

# Nixon Calls on Cabinet For New Policy Ideas

5/8/74  
By Carroll Kilpatrick  
Washington Post Staff Writer

In a formal new effort to salvage the last "1,000 days" of his administration, President Nixon has directed Cabinet officers to come forward with new programs affecting all areas of government policy.

At the President's direction, Roy L. Ash, director of the Office of Management and Budget, has sent a letter to all Cabinet officers calling for "new thrusts" in domestic policy and using the term "1,000 days" to apply to the remaining 2½ years of the President's term.

Part of the emphasis is on economic policy because of the administration's concern over the high rate of inflation and record-high interest rates.

The President wants a series of "new and imaginative" proposals, officials who have seen the Ash letter said. An OMB official acknowledged existence of the directive but would not make it public.

The President conferred yesterday with Ash and other economic advisers in what was described as the first of several meetings designed to find out if there is anything new the government can do to combat inflation.

The President has called on his advisers for "a reassessment to see whether any new policy steps can be taken," one official said.

One of the areas of concern—the sluggish housing industry—was discussed in preparation of action the President has promised this week to stimulate housing starts.

An informed source said that the housing recommendations would be modest rather than spectacular.

Last weekend, the economic advisers held extensive meetings to prepare an assessment for yesterday's meeting and to debate possible new policy steps. Additional meetings with the President are planned in the immediate future, it was said.

Arthur F. Burns, chairman of the Federal Reserve Board, was noticeably absent from the meeting, which included Ash; outgoing Secretary of the Treasury George P. Shultz; William E. Simon, who will be sworn in as Secretary of the Treasury today; Chairman Herbert Stein of the Council of Economic Advisers, and James T. Lynn, Secretary of Housing and Urban Development.

After the President signed legislation establishing the Federal Energy Administration, John C. Sawhill, the administrator, said that gasoline prices, which have accounted for part of the increase in living costs, would hold relatively steady.

On a national average, regular gasoline will hold close to 55 cents a gallon and premium at close to 60 cents, he said, with variations by companies and areas.

The worst is over in gasoline prices rises, Sawhill said at a White House news conference. Gasoline supplies this summer will be "sufficient" if motorists practice conservation, Sawhill said.

In signing the bill, Mr. Nixon said that "by no stretch of the imagination have we yet overcome the energy challenge." He said that there are "disturbing indications" that many Americans believe "good conservation habits can be forgotten."

The President appealed to

members of Congress who watched him sign the legislation—the second energy measure he has requested which has become law—to approve more than a dozen other measures he has proposed.

Mr. Nixon also signed a bill authorizing higher pay and incentive bonuses to stimulate recruitment of physicians into the all-volunteer Army.

With the draft at an end, the military and the U.S. Public Health Service face a shortage of qualified doctors. The White House said that the pay boosts would cost about \$75 million a year.

Spokesman Gerald L. Warren issued a statement strongly criticizing Monday's Senate action rejecting an administration request for \$266 million in additional military aid for South Vietnam.

He said the President was "deeply disappointed" by the attack on the administration's proposal; the attack was led by Sen. Edward M. Kennedy (D-Mass.).

The funds are needed to preserve "the military equilibrium" in South Vietnam, Warren said.

"This equilibrium was achieved at great cost to the United States, and is essential to stability in Southeast Asia," he said.

Since last year's cease-fire, Hanoi "with outside assistance had illegally infiltrated more than 120,000 troops and has illegally introduced large quantities of tanks, artillery, missiles and other munitions" into South Vietnam, Warren said.

He said the President hoped Congress would ultimately approve the funds for aid to South Vietnam.