} to US

- ~~Problems~~ ^{Problems} w/ their ~~major~~ ^{major} ~~allies~~ ^{allies}.

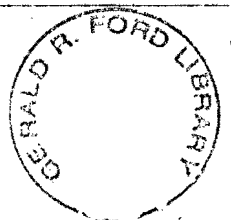
I want ~~to~~ ^{to} ~~know~~ ^{know}, but put yourself in ~~PRC~~ ^{PRC} & ~~SU~~ ^{SU} shoes. Risk ~~relating~~ ^{relating} to US for purposes of a ~~small~~ ^{small} ~~in~~ ⁱⁿ ~~involved~~ ^{involved} ~~ally~~ ^{ally}??

So it all fits together - ~~an~~ ^{an} ~~industry~~ ^{industry}.

SU is very important in what

happens in Asia, ME, E. U.S.

PRC too in ~~Asia~~ ^{Asia}



Shouldn't we react to characteristics
against Rogers. Trip successful but press
play very negative.

Recent approach summit, this is worthwhile
in world history. Either we move forward
on substantive basis we began last year, or
we stop. If latter, it would still be a dangerous
place. If we have no influence w/ SV, PRC
will have no use for us.

We are working on trade agreement, SALT,
Dez. is putting

Will meet in David, Columbus, & last
is riding on the visit

Aug 2 VN, this is a vigorous economy & SVN
will survive a long time.

What happens in Cambodia & Laos tomorrow,
it affects states of ^{SE} asia and also PRC.
If we fail there, PRC will see us as
a paper tiger.

ME is the pole of Israel. Israel lobby so
strong that Congress is not reasonable.

When we try to get Israel reasonable, there
is ~~the~~ Israeli election, US election, or ~~an~~
something.

This is my primary occupation. Please
don't take an all-out Israel line. Israelis
are attractive & efficient, but a stakeover
trip.

We are trying to get this opponent view
off dual centers.



Basic point: I think can depart on this with
one side. But if our relationship w/
SV collapses + SV ends deals, I think
will be surprised.

This is why we need to have more on
Trade M.F.U.

Have to have policies which don't allow obsession
w/ one state to destroy ^{any states in} M.E.

There are problems - but when we come to office
we weren't really talking to PRC + not really to USSR.
There was war in M.E. + high cooperation in
SEA.

We have come a long way, but must
realize we never would have gotten here if
we had had the thinking which dominates
a Senate + much of press. A weak UK which
can't command ~~the~~ respect, we will find.
So if we need 3 bill balance, a way that
is to squeeze for DOP. But if a cut is
to make UK 2nd largest power, having
a chaotic cities won't matter because
we won't be able to enjoy them.

I stand for a strong US because we ourselves
can help stability in a world. Do you want
a world where ^{there is} a program US but a
becomes stronger country decides a course
of peace + freedom in a world.

You are going through a tough period. Most of
a people in this Admin are fine. We have
come a long way + the improvement is
because of us (war in the cities, etc)



VP - In a province, there is not a press or
Watergate like here.
People come up to tell me of their ~~information~~
experiences in Pks.

P - Don't get Paddyish. It is rough & will get
rougher. They will go after us. ~~Don't~~ ~~you~~
with. My concern is not myself but all our
family. The Iraq will fly, but don't think we
have to deny any change. Most changes will
come from those who don't want us to succeed.
Don't be deflected from your purpose - be
proud of our record & work to make it
better.
One major problem is w/c politics - over
too.

VP - Not even here.

P - Go to a press - don't hide. But don't comment
on charges because of legal processes. Just
say your own behavior is unexcused. Express
confidence in judicial system.

