

[3/14/79-Not Submitted] [CF, O/A 548]

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: [3/14/79-Not Submitted] [CF, O/A 548]; Container 109

To See Complete Finding Aid:

http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf



RG

Harry S. Truman Scholarship Foundation
712 Jackson Place, NW, Washington, DC 20006
Telephone Area Code 202-395-4831

March 14, 1979

OFFICERS AND TRUSTEES

- Hon. John W. Snyder
Chairman
- Senator Jacob K. Javits
Vice Chairman
- Congressman Richard Boiling
Treasurer
- Mrs. Margaret Truman Daniel
Secretary
- Dr. Ernest Boyer
- Judge Walter E. Craig
- Senator Thomas F. Eagleton
- Amb. John Portner Humes
- Judge Elliott D. Marshall
- Ms. Anita M. Miller
- Congressman Gene Taylor
- Hon. Stuart Symington
Emeritus
- Hon. Charles S. Murphy
General Counsel
- Malcolm C. McCormack
Executive Secretary
- James C. Craten
Administrative Officer

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

Hearty congratulations. Your courage, patience and faith has brought about a tremendous award.

The Nation and the entire free world will benefit.

May the Lord preserve and augment your strength and leadership.

Faithfully,

John W. Snyder
Chairman

THE WHITE HOUSE

WASHINGTON

DATE: 14 MAR 79

FOR ACTION: STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

✓ ZBIG BRZEZINSKI

✓ JIM MCINTYRE

✓ CHARLES SCHULTZE - NC
charlie has talked to Blumenthal directly

✓ ALFRED KAHN *attached*

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

JODY POWELL

JERRY RAFSHOON

*3-20
Kitty: will go in w/ package*

SUBJECT: SCHLESINGER MEMO RE AMENDMENTS TO TO THE MANDATORY OIL IMPORT PROGRAM WHICH WILL SUSPEND TARIFFS AND LICENSE FEES

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM ~~FRIDAY~~ 16 MAR 79 +
Tuesday
+++++

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

FOR ACTION
FYI

| | |
|-------------------------------------|---------------------------|
| <input checked="" type="checkbox"/> | FOR STAFFING |
| <input type="checkbox"/> | FOR INFORMATION |
| <input type="checkbox"/> | FROM PRESIDENT'S OUTBOX |
| <input type="checkbox"/> | LOG IN/TO PRESIDENT TODAY |
| <input type="checkbox"/> | IMMEDIATE TURNAROUND |
| <input type="checkbox"/> | NO DEADLINE |
| <input type="checkbox"/> | LAST DAY FOR ACTION |

| | |
|-------------------------------------|----------------|
| <input checked="" type="checkbox"/> | VICE PRESIDENT |
| <input checked="" type="checkbox"/> | JORDAN |
| <input checked="" type="checkbox"/> | EIZENSTAT |
| <input type="checkbox"/> | KRAFT |
| <input type="checkbox"/> | LIPSHUTZ |
| <input checked="" type="checkbox"/> | MOORE |
| <input checked="" type="checkbox"/> | POWELL |
| <input checked="" type="checkbox"/> | RAFSHOON |
| <input type="checkbox"/> | WATSON |
| <input type="checkbox"/> | WEXLER |
| <input checked="" type="checkbox"/> | BRZEZINSKI |
| <input checked="" type="checkbox"/> | MCINTYRE |
| <input checked="" type="checkbox"/> | SCHULTZE |
| <input type="checkbox"/> | ADAMS |
| <input type="checkbox"/> | ANDRUS |
| <input type="checkbox"/> | BELL |
| <input type="checkbox"/> | BERGLAND |
| <input type="checkbox"/> | BLUMENTHAL |
| <input type="checkbox"/> | BROWN |
| <input type="checkbox"/> | CALIFANO |
| <input type="checkbox"/> | HARRIS |
| <input type="checkbox"/> | KREPS |
| <input type="checkbox"/> | MARSHALL |
| <input type="checkbox"/> | SCHLESINGER |
| <input type="checkbox"/> | STRAUSS |
| <input type="checkbox"/> | VANCE |

| | |
|-------------------------------------|------------------|
| <input type="checkbox"/> | ARONSON |
| <input type="checkbox"/> | BUTLER |
| <input type="checkbox"/> | H. CARTER |
| <input type="checkbox"/> | CLOUGH |
| <input type="checkbox"/> | CRUIKSHANK |
| <input type="checkbox"/> | FIRST LADY |
| <input type="checkbox"/> | HARDEN |
| <input type="checkbox"/> | HERNANDEZ |
| <input type="checkbox"/> | HUTCHESON |
| <input checked="" type="checkbox"/> | KAHN |
| <input type="checkbox"/> | LINDER |
| <input type="checkbox"/> | MARTIN |
| <input type="checkbox"/> | MILLER |
| <input type="checkbox"/> | MOE |
| <input type="checkbox"/> | PETERSON |
| <input type="checkbox"/> | PETTIGREW |
| <input type="checkbox"/> | PRESS |
| <input type="checkbox"/> | SANDERS |
| <input type="checkbox"/> | WARREN |
| <input type="checkbox"/> | WEDDINGTON |
| <input type="checkbox"/> | WISE |
| <input type="checkbox"/> | VOORDE |
| <input type="checkbox"/> | |
| <input type="checkbox"/> | |
| <input type="checkbox"/> | ADMIN. CONFIDEN. |
| <input type="checkbox"/> | CONFIDENTIAL |
| <input type="checkbox"/> | SECRET |
| <input type="checkbox"/> | EYES ONLY |

THE WHITE HOUSE

WASHINGTON

March 20, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED E. KAHN

Fred

SUBJECT: Schlesinger Memo on Listing Oil Import
Tariffs and License Fees

In general, I agree with Jim that it would be helpful to suspend import fees and duties on petroleum and petroleum products, even temporarily. I suggest you defer this decision, however, until you decide what to do about crude oil pricing generally.

I suggest this because the fee and duty system offers a relatively easy way to raise revenues -- revenues that could be used either to help balance the budget or (if necessary legislation were enacted) to offset the harmful effect of rising energy prices on the poor.

And please, whatever you decide substantively, do not accept any draft that uses "impact" as a verb! (See line 4: how about "which directly injure" instead?)



Department of Energy
Washington, D.C. 20585

March 13, 1979

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM SCHLESINGER

SUBJECT:

Amendments to the Mandatory Oil Import
Program Which Will Suspend Tariffs and
License Fees .

The purpose of this memorandum is to recommend that Proclamation 3279, as amended, which provides for the long-term control of imports of petroleum and petroleum products, be further amended to suspend temporarily the imposition of license fees, and to recommend that tariffs on such imports also be suspended. The current shortages and instability in international oil markets engendered by the continuing reduction of Iranian oil exports have resulted in escalating world oil prices to the detriment of the domestic economy and the American consumer. In my view, the present shortages and price instability obviate the need for fees and tariffs. I therefore recommend that tariffs and fees on imports of petroleum and petroleum products be suspended until July 1, 1979, and that a provision be included for a further suspension of two additional six month periods should the instability in international oil markets continue beyond that date.

This action could help to mitigate upward pressure on prices induced by the shortages thereby alleviating some of the deleterious effects on the domestic economy and the American consumer which would otherwise occur. At the same time, suspension of fees and tariffs should also improve access to certain refined products which are threatened to be in short supply. Finally, the fact that the suspension is for a limited period of time will reassure domestic producers and refiners that our long-term goal of decreasing the Nation's reliance on imported petroleum has not been altered.

The Department of Energy has drafted a Proclamation which would implement the changes I have recommended in this memorandum, and it has been submitted to the Office of Management and Budget for interagency review.

IMPORTS OF PETROLEUM AND PETROLEUM PRODUCTS
- - - - -
BY THE PRESIDENT OF THE UNITED STATES OF AMERICA
A PROCLAMATION

The Secretary of Energy has advised me that the continuation of shortages in international petroleum and petroleum product supplies has resulted in escalating world oil prices which impact directly on the U.S. economy. This situation requires that imports of crude oil and petroleum products be adjusted by temporarily suspending tariffs and the system of license fees which have been imposed since 1973 under Proclamation 3279, as amended. In light of the current market shortages and price conditions the continued imposition of import fees and tariffs, at least for the near term, do not serve the purposes of the Mandatory Oil Import Program and are detrimental to the economy. As a consequence, for the period that the shortages persist, continued imposition of the tariffs and import fees has become unnecessary and burdensome to the American public.

Therefore, the Secretary of Energy has recommended that I temporarily suspend imposition of the import fees and tariffs. Suspension of the fees and tariffs will serve to alleviate some of the world oil price impacts on the American consumer and should also improve access to certain refined

products which are threatened to be in short supply. I agree with the changes proposed by the Secretary and they are consistent with the purposes of Proclamation 3279, as amended. The temporary suspension of fees and tariffs does not alter the long term purposes or benefits of the import control program established pursuant to Proclamation 3279, as amended.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, by the authority vested in me by the Constitution and the laws of the United States, including Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), do hereby proclaim that:

Section 1. Section 3(a)(1) of Proclamation No. 3279, as amended, is amended in subparagraphs (i) and (ii), and by the addition of a subparagraph (viii), to read as follows:

"(i) with respect to imports of crude oil (other than that imported by the Department of Energy, or by another person or agency of the Federal Government acting on behalf of the Department, for the Strategic Petroleum Reserve Program) and natural gas products over and above the levels of imports established in Section 2 of the Proclamation, such fees shall be \$0.00 per barrel for the period March 1, 1979 through June 30, 1979. Effective July 1, 1979 such

Secretary finds that imposition of the fees would not be in accordance with the purposes of this Proclamation. Reimposition of the fees may be deferred for one additional period, not to exceed six months, upon a similar finding."

Section 2. Section 4 of Proclamation 3279, as amended is amended by the addition of paragraphs (d) and (e) to read as follows:

"(d) Such regulations may provide for allocation periods of other than one year's duration; provided, that the applicable average barrel per day level of imports not subject to the payment of fees provided in Section 2 of this Proclamation is not exceeded on the average in any such period established.

"(e) Notwithstanding the levels established in Section 2 of this Proclamation, such regulations may provide for the suspension of the issuance of licenses not subject to the payment of fees with respect to any type of crude oil, unfinished oil, or finished product for any period in which a fee of \$0.00, as provided in Section 3 of this Proclamation, is in effect."

Section 3. Effective as of March 1, 1979, tariffs upon imports of petroleum and petroleum products listed in Schedule 4, Part 10-"Petroleum, natural gas and products derived therefrom," and tariffs upon imports of hydrocarbons listed in Schedule 4, Part 2-"Chemical Elements, Inorganic and Organic Compounds, and Mixtures", of the Tariff Schedules of the United States shall be and are suspended until July 1, 1979, at which time the tariffs shall be reimposed except with respect to any item in Schedule 4, Part 2 or Part 10, for which the Secretary of Energy finds that the reimposition of a tariff would not be in accordance with the purposes of Proclamation 3279, as amended. Upon such a finding, the Secretary may defer imposition of the tariff for a period not to exceed six months and may defer imposition of the tariff for one additional period, not to exceed six months, upon a similar finding.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, in the year of our Lord nineteen hundred seventy-nine, and of the Independence of the United States of America the two hundred and fourth.