

***** T O P S E C R E T *****S COPY

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TO: COMDR. JON HOWE FOR SECRETARY KISSINGER

FROM: BRENT SCOWCROFT

SUBJECT: STAFF MEETING ON 9 NOVEMBER

1. THERE WAS CONSIDERABLE DISCUSSION OF THE ENERGY PROGRAM, FOCUSING ON A POSSIBLE NEED FOR GASOLINE RATIONING AND WHETHER A TAX WOULD BE PREFERABLE TO A RATIONING SYSTEM. SPLIT HERE WAS ALONG FAMILIAR LINES WITH THE "FREE ENTERPRISERS" STEIN AND FLANIGAN ARGUING FOR A TAX (SHULTZ WAS NOT PRESENT BUT HE STRONGLY ARGUED THE TAX ROUTE AT THE CABINET MEETING THE OTHER DAY). BRYCE HARLOW POINTED OUT THAT WE HAD TO MAKE CLEAR THAT THE NATURAL GAS DE-REGULATION BILL WOULD NOT REGULATE INTRA-STATE GAS IF WE WERE TO AVOID A FILLIBUSTER IN THE SENATE.

2. DISCUSSION THEN TURNED TO THE WATERGATE ISSUE. LEN G. HAIG SAID THAT THE ERWIN COMMITTEE LAWYERS HAD VISITED THE PRESIDENT'S LAWYERS YESTERDAY TO "INVITE" THE PRESIDENT TO MAKE USE OF THE COMMITTEE EITHER IN THE WHITE HOUSE OR ON THE HILL TO ANSWER QUESTION 5.

HAIG SAID THAT AS OF NOW THE PRESIDENT HAS NO INTENTION OF MEETING WITH THE WATERGATE COMMITTEE, BUT HE WILL WAIT TO SEE HOW JUDGE SIRICA HANDLES THE TAPE SITUATION. GARMENT OBSERVED THAT SIRICA COULD BE ANNOYED AT ANY SUCH ACTIVITY WITH THE COMMITTEE WHILE THE TAPE ISSUE WAS BEFORE HIM. GARMENT SAID THAT WE HOPE THAT SIRICA WILL MAKE A FINDING ON THE TECHNICAL ASPECTS OF THE TAPES WHICH WILL ELIMINATE ALL THE RUMORS ABOUT MALICIOUSLY MUTILATING, LOSING, OR ERASING THE TAPES. HE FURTHER SAID THAT WE MIGHT NEVER GET A SIRICA FINDING THAT THE EVIDENCE ON THE TAPES EXCULPATES THE PRESIDENT. HARLOW ARGUED THAT THE PRESIDENT HAD TO TAKE ACTIONS TO

***** WHSR COMMENT ***** ON-FILE NSC RELEASE INSTRUCTIONS APPLY *****

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FOLLOW UP ON THE WATERGATE FINALE TO HIS SPEECH -- WHICH HAD STRUCK
A VERY POSITIVE NOTE. HE HAD TO GET OUT TO THE PEOPLE AND OUGHT TO
HAVE A PRESS CONFERENCE AT LEAST ONCE A WEEK. INCONCLUSIVE DISCUSSION
ON THIS POINT FOLLOWED.

WARM REGARDS.

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