

**4/10/79 [2]**

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THE WHITE HOUSE  
WASHINGTON

4-10-79

Frank.

Mayor Pawlenty (Utica, N.Y.) says  
Republican Congressman announces  
good things (like local military  
base getting 400 jobs) and  
never mentions President.  
Is this happening all over  
U.S.?

J.C.

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10:15 AM

THE WHITE HOUSE

WASHINGTON

April 10, 1979

MEETING WITH NEWLY ELECTED STATE PARTY CHAIRS

Roosevelt Room 10:15 a.m. (10")

by: Tim Kraft

I. PURPOSE: Introductory Meeting

II. PARTICIPANTS, BACKGROUND, PRESS:

A. PARTICIPANTS:

State Senator Rosalie Abrams (Maryland)  
Larry Bengston (Kansas)  
Britain Bryant (Virgin Islands)  
Thomas J. Cox (Missouri)  
John N. Dempsey (Connecticut)  
Romeo Duval (New Hampshire)

Billy Goldberg (Texas)  
Brad Hays (New Mexico)  
Harry Leinback (Wyoming)  
Franklin Lopez (Puerto Rico)  
John Maher (North Dakota)  
Richard O'Neill (California)  
Russell Walker (North Carolina)  
Robert Watson (Virginia - Ex. Director)  
Morley Winograd (Pres, St. Chairs)  
John White, Chairman, D.N.C.  
Tim Kraft  
Rick Hutcheson  
John Rendon, DNC  
Tracy Gallagher, DNC  
Mario Cooper, DNC- State Chairs

B. BACKGROUND:

These state chairs have been invited to come to the White House for a briefing conducted by Senior Staff to give these Chairs some insight on Administration policies and legislative initiatives.

The Party Chairs invited today were elected to office after the conclusion of last spring's series of breakfast briefings. This will be the first time for some of these chairs to ever visit the White House. Chairman White hosted a reception at his house for them on Monday evening. A copy of this morning's schedule is attached.

4/10/79

State Chairs

-2-

C. PRESS:

None/ White House Photo

III. TALKING POINTS:

1. Thank them for coming( a great distance for some) to the White House to meet with your staff members.

2. Urge them to involve themselves in the policy areas that are of particular interest to them and encourage them to stay in touch with the people they have met today. Also encourage them to speak out at home regarding programs they are concerned about.

3. You may wish to pose for individual photos with each of the Chairs.

THE WHITE HOUSE

WASHINGTON

Tuesday, April 10, 1979

State Chairs Briefing

- 8:30 - 8:40 : Tim Kraft general welcome & introduction
- 8:40 - 9:00 : Hamilton Jordan - political overview
- 9:00 - 9:30 : Anne Wexler - Hospital Cost Containment
- 9:30 -10:00 : Stu Eizenstat - Energy
- 10:15 - : The President
- 10:30-10:45 : John White - Democratic unity
- 10:50-11:00 : Vice President Mondale

10:10 AM

THE WHITE HOUSE

WASHINGTON

April 9, 1979

MEETING WITH FORMER REP. JOE L. EVINS AND JUDGE TAYLOR RAYBURN

Tuesday, April 10, 1979  
10:10 a.m. (2 minutes)  
The Oval Office

From: Jim Free *J.F.*

I. PURPOSE

Courtesy call by Rep. Joe L. Evins and Judge Taylor Rayburn.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: Judge Rayburn is a cousin of the late Speaker Sam Rayburn and is very proud of the relationship. He is currently County Judge of Maury County in which Columbia, Tennessee as well as the TVA/Columbia Dam are located. Rayburn has been very vocal in support of the Dam. He will be accompanied by his wife, Louise.

Former Rep. Joe L. Evins is known as "Mr. Democrat of Tennessee" and represented the Fourth District, (now represented by Al Gore), for 30 years. He retired as Chairman of the powerful Appropriations Subcommittee on Public Works. It was through his efforts that the Columbia Dam was begun. Evins campaigned hard for Jimmy Carter in the 1976 election. He will be accompanied by his wife, Ann.

The Columbia Dam flood control and recreation project located in Central Tennessee (recommended for termination by the President in 1978 and reinstated by the Congress) involves at least one endangered species (the birdwing, pearly mussel in the Duck River).

TVA is studying alternatives to the project to preserve the species, so the President's FY 1980 Budget does not include any additional funding for Columbia pending completion of the study in July and subsequent decisions on the future of the project.

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The President's FY 1979 budget did include \$7 million to maintain minimum progress not detrimental to the endangered mussel in anticipation of environmental lawsuits that might block the project. Congress, however, added \$19 million (for a total of \$26 million) to keep the project on schedule.

By early January 1979, it became apparent that TVA could obligate only \$11 million of the \$26 million FY 1979 Columbia appropriation without endangering the mussel. The President therefore reported a FY 1979 deferral of \$15 million pending completion and evaluation of the Columbia alternative study.

TVA and the Administration are in a dilemma because Congress wants (1) TVA to complete the Columbia project as originally planned and (2) Federal agencies not to take actions jeopardizing endangered or threatened species.

In light of the U.S. Supreme Court's June 15, 1978 decision in the Tellico case, the project as originally designed cannot be completed absent:

- delisting of the affected species, or
- a modification of the Fish and Wildlife Service biological opinion that the project endangers the species, or
- an exemption from the requirements of the Endangered Species Act pursuant to the 1978 requirements.

The project also needs a permit from the Corps of Engineers for placement of fill material under Section 404 of the Clean Water Act. This permit cannot be issued without certification by the State of Tennessee that discharges authorized by the permit will not cause violation of State water quality standards. Not only is the State's certification being held up by an appeal by environmental groups, but EPA's regional staff says that EPA will not approve the permit on endangered species grounds even if the Corps issues it.

The TVA board is consulting with Interior Secretary Andrus to try to work out the Endangered Species Act problems at Columbia Dam project.

THE WHITE HOUSE  
WASHINGTON

10 Apr 79

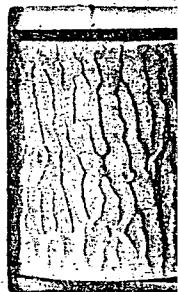
Anne Wexler

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

Stu Eizenstat

1467



FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND
NO DEADLINE
LAST DAY FOR ACTION

ACTION  
FYI

ADMIN CONFIDENTIAL
CONFIDENTIAL
SECRET
EYES ONLY

	VICE PRESIDENT
	JORDAN
/	EIZENSTAT
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	RAFSHOON
	WATSON
/	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
	BUTLER
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	LINDER
	MARTIN
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	VOORDE
	WARREN
	WISE

THE WHITE HOUSE

WASHINGTON

April 9, 1979

Anne -  
Called his  
Secretary - He's  
in Jordan  
J

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER *AW*  
STU EIZENSTAT *Stu*

Attached is a statement of Thornton F. Bradshaw of Atlantic Richfield in which he says that "an excess profits tax is not too big a price to pay for decontrol."

*It  
doesn't  
say much*

His people in Washington tell us that it is possible to move ARCO now to a leadership role in support of the tax.

We would suggest that you give Thornton Bradshaw a call (213-486-1738 or 1739), thank him for his support, and chat with him a little about strategies to involve other oil companies in support of the tax. Where ARCO leads, others may follow.

Attachment

Electrostatic Copy Made  
for Preservation Purposes

PRESIDENT OF ATLANTIC RICHFIELD GIVES STRONG SUPPORT

TO PRESIDENT CARTER'S PLAN FOR DECONTROL OF OIL PRICES

LOS ANGELES, April 6— The president of Atlantic Richfield Company today gave strong support to President Carter's plan to decontrol the price of crude oil in the United States.

At a news conference conducted by telephone from New Orleans, where he is attending a series of meetings, Thornton F. Bradshaw said he would accept the concept of a "windfall" profits tax if that is "politically essential."

"I think that the cornerstone of the policy, moving toward world prices by decontrol, is very important. Without that there could be no real energy policy that would get us out of this (energy) bind," he said.

"If it is politically essential that there be an excess profits tax to accomplish decontrol, so be it. ~~Essential is the only way to accomplish decontrol.~~

"On the other hand," the Atlantic Richfield executive said, at least half of any of the incremental profits that would flow to the oil companies by reason of decontrol would go to the Federal government, anyway, because of income tax.

"I'm not sure that that kind of tax, a so-called excess profits tax, is necessary. But if Congress determines that it is necessary for political reasons, well, it is not too big a price, in my opinion, to pay for decontrol."

Bradshaw said that, with decontrol, Atlantic Richfield will go all out for finding and development of new oil and gas. I think there will be a tremendous surge of activity in the entire industry," he added.

He urged President Carter to maintain strong leadership "in keeping before the people that there is a real energy crisis, not something that will go away. Then I think all parts of our society will rise to the challenge," Bradshaw said.

THE WHITE HOUSE  
WASHINGTON

4/10/79

Jim McIntyre

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Please notify Sec. Blumenthal  
and John Moore.

Rick Hutcheson

cc: Zbig Brzezinski  
Charlie Schuylke

FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND
NO DEADLINE
LAST DAY FOR ACTION

ACTION

FYI

*cc of  
McI memo*

ADMIN CONFIDENTIAL
CONFIDENTIAL
SECRET
EYES ONLY

	VICE PRESIDENT
	JORDAN
	EIZENSTAT
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	RAFSHOON
	WATSON
	WEXLER
/	BRZEZINSKI
/	MCINTYRE
/	SCHULTZE
	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
	BUTLER
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	LINDER
	MARTIN
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	VOORDE
	WARREN
	WISE

*pls notify  
Blumenthal &  
Moore*

THE WHITE HOUSE  
WASHINGTON

4/10/79

Mr. President:

Brzezinski concurs with  
Blumenthal.

Schultze concurs with  
McIntyre.

Eizenstat and Congressional  
Liaison have no comment.

Rick



THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

March 26, 1979

10

MEMORANDUM FOR THE PRESIDENT

Subject: Additional Resources for Eximbank

Your export policy statement last September called for a \$500 million increase in Eximbank's direct credit authorizations from \$3.6 billion in FY 1979 to \$4.1 billion in FY 1980. It is now possible that the \$3.6 billion ceiling for FY 1979 may be reached before the end of the fiscal year. John Moore discussed this possibility with you on December 5, and you asked him to consult with other interested agencies and report back.

The member agencies of the National Advisory Council on International Monetary and Financial Policies -- Treasury, State, AID, Commerce and Eximbank (except the Federal Reserve) -- reached agreement on a number of points. Eximbank should conserve its funds by reducing its share of direct lending where possible, notably in aircraft financing. Even with the most careful allocation of its resources, however, Eximbank is likely to need an additional \$1 billion in funds to meet prospective loan demand in FY 1979 and FY 1980. In the interest of holding the FY 1980 budget deficit to under \$30 billion, we are proposing that the additional funds be provided off-budget by using Treasury's Federal Financing Bank to lend directly to the foreign borrower at fixed interest rates with an Eximbank guarantee.

Use of the FFB in this way to augment Eximbank's direct loan program would require no Congressional authorization. Consultation with appropriate Congressional committees before any new program is announced is clearly desirable, however. You will recall your memorandum of March 16 to the Congress, in which you reported that our lack of progress in negotiating an improved International Arrangement on Export Credits requires us to reexamine our efforts to assure that we remain competitive in the export credit field. The additional resources for Eximbank, which we are recommending that you approve, would demonstrate to the Congress, to our own exporters and to foreign governments that we intend to be competitive.

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The memorandum ~~attached~~, signed by John Moore as well as myself, outlines our proposal in greater detail and requests your decision (p.4.).

Since we know that there will be some criticism of off-budget financing from certain quarters in the Congress, we would like to get your preliminary reaction. If it is positive, we would then consult on the Hill and advise you on the extent of possible opposition.



W. Michael Blumenthal

Attachment

MCINTYRE COMMENT



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

April 4, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. 

SUBJECT: Additional Resources for Eximbank

During the fall budget review, Eximbank Chairman John Moore indicated that he might need additional funds in 1979. You stated that he should operate in a manner to stay within his budget and indicated a willingness to consider proposals which he might have to do so.

Secretary Blumenthal and Chairman Moore are now seeking an additional \$1 billion in off-budget lending authority to cover possible budget overruns in 1979 and 1980. They believe that the increase is necessary because of: the high demand for Eximbank credit; the continuing high trade deficit; European community resistance to further tightening of the international arrangement on limiting export credit competition; and the need to put forward additional proposals to improve chances of securing passage of the MTN agreements. To avoid increasing reported budget outlays, they propose that the additional lending be provided through Treasury's Federal Financing Bank (FFB) mechanism which does not appear in the budget totals. The FFB would lend directly to foreign borrowers with an Exim guarantee, a substitute for Eximbank's on-budget direct-loan program.

There are two major issues: 1) should Eximbank's resources be further increased at this time; and 2) if increased, should it be done off- or on-budget?

Alternative Resource Levels

No Increase in 1979 - Eximbank's direct-loan budget is \$3.6 billion and \$4.1 billion in 1979 and 1980 respectively, up dramatically from \$.7 billion and \$2.9 billion in 1977 and 1978. Lending policies adopted over the past two years have sharply increased Eximbank coverage and established highly subsidized interest rates. As a result Treasury and Exim believe that total demand for the Bank's credit may substantially exceed budget levels this year and next.

Demand for Eximbank's credit has grown more slowly this year than anticipated, possibly because of the record levels of credit obtained by LDCs in the Eurocredit markets during 1978. As of the end of March, the Bank had authorized \$1.0 billion in 1979 credits with another \$.3 billion approved but pending before the NAC or Congress. This leaves a balance of \$2.3 billion for the second half of 1979, of which up to \$1 billion may go for a nuclear project in Korea (which is still uncertain).

Credit demand for 1980 is more difficult to estimate given the uncertainty this far in advance about how much potential business will actually come into the Bank. However, if the trend of increasing demand should continue or accelerate, the demand for Eximbank credit, given current lending policies, could exceed budget levels by a substantial margin in 1980.

OMB opposes a further increase in Eximbank's resources at this time. The potential excess demand for credit in 1979 appears too small to warrant extraordinary on- or off-budget relief. Moreover, OMB does not believe that the Bank's long-term credit program should be operated as an entitlement program, with supplemental budget requests approved when highly aggressive marketing and subsidized credit terms help create additional credit demand. For 1980, the demand for Eximbank credit can be examined next year with more current data, and the need for a supplemental can then be examined against the requirements of other Federal programs.

The other justifications put forward for additional Eximbank resources are peripheral to that of excess demand. The trade deficit is largely offset by our large and growing surplus in services. OMB believes that Eximbank's ability to generate additional exports even with highly subsidized credit remains marginal and has a delayed impact. As for competitive pressures, the most recent data released by Eximbank show that official credit offered by our major competitors, Japan, Germany, and France, declined from 1976 to 1977. Regarding the need to persuade U.S. exporters, they stand to gain the most from the MTN agreements and should not require the further inducement of increments in subsidized credits in order to support them.

Increasing Eximbank's resources by \$1 billion would enable the Bank to extend funds to cover the maximum potential demand for credit in 1979. The increase may, however, be insufficient for Eximbank to meet all additional credit demand during 1980 as well if the Bank's policy of matching both foreign subsidized official financing and private financing is vigorously pursued. This level of additional resources would demonstrate a continuing concern by the Administration but would probably not satisfy congressional critics that demand major governmental involvement in promoting exports.

## Method of Financing Additional Resources

Off-Budget - Increasing Eximbank funding by using off-budget Federal Financing Bank resources raises serious concerns:

- OMB is now engaged in an effort to rationalize and improve budget controls on credit programs. Using off-budget FFB financing to increase Eximbank's resources would undermine this effort and strengthen the tendency of agencies to seek additional resources in future budgets through off-budget techniques.
- Using an off-budget financing technique after the budget has been sent up would result in criticism of the Administration for resorting to gimmickry to achieve its budget targets.
- The Eximbank proposal is particularly objectionable because the Bank will be using the FFB to make loans at a rate below the rate at which the government borrows. Thus Eximbank will have to reimburse the FFB for the difference. We are strongly resisting a similar proposal by the Israelis, for the U.S. to "enhance" the peace package by establishing a Middle East Peace and Development Bank with loans below U.S.G. borrowing costs.

Secretary Blumenthal and Chairman Moore argue that an increase in Eximbank's resources is sufficiently important to warrant using off-budget financing techniques if increases in Eximbank's regular programs are rejected because of budgetary concerns. They believe that the special circumstances here and the fact that some use of off-budget FFB financing already occurs will blunt criticism of the Administration and reduce precedential problems in controlling future budgets.

On-Budget - If additional Eximbank lending is approved, OMB would normally have a strong preference for showing it on-budget in order to maintain the integrity of the budget totals. Two problems make on-budget financing for a 1979 supplemental particularly troublesome.

- Congressional budget committees are currently marking up a proposed 3rd concurrent budget resolution. Further increases in that resolution are already facing strong opposition and it may be too late to get further increases considered.
- Even if the budget committees approved the increase, the appropriations committees are increasingly unwilling to consider further supplements.

A further consideration would be the impact on the 1980 budget deficit. Although outlays are especially hard to predict because of the uncertainty of the Korea nuclear sale, we estimate the increase in outlays to be \$100-150 million in 1980. This, if added to other possible increases, could jeopardize your goal of holding the budget deficit below \$30 billion.

Congressional Presentation

Eximbank's programs are subject to annual limitations, proposed by the Administration, in appropriation acts. If an increase in Eximbank's resources is approved, OMB believes this annual limitation should be formally amended to reflect the new program. This would require action by the appropriations committee, but would not result in additional BA or outlays. While technically it may be feasible to implement the off-budget FFB option without a formal request, the Bank's use of its guarantee authority would be for purposes very different from those originally intended. Failure to send a formal request could open the Administration to charges of avoidance of congressional review and could result in committees taking undesirable action to further tighten congressional scrutiny and control.

Recommendation

Because of OMB's belief that the proposed increase in Eximbank lending is not an urgent priority, that off-budget financing is unacceptable and that on-budget approval may not be feasible, I strongly recommend against the proposal.

Decisions

A. Additional Resources

- 1. None (rec. by OMB) CEA ✓  
\_\_\_\_\_
- 2. \$1 billion in 1980 (rec. by Treasury, Exim, State, and Commerce) NSC J  
\_\_\_\_\_

B. Financing Method (Only if you select Option 2)

- 1. On-Budget (rec. by OMB) CEA  
\_\_\_\_\_
- 2. Off-budget (rec. by Treasury, Exim, State, and Commerce) NSC  
\_\_\_\_\_

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1150

ID 791149

THE WHITE HOUSE

WASHINGTON

*gmsm*  
*4/9/79*  
*- w/se am*

DATE: 27 MAR 79

FOR ACTION: STU EIZENSTAT

FRANK MOORE (LES FRANCIS) *-nc*

ZBIG BRZEZINSKI *- concur*

JIM MCINTYRE *+ w/se am*

CHARLIE SCHULTZE *- attached*

*attached*

INFO ONLY: THE VICE PRESIDENT

ALFRED KAHN

SUBJECT: BLUMENTHAL MEMO RE ADDITINAL RESOURCES FOR EXIMBANK

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1100 AM THURSDAY 29 MAR 79 +

+++++

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

April 2, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*

I am opposed to the Commerce-Treasury-ExIm proposal to expand the lending facilities of the Export-Import Bank by \$1 billion in fiscal 1979 and 1980 by using the facilities of the Federal Financing Bank. There are two reasons for my opposition.

- o Using this form of off-budget financing is a naked evasion of normal budgetary procedures. The Administration has taken a position that off-budget expenditures should be reviewed by the Congress as carefully as budget outlays. We should not be expanding the scope of off-budget items. Our effort to obtain better controls over governmental lending programs will be seriously damaged if we try to introduce this added spending through the back door.
- o Adding a billion dollars to off-budget expenditures during a period when we are asking the Congress for budgetary discipline will damage seriously our ability to hold down Congressional additions to budget outlays. It will give other special interest groups ammunition to argue for increases in the programs that favor their constituents.

Increasing exports is a worthy objective, but there is no reason for giving this objective favored treatment. Unsatisfied demand for subsidized export financing is not a sufficient reason for bypassing our normal budgetary procedures.

March 26, 1979

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Additional Resources for Eximbank

A. Background

Despite the success of our monetary actions to strengthen the dollar, the Administration must demonstrate its continued interest in promoting exports. The U.S. trade deficit was a record \$34 billion in 1978. Estimates indicate that the trade deficit will be \$27 billion in 1979.

The trade deficit is not a short-run problem. It was years in the making and will require a sustained effort to reduce. The new export policy you announced last September was the first step in a long-term effort. In it, you recognized that Eximbank financing is one area where more action is immediately feasible to expand industrial exports. Therefore, your export policy statement called for a \$500 million increase in Eximbank's direct credit authorizations from \$3.6 billion in FY 1979 to \$4.1 billion in FY 1980.

It has now become apparent that the \$3.6 billion ceiling for FY 1979 may be reached before the end of the fiscal year. John Moore discussed this possibility with you on December 5, and you asked him to consult with other interested agencies and report back.

B. International Developments Since December

Since that time, two international developments have come to bear on the Eximbank budget. First, it was impossible to persuade the European Community to tighten the International Arrangement on Officially Supported Export Credits and thus an escalation in competition among export credit agencies is more likely. We believe that substantive improvement will remain elusive until the United States demonstrates its willingness to meet subsidized foreign export credit terms.

Second, the negotiations on a Subsidy/Countervailing Measures Agreement in the MTN indicate a broad willingness to improve discipline on a wide range of export subsidies, with the notable exception of official export credit terms. This development represents a further clear signal that export incentives will increasingly take the form of more liberal official export credit practices.

C. Result of National Advisory Council (NAC) Consultations

We have consulted the member agencies of the National Advisory Council on International Monetary and Financial Policies on this issue. The result of this consultation has been NAC agreement with the exception of the Federal Reserve on the following points:

1. Eximbank has just completed a thorough review of the means by which it could further conserve its funds. The main area in which Eximbank may be able to reduce its share of direct lending per transaction is in aircraft financing. The Private Export Funding Corporation (PEFCO) could be an alternative source of fixed-rate financing, but this course may risk losing some aircraft exports that might be won with more attractive financing offers. Even if Eximbank does reduce its percentage of coverage, there will be such a substantial increase in total demand for aircraft financing in the coming two to five years that total lending in this sector may increase.

2. Even with the most careful allocation of its funds, if U.S. companies win all or a large part of a billion dollar Korean nuclear project, it is possible that Eximbank may need an additional \$1 billion in funds to meet prospective loan demand in FY 1979 and FY 1980.

3. In the interest of holding the FY 1980 budget deficit to under \$30 billion, two off-budget methods were considered to provide Eximbank an additional \$1 billion in direct loan funds on a contingency basis: (1) a Fixed Interest Rate Support Program (FIRSP), whereby Eximbank would subsidize the difference between the fixed interest rate it would charge and the floating interest rate commercial banks normally charge, and (2) the use of the Treasury's Federal Financing Bank (FFB) to lend directly to the foreign borrower at fixed rates with an Eximbank guarantee. The NAC concluded that the latter approach is more advantageous. The FIRSP idea will thus be put aside but might be considered again if circumstances should warrant it.

Using the FFB, rather than the commercial banks, as an off-budget source of funds is justified by the much lower cost of FFB funds and the lower vulnerability of this approach to political attack in the Congress.

D. Budgetary and Congressional Considerations

The FFB option has the advantages and drawbacks of any off-budget financing. The principal advantage is that expansion of Eximbank activity would not enlarge the budget deficit. The two principal drawbacks are: (a) that the use of the FFB might be seen as a precedent for off-budget financing by other agencies; and (b) that Eximbank must guarantee the loans from the FFB.

We do not think the precedent question poses a great danger; the FFB now finances both budget and off-budget programs, and FFB financing does not in itself affect the budget treatment of the program. Although the guarantee from Eximbank may require increasing its guarantee authority, this is not as great a problem as increasing direct loan authorizations.

Legal counsel advises us that the use of FFB would not require Congressional authorization. Consultation with the appropriate Congressional committees before any new program is announced is clearly desirable, however.

E. Relationship to MTN Agreements

Congressional worries about the trade deficit will be fanned by the lobbying efforts of those groups who fear the greater import competition that will result from trade-liberalizing MTN agreements. If the Administration can demonstrate that it has convincing ideas for taking advantage of the greater export opportunities that will result from the MTN, our chances of securing passage of the MTN agreements will be improved.

F. Conclusion

The National Advisory Council member agencies (with the exception of the Federal Reserve) believe that more export financing resources are now required, if only as a contingency measure. One billion dollars should be made available on a contingency basis and should be obtained from the FFB. These additional funds are likely to be needed if (1) an Eximbank preliminary commitment to finance \$1.1 billion for a nuclear power plant is accepted by Korea or (2) Eximbank credit to China, and possibly the USSR, opens up. If both

these eventualities were to occur, funds of a larger magnitude than those mentioned here might prove to be necessary.

G. Decision Request

We recommend that Eximbank be authorized for the period June 1, 1979, through September 30, 1980, to seek up to \$1 billion total in loans from the Federal Financing Bank to finance foreign purchases of U.S. goods and services, to be available on a contingency basis if needed during this period. Such loans would be guaranteed by Eximbank and such guarantees would apply to the Bank's guarantee authority. The National Advisory Council would retain its usual role in evaluating and recommending action on Eximbank projects funded through the FFB.

Agree \_\_\_\_\_

Disagree \_\_\_\_\_



W. Michael Blumenthal  
The Secretary of  
the Treasury



John L. Moore, Jr.  
President and Chairman  
Export-Import Bank of  
the United States

WASHINGTON

Bob J. v

DATE: 27 MAR 79

FOR ACTION: STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

ZBIG BRZEZINSKI

JIM MCINTYRE

CHARLIE SCHULTZE

INFO ONLY: THE VICE PRESIDENT

ALFRED KAHN

SUBJECT: BLUMENTHAL MEMO RE ADDITIONAL RESOURCES FOR EXIMBANK

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1100 AM THURSDAY 29 MAR 79 +

+++++

ACTION REQUESTED:

*Stu E.*

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

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE  
WASHINGTON

4/10/79

Hamilton Jordan  
Frank Moore

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson



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FOR INFORMATION
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LAST DAY FOR ACTION

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SECRET
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ACTION

FYI

	VICE PRESIDENT
/	JORDAN
	EIZENSTAT
	KRAFT
	LIPSHUTZ
/	MOORE
	POWELL
	RAFSHOON
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
	BUTLER
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	LINDER
	MARTIN
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	VOORDE
	WARREN
	WISE

THE WHITE HOUSE

WASHINGTON

C

MEMORANDUM TO HAMILTON JORDAN  
FRANK MOORE

FROM: LONDON BUTLER  
BOB BECKEL

DATE: APRIL 9, 1979

SUBJECT: SALT ANNOUNCEMENT

As you know, we have made detailed plans for the SALT announcement designed to provide strong initial momentum as we enter the ratification period. On the day of the announcement, we plan to hold brief individual Presidential meetings with Senators Byrd and Baker, to brief ten or so key Senators, and to place personal phone calls from Administration officials to all remaining Senators and to numerous other opinion-makers. In addition, Frank and Bob Beckel plan to brief the entire Senate at a SALT briefing in the East Room on the day after the announcement.

If the announcement is made after Wednesday, during the period when the President will be on vacation and the Congress will be in recess, we will face several problems:

- a number of Senators, including Baker, will be overseas and difficult if not impossible to contact
- many others will be on vacation
- without the opportunity to provide Senate briefings, we will lose the chance to influence first public reactions
- we will be unable to effect a quiet plan to have each of the critical Senators called by key supporters to urge a wait-and-see attitude until the debate has been heard.

No → We realize, of course, that the United States does not have unilateral control over the pace of negotiations. But if agreement in principal on the substance of the treaty is possible by tomorrow, then it would be worthwhile to consider an announcement at the President's press conference--even if the date and location of the summit are not settled. This will at least give us a chance to make calls to the Hill, to have the President brief Byrd and Baker, and perhaps to follow through with plans for a Cy-Harold-Zbig meeting with eleven other key Senators including Stennis, Glenn, Nunn, Church and Jackson.

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THE WHITE HOUSE  
WASHINGTON

4/10/79

Stu Eizenstat  
Jim McIntyre

The attached was returned in the  
President's outbox today and is  
forwarded to you for your information.

The signed originals have been given  
to Bob Linder for appropriate action.

PLEASE NOTE THE DIFFERENCES IN DOD  
AND OTHER AGENCIES - last paragraph.

Rick Hutcheson

cc: Bob Linder

THE WHITE HOUSE

WASHINGTON

April 9, 1979

cc:  
Stu  
Jim  
J

MEMORANDUM FOR THE PRESIDENT

FROM

STU EIZENSTAT *Stu*  
JIM MCINTYRE

SUBJECT

DIRECTIVE TO AGENCIES ON ENERGY CONSERVATION

Attached is a proposed directive from you to the heads of all major executive departments and agencies directing them to reduce energy consumption by 5% overall, and by 10% for motor fuels.

We recommend that you sign the directive today in order that it coincide with your speech this evening.

TWO SIGNATURES REQUESTED

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Within 30 days, please submit to the Secretary of Energy a plan for achieving the reduction in energy use. Each agency that now reports quarterly energy consumption to the Secretary of Energy should identify in the quarterly status reports the actual energy savings attributable to this effort.

I have directed the Secretary of Energy, in consultation with the Office of Management and Budget, to monitor compliance with the provisions of this directive. They will periodically report to me on accomplishments, problems with respect to adverse impacts on agency missions, and further actions which may be required.

*Accuracy define &*  
Department of Defense operational readiness activities are exempt from this directive.

*Susan  
delete*

*Prepare separate ~~note~~ memo  
to Sec of Def HBr - including this  
sentence.*

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF  
EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Required 5% Reduction in Agency  
Energy Use

The U.S. has taken the lead to get the member nations of the International Energy Agency to reduce petroleum consumption. Our goal, as part of this commitment, is to reduce oil imports by a level equal and up to 5% of projected domestic consumption. This goal must be met to help reduce the upward pressure on world oil prices.

The Federal Government will do its part. I am directing that Executive departments and agencies reduce energy consumption by 5% for the twelve-month period beginning April 1, 1979, as compared with the preceding twelve months.

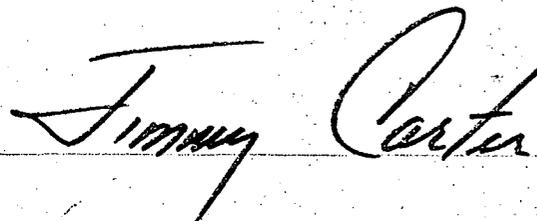
In achieving this reduction, the following specific actions are to be taken:

- o Set thermostats in all Federally-operated buildings, except where required for health and safety or special purposes, at not more than 65 degrees during working hours and 55 degrees during non-working hours for the heating season and at not lower than 80 degrees for the cooling season.
- o Reduce use of all automotive fuels by 10%.

Each agency will have to take additional steps to achieve the full 5% reduction goal. These initiatives should be selected so as to avoid adverse programmatic impacts. As directed in my February 2, 1979 memorandum, for example, heads of agencies may reduce lighting and other electrical use throughout agency activities and reduce petroleum use by eliminating unnecessary activities and vehicle trips. Credit will be given for fuel switching from oil to gas or coal.

Within 30 days, please submit to the Secretary of Energy a plan for achieving the reduction in energy use. Each agency that now reports quarterly energy consumption to the Secretary of Energy should identify in the quarterly status reports the actual energy savings attributable to this effort.

I have directed the Secretary of Energy, in consultation with the Office of Management and Budget, to monitor compliance with the provisions of this directive. They will periodically report to me on accomplishments, problems with respect to adverse impacts on agency missions, and further actions which may be required.

A handwritten signature in cursive script, reading "Jimmy Carter", is written over a horizontal line. The signature is fluid and characteristic of the President's handwriting.

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Required 5% Reduction in Agency  
Energy Use

The U.S. has taken the lead to get the member nations of the International Energy Agency to reduce petroleum consumption. Our goal, as part of this commitment, is to reduce oil imports by a level equal and up to 5% of projected domestic consumption. This goal must be met to help reduce the upward pressure on world oil prices.

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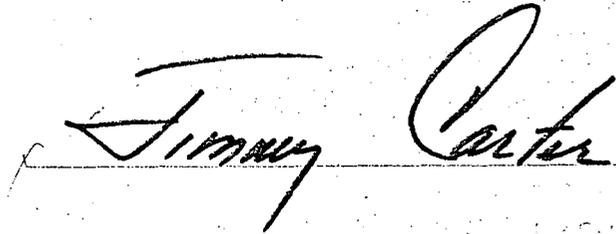
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Department of Defense operational readiness activities are exempt from this directive.

A handwritten signature in cursive script, reading "Jimmy Carter", is written over a horizontal line. The signature is positioned in the lower right quadrant of the page.

THE WHITE HOUSE  
WASHINGTON  
4/10/79

Jim McIntyre

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

cc: Stu Eizenstat  
Zbig Brzezinski  
Phil Wise  
Fran Voorde

<input type="checkbox"/>	FOR STAFFING
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ACTION  
FYI

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<input type="checkbox"/>	EYES ONLY

<input type="checkbox"/>	VICE PRESIDENT
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<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VANCE

THE WHITE HOUSE  
WASHINGTON

4/9/79

Mr. President:

This request is the  
same as last years re-  
quest.

Phil



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

C

APR 6 1979

ACTION

MEMORANDUM FOR: THE PRESIDENT  
FROM: James T. McIntyre, Jr. *J. McIntyre*  
SUBJECT: Plans for the 1981 Budget

This seeks your approval of general plans for the 1981 budget process.

Spring Planning Review

This year's Spring Planning Review—like last year—will be designed to accomplish three principal objectives. The first is to establish the preliminary economic and fiscal policy goals and related spending and surplus or deficit totals for the three-year planning period within which the 1981 budget will be developed. The second is to determine a policy direction for the issues that will have a significant effect on the planning period and the 1981 budget. The third is to fix planning ceilings for 1981 through 1983 for use by the agencies in developing their fall budget requests.

The spring review process for OMB begins formally with the submission of planning requests by each agency on April 3. During late April and early May, a small number of critical issues that warrant your attention will be developed with the participation of other White House staff. In early May, while these issues are still being developed, I would like to meet with you, Charlie Schultze, Fred Kahn, Mike Blumenthal, Stu Eizenstat, and Zbigniew Brzezinski to review economic assumptions and to obtain fiscal and other policy guidance.

Discussions between myself and members of the Cabinet and agency heads will be held to clarify the critical issues to be discussed with you and to reach agreement on less significant matters.

Later in May and into June, we would like to meet with you again, together with those agency heads concerned with the major issues identified earlier. Since the purpose of these meetings would be to establish Presidential policy direction for only the major 1981 budget issues, there would not necessarily be discussions with every Cabinet officer. We envision four or five two-hour meetings for this purpose to be held from late May to mid-June.

A final session with you, me, your other senior economic and White House advisers, and members of my staff would then be held to seek your decisions on the three-year planning ceilings to be given to the agencies in July for preparation of their 1981 budget requests.

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Fall Budget Review

The fall budget process that we are planning will follow the procedure used to produce the 1980 budget. We hope to maintain the same atmosphere of restraint that was established in developing the 1980 budget.

We plan to obtain your initial guidance on appropriate economic and fiscal policies in mid-October. I would then meet with you each week from late October through December to go over significant conclusions that we and the other Executive Office staff have reached in our reviews of agency requests. We would then inform the agencies of those conclusions as you may have modified them.

All agencies would be given an opportunity to appeal to you the decisions on significant issues. These Presidential appeal meetings would be held in late November and December.

Conclusion and Recommendation

The plan described above provides for your participation in the 1981 budget process in a manner similar to last year. I recommend that you agree.

DecisionAgree Disagree 

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THE WHITE HOUSE  
WASHINGTON  
4/10/79

Chairman Campbell  
Landon Butler

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the President's outbox today  
and is forwarded to you for  
your information.

Rick Hutcheson

THE WHITE HOUSE  
WASHINGTON

April 9, 1979

Mr. President:

I recommend a telephone call to Ken. I have discussed this with Scotty, and he agrees.

A handwritten signature in black ink, consisting of several overlapping loops and a trailing line extending to the right.

Landon

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FYI

*cc  
Campbell*

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JORDAN
EIZENSTAT
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POWELL
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MARTIN
MOE
PETERSON
PETTIGREW
PRESS
SANDERS
VOORDE
WARREN
WISE

United States of America  
**Office of  
Personnel Management**

Washington, D.C. 20415

April 9, 1979

In Reply Refer To:

Your Reference:

*done*  
*C*

MEMORANDUM FOR THE PRESIDENT

FROM: Alan K. Campbell  
Director

*AKC*

*(appreciative)*

SUBJECT: Informing Ken Blaylock of Your Decision Concerning  
Employees Earning Less Than \$4.00 An Hour

You approved my recommendation of March 15, 1979, to grant relief for non-appropriated fund (NAF) and other employees making less than \$4.00 per hour by removing the 5.5 percent pay cap previously applied to these employees.

I believe it would be useful if you would personally advise Ken Blaylock, President, AFGE, of your decision. It would show your concern that these low-paid employees receive fair and equitable treatment. You could discuss the matter with Ken preferably by meeting with him or, if that is not possible, by telephone.

After you have talked with Ken, I will officially inform the agencies and the press of your action.

You may wish to cover the following points in your conversation:

- You are impressed with and sympathetic to his deep concern regarding the financial problems faced by these low-paid employees.
- You have directed me to take action to remove the limitation on increases up to \$4.00 an hour for these NAF employees; only the increases above \$4.00 would be subject to the 5.5 percent limit.
- You also have directed me to have legislation drafted to similarly remove from the statutory control program other employees, both General Schedule and Federal Wage System, who now earn less than \$4.00 an hour.

*he will  
help of  
course*

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Decision

Agree to meet personally with Ken Blaylock.

Agree to telephone Ken Blaylock.

Reject.



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THE WHITE HOUSE  
WASHINGTON  
10 April 79

Jack Watson

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

Arnie Miller



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HARDEN
HUTCHESON
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MARTIN
MOE
PETERSON
PETTIGREW
PRESS
SANDERS
VOORDE
WARREN
WISE

THE WHITE HOUSE  
WASHINGTON

4/9/79

Mr. President:

According to CL, neither Senator Byrd nor Speaker O'Neill believe it is necessary to include Members of Congress on the Commission.

FYI - Arnie Miller is working with Jack's office on this.

Rick

THE WHITE HOUSE

WASHINGTON

April 9, 1979

*Jack - Work  
Annie, Frank Press, Griffin.  
expedite  
J*

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON  
GENE EIDENBERG

*Jack  
Gene*

SUBJECT:

Three Mile Island Review Commission

A working group, under Gene Eidenberg's lead, has been:

- drafting an Executive Order establishing the Three Mile Island Commission, and;
- discussing the make-up of the Commission.

Before making final recommendations to you, I need guidance to insure the working group is shaping the kind of Commission you want.

The group has been guided by the following principles:

- The Commission members should not be picked to reflect or to balance the 'pro' and 'anti' positions on nuclear energy;
- The Commission should focus on the events at Three Mile Island, the responses to those events (emergency preparedness, etc.), and the lessons to be learned from them;
- The Commission should have a number of qualities reflected in its membership, i.e.:
  - distinguished citizens of renown and stature (lawyers, judges);
  - technical expertise (nuclear engineering, physicist, etc.);
  - competence in the medical sciences;

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- a current or former state or local elected official;
- an articulate citizen from the affected area round the Three Mile Island Reactor.

Although we do not have a list of names to recommend to you, the working group is drawing names from:

- University Presidents
- Federal Judges
- Research Scientists
- Former Governors
- Leading Government and/or Academic Doctors
- Corporate Leaders
- Current or Former State Utility Commissioners
- Area Residents

*prominent editor (like Eugene Patterson)*

One major issue has not been resolved: whether to have Congressional representation. Frank's office has a different view (and I urge you to discuss it with him), but most of the working group believes that Congressional representation will inevitably lead to 'pro' and 'anti' nuclear energy debates among the Commissioners. In addition, given the number of Subcommittees and Committees with jurisdiction in this area, it will be very hard to pick the representatives to sit.

The counter argument is that with Congressional representation we stand a better chance of minimizing multiple Hill inquiries and gaining Congressional allies in assuring the country that the Administration gave this matter a fair and objective review.

One alternative is to have one Senator and one Congressperson sit Ex Officio with the Commission.

Seek Congressional representation \_\_\_\_\_  
Do not seek Congressional representation \_\_\_\_\_ ✓

Approve general approach of working group \_\_\_\_\_ ✓  
Disapprove general approach of working group \_\_\_\_\_

See me to discuss \_\_\_\_\_

*Jack: expedite names - for final selection - keep list short - (7-9) include a "concerned scientist" - (women?)*

Examples of Names Being Considered for Presidential Commission

University Presidents

Derek Bok (Harvard)  
Jerome Wiesner (MIT)  
Luther Foster (Tuskegee Institute)

Federal Judges

Frank Johnson (District Court, Alabama)  
Gerhardt Gessel (District Court, D.C.)  
Harold Leventhal (Court of Appeals, D.C.)  
Louis Oberdoffer (District Court, D.C.)  
Herbert Stearn (District Court, N.J.)

*Get 2 names  
from Griffin - reviewed  
judges ok - 9/11  
pick one*

Scientists

Thomas Pigford (Nuclear Engineering, University of California  
at Berkeley)  
John Kemeny (Mathematician, President of Dartmouth)  
James Neal (Geneticist, University of Michigan)  
Edward Radford (Univ. of Pittsburgh, Radiology)  
Murray Gell-Mann (Physicist, Calif. Inst. of Technology)

*from Frank  
Press?*

Former Governors

Dan Evans (Washington)  
Russell Peterson (Delaware)

*good names*

Mayors

Tom Bradley (Los Angeles)

*ok - or other black*

Leading Doctors

David Hamberg (Psychiatrist, Director of National Institute  
of Medicine)  
Carl Morgan (Health Physics, Georgia Tech.)  
Herman Liskow (Harvard, did autopsies on victims of 1950's  
Los Alamos accident)

Corporate Leaders

Tom Watson (IBM)

Samuel Phillips (Vice President of TRW. Former Apollo  
Project Manager)

State Utility Commissioners

Norman Clapp (formerly of Wisconsin. Headed investigation  
of New York State black-out appointed by  
Gov. Carey)

Elizabeth Patterson (D.C. Public Service Commission. Black)

Area Residents

To be determined.

THE WHITE HOUSE  
WASHINGTON

4/10/78

Zbigniew Brzezinski

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the President's mailbox today  
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JORDAN

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KRAFT

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HUTCHESON

LINDER

MARTIN

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

VOORDE

WARREN

WISE

FOREIGN POLICY LEGISLATION APRIL-JULY, 1979

*Jb19  
info  
J*

All items listed are either unavoidable or very likely to arise, and all will require significant effort. Major optional items such as the Genocide Convention and items which should not require special effort are not included.

<u>ISSUE/LEGISLATION</u>	<u>Timing</u>	<u>Management</u>
Foreign Assistance (Budget constraints; direct and indirect assistance prohibitions; *Panama; southern Africa; Human rights)		
Security Assistance Auth.	April-May	State
M. E. Supplemental Auth.	April-May	State
*Turkey Supplemental Auth.	April-May	State
Bilateral Foreign Assistance Auth.	April-May	AID/State
International Bank Auth.	April-May	Treasury
FY 79 Supplemental Approp. (Middle East, *Turkey)	May-June	
*FY 80 Aid Appropriation	May-July	LIG
ICDA Reorganization	?	?
State Department Authorization		State/M
*Rhodesia Sanctions (Helms will use any available vehicle to get a Senate vote favorable to the internal settlement before the April elections; thereafter we can expect an all-out effort to lift sanctions.)	April-May	State

\*Items requiring substantial Presidential/Secretarial participation.

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ISSUE/LEGISLATION

Timing

Management

\*Panama Implementing Legislation

April-July

State/DOD

\*SALT

?

White House

\*M.T.N. Legislation

April-Sept.

STR

Export Administration Act

April-July

Commerce

(Includes issue of \*Alaskan oil guarantee for Israel; possibly heated debate over technology transfer, export promotion)

\*Jackson-Vanik

Treasury/State

(Even if we do not force the MFN issue, Stevenson will be reporting repeal.)

➤ Comprehensive Refugee Legislation

May-July

State

Anti-terrorism

SFRC hearings underway

State

(Hill initiative. Middle East, Africa, export ramifications)

— China Trade Agreement

State

Canadian Fishing Treaty

State

Treaty of Tlatelolco

State

(Nuclear/Latin America)

Commodity Agreements

State

(Sugar, Tin)

State Department Personnel Reform

?

State

Foreign Service Retirement

May-June

State

Seabed Mining

Hearings underway

OMB

(Hill initiative)

➤ Arms Transfers

.F-16's to Korea;  
(troop withdrawal)

?

.General questions  
post-Iran

April

\*Items requiring substantial Presidential/Secretarial participation.

ISSUE/LEGISLATIONTimingManagement

\*?Namibia

(supplemental approp.  
to fund UN troops; or  
possible sanctions on  
South Africa.)

May-June

State

?Angola normalization

?

State

?McGovern Amendment on free travel  
(Challenge to PLO admissions)

?

State

SFRC In-depth Hearings

- Arms transfers (see above)
- Reconsider non-proliferation  
policy vis-a-vis Europe
- Mexico
- OPEC/Energy/Balance of Payments

\*Items requiring substantial Presidential/Secretarial participation.

Bennet 4/5/79

THE WHITE HOUSE  
WASHINGTON

4/10/79

Jack Watson

The attached was returned in  
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Rick Hutcheson

THE WHITE HOUSE  
WASHINGTON

Good  
J

April 9, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*  
SUBJECT: Urban Policy Progress Report

We released today three documents describing our progress in implementing your comprehensive urban policy announced one year ago (on March 27, 1978). A report on our overall progress is presented in the document entitled "URBAN ACTION - A NEW PARTNERSHIP TO CONSERVE AMERICA'S COMMUNITIES." This is the document that I spoke to you about when we were coming back from Three Mile Island a week ago. I hope you will take a few minutes to read through it because we have attempted, in a very uncommon and readable way for a government publication, to present a broad and complex policy in simple terms and to illustrate the policy's application through stories and pictures of actual events and activities. By doing it this way, I think we have made the policy come to life, and I think you will enjoy reading it.

The second document, "FEDERAL PROGRAMS FOR URBAN BUSINESS," describes the various major federal incentive programs available to the private sector. Again, in each case, we give a brief description of the tool that is available and a couple of case histories describing how the tool has been used. This booklet is a very practical, "how to" guide to several Carter Administration federal incentives, such as the employment tax credit, investment tax credit for rehabilitation, UDAG, etc.

The third booklet describes some important employment initiatives that we announced today linking the government's employment programs to its many economic development programs. I am attaching a copy of the press release which describes on page 2 generally what the IACC and its member-agencies are doing in that area.

I am preparing some Q & A's on urban policy that you might get at your press conference tomorrow and will give them to you under separate cover.

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THE WHITE HOUSE

WASHINGTON

4/10/79

Frank Moore

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

cc: Phil Wise  
Fran Voorde

		FOR STAFFING
		FOR INFORMATION
	/	FROM PRESIDENT'S OUTBOX
		LOG IN/TO PRESIDENT TODAY
		IMMEDIATE TURNAROUND
		NO DEADLINE
		LAST DAY FOR ACTION -

ACTION  
FYI

		ADMIN CONFID
		CONFIDENTIAL
		SECRET
		EYES ONLY

		VICE PRESIDENT
		EIZENSTAT
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		KRAFT
		LIPSHUTZ
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		POWELL
		WATSON
		WEXLER
		BRZEZINSKI
		MCINTYRE
		SCHULTZE

		ARAGON
		BOURNE
		BUTLER
		H. CARTER
		CLOUGH
		COSTANZA
		CRUIKSHANK
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HUTCHESON
		JAGODA
		LINDER
		MITCHELL
		MOE
		PETERSON
		PETTIGREW
		PRESS
		RAFSHOON
		SCHNEIDERS
	/	VOORDE
	/	WARREN
	/	WISE

		ADAMS
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		BELL
		BERGLAND
		BLUMENTHAL
		BROWN
		CALIFANO
		HARRIS
		KREPS
		MARSHALL
		SCHLESINGER
		STRAUSS
		VANCE

THE WHITE HOUSE  
WASHINGTON

April 9, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M.*  
SUBJECT: SEN. JOHN MELCHER (D-MONTANA)

Senator Melcher has been doing his best to strike an early and fatal blow against the DNR reorganization plan. The vehicle he has chosen is an Agriculture Subcommittee hearing scheduled for tomorrow (Tuesday). We feel this hearing will be a disaster. We have tried repeatedly to convince him to cancel the hearing, but he has not yet agreed to do so. We believe the hearing to be so serious and so detrimental to DNR's chances that it is worth some of your personal time if Melcher will agree to cancel the hearing.

*OR CALL*

Therefore, we would like you to agree to meet with Melcher on DNR at the earliest opportunity. That opportunity may not come until immediately after the recess. If Melcher agrees to postpone his hearing for several weeks, then we will schedule the meeting. If the meeting is held, we anticipate Melcher will also bring up the northern tier pipeline. Should we make the offer to Melcher and set a mutually agreeable time for a meeting?

APPROVE MEETING WITH MELCHER

DISAPPROVE

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