

9/10/79 [2]

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: 9/10/79
[2]; Container 129

To See Complete Finding Aid:

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

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/att.	<p>From McIntyre/Owen to The President (31 pp.) re. 1980 PL 480 Budget Increase / enclosed in Hutcheson to Brzezinski 9/10/79</p> <p><i>opened per RAC NLC-126-18-8-1-3 11/15/13</i></p>	9/7/79	A

FILE LOCATION
 Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Handwriting File
 9/10/79 [2] BOX 145

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.

THE WHITE HOUSE
WASHINGTON

9/10/79

Stu Eizenstat

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

Rick Hutcheson

3724

9-10-79

Stu

I don't like

this

J

Electrostatic Copy Made
for Preservation Purposes

*Rowland Evans
And Robert Novak*

Black Votes, Jewish Votes

President Carter's dilemma in limiting damage of the Andrew Young affair was revealed when he rejected advice from Jewish leaders to depict Young's departure from the U.N. as "an act of his own volition," not the result of Israeli or Jewish pressures.

The advice came from several sources, including a confidential memo to Carter from Stuart Eizenstat, the president's chief domestic aide. It was rejected by the president essentially because he cannot staunch the loss of Jewish support resulting from his bold Mideast policies without losing black support. Having been led to expect their advice would be followed, the Jewish leaders were aghast when the language was omitted from Carter's Aug. 30 speech in Atlanta.

THE WHITE HOUSE
WASHINGTON
9/10/79

Jody Powell
Phil Wise

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

Rick Hutcheson

cc: Fran Voorde
Jerry Rafshoon



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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION
FYI

cc Laphorn

VICE PRESIDENT
JORDAN
CUTLER
DONOVAN
EIZENSTAT
MCDONALD
MOORE
✓ POWELL
WATSON
WEDDINGTON
WEXLER
BRZEZINSKI
MCINTYRE
SCHULTZE
ANDRUS
ASKEW
BERGLAND
BROWN
CIVILETTI
DUNCAN
GOLDSCHMIDT
HARRIS
KREPS
LANDRIEU
MARSHALL

MILLER
VANCE
BUTLER
CAMPBELL
H. CARTER
CLOUGH
CRUIKSHANK
FIRST LADY
FRANCIS
HARDEN
HERTZBERG
HUTCHESON
KAHN
LINDER
MARTIN
MILLER
MOE
PETERSON
PRESS
SANDERS
SPETH
STRAUSS
TORRES
✓ VOORDE
✓ WISE

THE WHITE HOUSE
WASHINGTON

September 6, 1979

*Jody
Doubtful ok, but
not on Sat
J*

MEMORANDUM FOR THE PRESIDENT

FROM: JODY POWELL *Jody*
SUBJECT: 60 Minutes Interview

**Electrostatic Copy Made
for Preservation Purposes**

Mike Wallace has requested an interview with you to be used at the top of their season opening show on September 16. They would prefer that the interview, if possible, take place on September 15, which is a Saturday.

The focus of the interview at this point would be the "trials and tribulations of the Presidency." The interview itself would last about 30 minutes and then be edited down to about 15 minutes.

My impression of Wallace is a tough but fair interviewer. I believe this would be an excellent opportunity for you to talk about your definition of leadership and the Presidency and how you have tried to exercise that leadership in the best interests of the country.

Wallace indicates that he is not interested in questions either about topical issues or about the 1980 election as such.

Rafshoon and I both recommend that we accept this request. The audience for this show will probably be in the neighborhood of 40 million.

If we do accept, it is important that we provide time on your schedule either on Friday or Saturday for a good rehearsal similar to what is done for your news conferences.

THE WHITE HOUSE

WASHINGTON

10 Sep 79

Zbig Brzezinski
Jim McIntyre

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

Rick Hutcheson

~~CONFIDENTIAL~~

3723

DECLASSIFIED

Per: Rac Project

ESDN; NLC-125-18-8-1-3

BY KS NARA DATE 7/22/13

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

DECLASSIFIED

Per, Rac Project

ESDN; MLC-126-18-8-1-3

BY LS NARA, DATE 10/22/13

ADMIN CONFID
<input checked="" type="checkbox"/> CONFIDENTIAL
SECRET
EYES ONLY

ACTION
FYI

	VICE PRESIDENT
	JORDAN
	CUTLER
	DONOVAN
	EIZENSTAT
	MCDONALD
	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
<input checked="" type="checkbox"/>	BRZEZINSKI
<input checked="" type="checkbox"/>	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

~~CONFIDENTIAL~~



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

2B.

SEP 7 1979

Jim
J

MEMORANDUM FOR: THE PRESIDENT
FROM: James T. *Jim* McIntyre/Henry Owen *HO*
SUBJECT: 1980 PL 480 Budget Increase

Several communications to you and OMB propose supplemental appropriations for PL 480 food aid in 1980.

1) Secretary Bergland has requested that the original PL 480 commodity volume, 6.8 million tons, planned in the 1980 budget be maintained, despite large increases in commodity prices and shipping costs. This would require a \$346 million increase in the budgeted \$1,399 million program level and an equal increase in outlays (Tab A).

2) Secretary Vance seeks an additional \$41 million for Egypt added to any supplemental request to offset price increases. State indicates support for a total increase of \$273 million including Egypt (Tab B).

3) IDCA Director Ehrlich favors a \$206 million increase, but opposes the Egyptian add-on (Tab C).

Each proposal would call for an immediate supplemental. A January transmittal would be too late, because by the time Congress acted on it, probably next June, logistical constraints would not allow shipment of the full amount requested. Action now could also take into account that the House has added \$59 million to the 1980 Title I appropriation request; there is no Senate PL 480 add-on. The appropriation bill will probably be in conference next week. By supporting the House position then, the Administration might avoid formally seeking a supplemental for the amount of the House increment.

There are strong arguments in favor of the proposals. Many developing countries, particularly the poorest, have been hard hit by rising food and oil prices this year. (USDA has provided the analysis of developing country food needs at Tab A). It will appear particularly insensitive for the United States, with good harvests and record food export earnings this year, to accept the cut in planned PL 480 volume from 6.8 to 5.3 million tons caused by higher prices. There will be strong criticism of significant tonnage cuts from both the farm bloc and from humanitarian groups, particularly those voluntary agencies implementing Title II food donations. Finally USDA points out that reductions in PL 480 will create pressure for a supplemental to finance higher CCC short-term export loans.

Electrostatic Copy Made
for Preservation Purposes

~~CONFIDENTIAL~~

DECLASSIFIED
Per, Rac Project
ESDN: NLC-126-18-8-1-3
BY *KS* NADA DATE 10/22/13

Nevertheless, we remain concerned about the impact of such large increases on budget restraint. Approving a PL 480 supplemental to allow for price inflation can only intensify pressures for similar add-ons to domestic programs where we have been trying to hold the line. We note that while LDC harvests overall appear down from last year, there seem to be few extraordinary shortfalls. The planned 6.8 million tons for 1980 is well above the 6.2 million tons that will be shipped in 1979 when most major needs have been met. Finally, there is a risk that a supplemental now for the popular food aid program may lead to partial offsetting reductions in regular appropriations for AID and the multilateral development banks (sharply cut by the House) during Senate committee mark-up late this month. These points lead us to conclude that some reduction in the agencies' requests would be both feasible and desirable.

Key Issues

We believe that there are three key issues related to the proposal.

1. Title II - The donation program is the most purely humanitarian element of PL 480 and the main source of U.S. response to natural disasters. It has strong public support centered around the voluntary agencies and is normally backed by large majorities in Congress. As a result, a 1.6 million ton minimum annual volume for Title II is specified in authorizing legislation (subject to appropriations override). If the Administration does not propose a budget increase to maintain the minimum, Congress may well provide it. All agencies agree on an increase of \$103 million to offset price increases.
2. Additional PL 480 Aid to Egypt - State proposes two increases for Egypt: (a) a \$60 million increase in the dollar amount of the program to maintain it at the promised 1.5 million tons of wheat despite price inflation; this would be funded by either a supplemental or reduction of other country programs; and (b) \$41 million for an additional 230,000 tons of wheat (about half of Prime Minister Khalil's request last May), raising the total to 1,730,000 tons or from 25% to over 31% of the worldwide Title I concessional sales program. The issue is whether both of these increases are essential to evidence U.S. reliability in the peace process and to provide tangible reassurance to Sadat. The case for more aid is not strong on economic grounds; Egypt's balance of payments is improving despite Arab sanctions, and it has a \$550 million pipeline of AID commodity import funds.
3. Title I Tonnage - For the remainder of the Title I program, all agencies (State, IDCA, OMB, NSC and Owen) believe that the USDA request can be substantially reduced. The question is how much to cut back. The options are presented below. Our flexibility is limited by the facts that deeper cuts could a) limit our ability to meet pressing needs in Africa and Nicaragua not included in the original budget;

b) unacceptably reduce the unallocated reserve for contingencies, \$142 million at current prices, and c) create pressures for substantial reductions in the large scale programs for Indonesia, Korea and Portugal which will probably have enough foreign exchange to do without PL 480 next year.

Reductions in the latter programs could create problems because i) Indonesia believes that it has a firm \$101 million PL 480 commitment based on statements made by the Vice President last year, which have been further defined by our Ambassador; ii) Korea receives PL480 as a quid pro quo for voluntary textile export restraints; and iii) Portugal sees our aid as an earnest of U.S. support for its moderate democracy. USDA believes, moreover, that cuts in Korea and Indonesia shipments could endanger U.S. commercial exports for wheat and rice.

Options

PL 480 Food Aid Shipments*
(in \$ millions and millions of metric tons)

	<u>1979</u>	1980				
		<u>Option I</u> (USDA)	<u>Option II</u> (State)	<u>Option III</u> (IDCA)	<u>Option IV</u> (OMB, Owen)	<u>Option V</u> (1980 Budget)
<u>Title I</u> Tonnage	842 (4.6)	1087 (5.2)	1013 (4.9)	946 (4.7)	901 (4.2)	843 (3.9)
<u>Title II</u> Tonnage	539 (1.6)	659 (1.6)	659 (1.6)	659 (1.6)	659 (1.6)	556 (1.3)
<u>Total Program</u> Tonnage	1381 (6.2)	1745 (6.8)	1672 (6.5)	1605 (6.3)	1560 (5.8)	1399 (5.3)
<u>Outlays</u>	998	1339	1266	1199	1154	993

(All options above except V include the \$60 million inflation increase for Egypt. None except Option II includes the \$41 million Egypt add-on. If the \$41 million increment were added to other options, totals would be as shown below.)

		(USDA)	(State)	(IDCA)	(OMB/Owen)	
<u>Total Program</u> Tonnage	-- --	1786 (7.0)	1672 (6.5)	1646 (6.5)	1601 (6.0)	-- --

* Detail and illustrative country breakdown at Tab D

~~CONFIDENTIAL~~

4

In the options described below, we do not seek specific decisions on individual country levels except for Egypt. State requests that the \$41 million for Egypt be added to any supplemental amount proposed by other agencies. If you approve this \$41 million, we believe it should be additive to the IDCA and OMB/Owen options, rather than absorbed within them by cutting back other countries.

Option I (USDA) - Request a \$346 million supplemental maintaining volume at the planned 6.8 million tons. While no firm country breakdown is available, some of the tonnage under the country plans in the budget would be reallocated to the neediest countries based on current crop estimates. This option would be welcomed by farm and humanitarian groups and by developing countries.

Option II (State and USDA as a second choice) - Request a \$273 million supplemental maintaining the 1.6 million ton minimum for Title II, reducing Title I volume but including both requests for Egypt. Total volume would be about 6.5 million tons, about 5% above last year. State believes that all major diplomatic and other program objectives can be accomplished with a budget increase 20 percent below USDA, but would go no lower. Tonnage cutbacks would fall on the middle income countries and on the reserve which State would reduce by one-third. State would add \$35 million for Africa programs not in the January budget and strongly urges approval of the Egypt add-on.

Option III (IDCA) - Request a \$206 million supplemental maintaining the Title II tonnage, holding most middle income Title I recipients to the original dollar levels, and excluding the Egypt add-on. Total volume (6.3 million tons) would be very close to the 1979 level. IDCA Director Ehrlich believes this is the maximum needed to achieve humanitarian and developmental objectives in light of budget stringencies. IDCA would cut back Korea slightly, thus extending further the past practice of stretching out the textile payments. IDCA would maintain a higher reserve than State, which would leave room for some but possibly not all of the new Africa initiatives. Ehrlich questions the need to increase the Egypt program by \$60 million to maintain tonnage and opposes the \$41 million add-on as turning the program away from the greater emphasis on development objectives that you previously have encouraged.

Option IV (OMB, Henry Owen) - Add \$161 million to the budget by seeking a \$103 million supplemental to maintain Title II tonnage and supporting the House's \$59 million add-on for Title I in the upcoming appropriations conference. Thus, the supplemental request would be limited to Title II, defensible on humanitarian grounds and meeting the statutory minimum tonnage. Total volume would be about 5.8 million tons, about 5 percent below last year. Programmatically, we would maintain Indonesia at the level that the Indonesians believe was pledged by the Vice President, accept most of the cuts proposed by IDCA, but would reduce the reserve IDCA seeks from \$110 million to \$80 million, taking smaller cuts in a few other countries. This would be a tight reserve for a year of rising prices. Although there

~~CONFIDENTIAL~~

would be little room for the new Africa initiatives, we believe that small cuts in a few countries, possibly including Portugal, plus a further reduction in the reserve could accommodate most of them at this total Title I level. We doubt that reductions of this magnitude would cause major diplomatic problems. This option includes \$60 million to maintain the Egypt program at 1.5 million tons but rejects the \$41 million add-on for Egypt. We believe that the political objectives stressed by Vance can be met by having Ambassador Atherton announce publicly that the U.S. is increasing food aid to Egypt by \$60 million, reducing other countries in order to do so. This would give Sadat visible evidence of U.S. support.

Bob Strauss states that although he is not familiar with the economic considerations, if the \$60 million would clearly establish that the U.S. is doing something unique for Egypt that is not being done for other countries, he would be satisfied and would not insist on the additional \$41 million. This is essentially the case, since no other recipient of Title I aid (including Israel and Jordan) would be given significant increases to offset rising prices.

NSC staff supports this option except for preferring to provide the additional \$41 million for Egypt.

Option V (original January budget dollar level) - Request no increase for the program reducing volume to 5.3 million tons. This option would contribute most to holding the budgetary line not only in foreign aid but also, by example, for all other programs. It would still leave open the possibility of a January supplemental (though much less than the USDA request), which could be decided on in light of the overall 1980 budget situation. Because of the diplomatic costs, the necessary reductions in developmentally sound activities and the domestic political furor it would raise among farm and humanitarian groups, no agency favors this option.

Decision

Option I Accept the USDA proposal, a \$346 million supplemental. _____

Option II Accept the State Department recommendation, a \$273 million supplemental including the \$41 million add-on and \$60 million inflation adjustment for Egypt. _____

Option III Accept the IDCA position, a \$206 supplemental excluding the \$41 million Egypt add-on. _____

Option IV

103
59
162

(a) Accept the OMB/Owen recommendation, a \$103 million supplemental for Title II and support of the House on \$59 million more for Title I but excluding the \$41 million Egypt add-on. _____

(b) Add the \$41 million for Egypt raising the supplemental to \$144 million. _____

Option V No supplemental. _____

Attachments

To OMB/Owen add Portugal
enough not to cut Egypt by
\$ to increase Egypt by
100 thousand tons. Connect with
which to bring total
funding up to 6.0 mil

Electrostatic Copy Made
for Preservation Purposes

DECLASSIFIED
Per, Rac Project
ESDN: NLS-126-18-8-1-3
BY KS NARA DATE 10/22/13

TAB
A



DEPARTMENT OF AGRICULTURE
 OFFICE OF THE SECRETARY
 WASHINGTON, D.C. 20250

~~CONFIDENTIAL~~

AUG 23 1979

TO : Director, Office of Management and Budget
 FROM : Secretary of Agriculture
 SUBJECT : Public Law 480 FY 1980 Budget Recommendation

The Department has estimated official budget prices for Public Law 480 based on the August 10th crop report. In accord with discussions with your staff, we have repriced and revised our recommendation of July 16 on this subject. Price estimates, on a "most likely" bases, for the major commodities are shown on Table J, with earlier estimates--for comparison. It should be noted that these commodity prices can vary from the current level depending upon favorable, or unfavorable weather worldwide.

As you will recall, in my earlier memorandum on this subject two options were presented for the P.L. 480 FY 1980 budget. These options have been reviewed in light of the new price estimates and we have developed two additional ones. These are described below with pros and cons briefly noted and tables for each identified.

Option A: This option, shown in Tables A I and A II, would maintain the President's budget dollars for both Titles as presented to Congress. Generally it reflects an across-the-board reduction in tonnage for each commodity, with some changes in the various Title II commodities.

PRO --

1) This approach would not require Congressional action and would be indicative of the Administration's efforts to hold the line on federal spending. Both the Senate and House have acted on the P.L. 480 FY 80 budget which will go to Conference in September. The House action would allow an increase in Title I proگرامing of almost \$60 million, to be financed with funds carried forward from FY 1979. The Senate version does not provide this additional proگرامing authority. Unless otherwise directed by you, I plan to remain neutral on this aspect and accept what the Conference produces.

CON --

1) The difficulty with this option is the significant reduction in tonnage that could be provided under P.L. 480. Current estimates would show a reduction of 1.5 million tons, from the 6.8 million tons to 5.3 million tons.

~~CONFIDENTIAL~~

DECLASSIFIED
 Per: Rac Project
 ESDN: NLC-126-19-8-1-3
 BY: 243 NARA DATE 10/22/13

~~CONFIDENTIAL~~

Director, Office of Management and Budget

2

2) With specific reference to the Title II program, this option would not provide sufficient funding to meet the legislative minimum tonnage of 1.6 million tons. Legal counsel has found that this minimum is superceded by dollar ceilings as established by the Congress. Nonetheless, failure to meet the tonnage figure may be considered by many, including some members of Congress, as a breach of faith. Moreover, within the minimum tonnage, at least 1.3 million tons must be allocated to the voluntary agencies and the World Food Program unless the President determines and reports to the Congress that this amount cannot be used effectively.

If it is determined that the subminimum must be observed, our capability to respond to large emergency/disaster food needs would be seriously reduced.

Alternatively, a reduction in the amount allocated to the voluntary agencies and the World Food Program would undercut efforts to support development and nutrition objectives on a multi-year basis.

3) The maintenance of dollar levels, with corresponding reductions in tonnage, would not be consistent with United States Government statements and posture in various international fora. In view of record or near-record U.S. crops, it would be difficult to defend reducing food aid to poor countries at a time of rising need. It would also undercut efforts to obtain increased food aid commitments from other donors, both current and potential. It might endanger our ability to meet our pledge of 4.47 million tons annually of cereal food aid under the Food Aid Convention.

4) There would be adverse political reaction to this lower tonnage level from numerous groups, ranging from the hunger lobby and voluntary agencies to agricultural producers and trade groups.

Option B: This option, shown in Tables B I and B II, attempts to increase the tonnage supplied while maintaining dollars by using commodities with lower per unit cost. However, only a minimum increase, an estimated 172,000 tons, is possible.

PRO --

1) This option would help maintain United States Government international creditability by providing as large a tonnage level of food aid as possible-- while supporting Administration efforts to control Federal spending.

2) It would satisfy a legislative requirement of 1.6 million metric tons for Title II.

~~CONFIDENTIAL~~

Director, Office of Management and Budget

3

CON --

- 1) This option would only go part way toward providing the original 6.8 million tons in the President's budget.
- 2) It would inhibit flexibility in meeting possible specific commodity requirements for higher priced commodities such as vegetable oil and rice. Depending upon commodity demand situations, it might preclude a positive response to any given country's request.
- 3) It would seriously reduce the nutritional impact of the Title II program, particularly with respect to mothers and small children.
- 4) It would not satisfy the special interest groups referred to above.

Option C: This option, shown in Table C I and C II, would combine parts of options A and B and option D. For the Title I program the President's budget program level, would be maintained by reducing tonnage and altering the commodity mix. The Title II commodity mix to provide the 1.6 million tons in the President's budget would be maintained by increasing funding.

PRO --

- 1) This level would meet the legislative tonnage requirement for Title II.
- 2) The Title II commodity mix in this option would maintain the originally designed nutritional impact.
- 3) The Title I reduction would provide evidence of Administration efforts to reasonably control federal spending.
- o 4) The option would likely enjoy substantial Congressional support since it maintains the Title II program which is perceived, and primarily supported, as a humanitarian effort.

CON --

- 1) The Administration would have to request a budget supplement from Congress as soon as possible.
- 2) This option would still reduce flexibility in the Title I program, possibly precluding response to any given country.
- 3) Some loss of commodity group support for P.L. 480 could result.
- 4) This tonnage level would still probably be insufficient to support United States Government efforts to solicit increased food aid commitments from other donors.

~~CONFIDENTIAL~~

Director, Office of Management and Budget

4

Option D: This option, shown in Tables D I and D II, reprices the 6.8 million tons in the President's budget and would require an estimated \$243.7 million dollar increase in the Title I/III program level and \$102.6 million dollars in the Title II level, based on "most likely" season average prices.

PRO --

- 1) This option would allow the provision of the total tonnage originally planned and therefore maintain United States Government leadership in international food aid matters. It would strengthen efforts to obtain greater contributions from other donors, both current and prospective.
- 2) This option would provide greater flexibility in meeting country needs with appropriate commodities. It would provide foods of higher nutritional value for the Title II program as originally planned.
- 3) It would meet the Title II minimum tonnage level, including the subminimum for the voluntary agencies and the World Food Program. It would provide a reserve needed to respond to emergency/disaster food needs.
- 4) This option would enjoy the political support of the various interested groups--voluntary agencies, the hunger lobby, and agricultural groups.

CON --

- 1) The option would require an increase in the P.L. 480 budget; it would require an administration request for a supplemental.
- 2) Although in fact the quantities of commodities involved in this decision should have, at most, a negligible impact on inflation, maintaining the 6.8 million tons may be viewed as inflationary by some groups.

Based on the information and analysis available at this time, I would recommend option D. If you concur in this recommendation, we will proceed with preparing the necessary supplemental request to submit to Congress in September.

Attachments

~~CONFIDENTIAL~~

TABLE A

P.L. 480, Title I/III & II
 FY 1980 Budget Comparisons
 (million dollars and 000 metric tons)

<u>Category</u>	<u>Option A</u>	<u>Option B</u>	<u>Option C</u>	<u>Option D</u>
Title I/III				
Commodity cost	785.0	785.0	785.0	1018.5
- Initial Payment	<u>27.0</u>	<u>27.0</u>	<u>27.0</u>	<u>35.0</u> -2
Net commodity cost	758.0	758.0	758.0	983.5
Ocean Transportation cost	<u>85.0</u>	<u>85.0</u>	<u>85.0</u>	<u>103.2</u>
Title I Program Level	843.0	843.0	843.0	1086.7
Title I tonnage	3933	4105	4105	5158
Title II				
Commodity cost	375.2	375.2	446.6	446.6
Ocean Transportation cost	178.8	178.8	210.0	210.0
Section 204 Funds	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Title II Program Level	556.0	556.0	658.6	658.6
Title II tonnage	1340	1340	1600	1600
Total Program Level	1399.0	1399.0	1501.6	1745.3
Total tonnage	5273	5445	5705	6758

Option A - based on President's budget dollar levels for both Titles

Option B - based on less expensive commodities for both Titles

Option C - based on President's budget dollar level for Title I and tonnage level for Title II

Option D - based on President's budget quantities for both Titles

NOTE: All metric tons on these tables reflect grain equivalency.

Electrostatic Copy Made
for Preservation Purposes

1745.3
 + 210.0

 1785.3
 - 2.0

 1783.3
 + 2.0

 1785.3

OPTION A I

TABLE B

Title I/III FY 1980

<u>Commodity</u>	<u>Metric Tons</u> (000)	<u>Dollars</u> (millions)
Wheat	3,186.0	557.6
Rice	406.0	138.0
Feed grains	273.0	32.8
Vegetable oil	<u>57.5</u>	<u>40.6</u>
Subtotal, Food	3,922.5	769.0
Cotton	10.2	15.6
Tobacco	<u>0.1</u>	<u>0.4</u>
Total, Commodity	3,932.8	785.0
Minus Initial Payment		<u>27.0</u>
Net Commodity Cost		758.0
Ocean Transportation Cost		<u>85.0</u>
Total Program Level		843.0

OPTION A II

TABLE C

Title II FY 1980

<u>Commodity</u>	<u>Metric Tons</u> (000)	<u>Dollars</u> (millions)
Wheat/wheat products	702	175.4
Rice	57	21.0
Feed grains/products	430	80.2
Vegetable oil	89	76.8
Nonfat dry milk	<u>62</u>	<u>21.8</u>
Total, Commodity	1,340	375.2
Ocean transportation cost		178.8
Section 204 funds		<u>2.0</u>
Total Program Level		556.0

OPTION B I

TABLE D

Title I/III FY 1980

<u>Commodity</u>	<u>Metric Tons</u> <u>(000)</u>	<u>Dollars</u> <u>(millions)</u>
Wheat	3,450	603.5
Rice	300	102.0
Feed grains	300	36.0
Vegetable oil	50	35.3
Cotton	(25,000 bales) <u>5</u>	<u>8.2</u>
Total, Commodity	4,105	785.0
Minus Initial Payment		<u>27.0</u>
Net Commodity Cost		758.0
Ocean Transportation Cost		<u>85.0</u>
Total, Program Level		843.0

OPTION B II

TABLE E

Title II FY 1980

<u>Commodity</u>	<u>Metric Tons</u> (000)	<u>Dollars</u> (millions)
Wheat/wheat products	702	175.4
Rice	57	21.0
Feed grains/products	430	80.2
Vegetable oil	89	76.8
Nonfat dry milk	<u>62</u>	<u>21.8</u>
Total, Commodity	1,340	375.2
Ocean Transportation Cost		178.8
Section 204 Funds		<u>2.0</u>
Total, Program Level		556.0

OPTION C I

TABLE F

Title I/III FY 1980

<u>Commodity</u>	<u>Metric Tons</u> <u>(000)</u>	<u>Dollars</u> <u>(millions)</u>
Wheat	3,450	603.5
Rice	300	102.0
Feed grains	300	36.0
Vegetable oil	50	35.3
Cotton	(25,000 bales) <u>5</u>	<u>8.2</u>
Total, Commodity	4,105	785.0
Minus Initial Payment		<u>27.0</u>
Net Commodity Cost		785.0
Ocean Transportation Cost		<u>85.0</u>
Total, Program Level		843.0

OPTION C II

Table G

TITLE II FY 80

<u>Commodity</u>	<u>Metric tons</u> <u>(000)</u>	<u>Dollars</u> <u>(Millions)</u>
Wheat/products	872	214.7
Rice	61	22.0
Feed grains/products	496	96.2
Vegetable Oil	102	88.4
Nonfat Dry Milk	70	25.0
Soy Flour	<u>0.8</u>	<u>0.3</u>
Total, Commodity	1,601.8	446.6
Ocean Transportation Cost		210.0
Section 204 Funds		<u>2.0</u>
Total Program Level		658.6

OPTION D I

TABLE H

Title I/III FY 1980

<u>Commodity</u>	<u>Metric Tons</u> (000)	<u>Dollars</u> (millions)
Wheat	4,241.5	742.3
Rice	500.0	170.0
Feed grains	334.2	40.1
Vegetable oil	<u>71.8</u>	<u>50.6</u>
Subtotal, Food	5,147.5	1,003.0
Cotton	10.2	15.0
Tobacco	<u>0.1</u>	<u>0.5</u>
Total, Commodity	5,157.8	1,018.5
Minus Initial Payment		<u>35.0</u>
Net Commodity Cost		983.5
Ocean Transportation Cost		<u>103.2</u>
Total Program Level		1,086.7

OPTION D II

TABLE I

TITLE II FY 80

<u>Commodity</u>	<u>Metric tons (000)</u>	<u>Dollars (Millions)</u>
Wheat/products	872	214.7
Rice	61	22.0
Feed grains/products	496	96.2
Vegetable Oil	102	88.4
Non Fat Dry Milk	70	25.0
Soy Flour	<u>0.8</u>	<u>0.3</u>
Total, Commodity	1,601.8	446.6
Ocean Transportation Cost		210.0
Section 204 Funds		<u>2.0</u>
Total Program Level		658.6



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

CONFIDENTIAL

16 JUL 1979

RECEIVED
79 JUL 17 A 9: 11
OFFICE OF
MANAGEMENT & BUDGET

MEMORANDUM FOR: Honorable James T. McIntyre, Jr.
Director, Office of Management and Budget

FROM : Bob Bergland
Secretary of Agriculture

SUBJECT : Public Law 480 FY 1980 Budget Recommendation

Background

The FY 1980 budget as submitted by the President to Congress in January provided for the shipment of almost 6.8 million tons of commodities. At that time the estimated commodity and transportation cost of that quantity was \$1,399 million. The President's FY 1980 budget decision maintained the quantity levels of food aid as established in the FY 1979 program.

The FY 1980 P.L. 480 budget, part of USDA's appropriation bill, has been passed by the House, which added \$59 million to the Title I program level. In the Senate the Appropriations Committee has acted on the bill, maintaining the Title I program at the requested level but reducing the appropriation request by \$59 million. The USDA appropriation bill is scheduled to go to the floor of the Senate Wednesday of this week.

Current Situation

Since January both commodity and ocean transportation costs have increased substantially. For example, the single most significant commodity price in the P.L. 480 budget is that for wheat. In January, the estimated season average export price for 1979/80 for wheat was \$130 a ton; now, a comparable estimate is \$162. To determine the impact of these price increases, we have recalculated the P.L. 480 budget on two bases. First, the quantities contained in the President's budget have been repriced. This exercise (see tables A, B, and C) shows that to maintain the 6.8 million ton level an additional \$294.5 million is needed. Funds would have to be added to both program levels and appropriation levels for Titles I and II. This dollar level is based on "most likely" season average farm prices derived from the July 13 Agricultural Supply and Demand Estimates. Using price ranges associated with favorable or unfavorable production conditions worldwide, commodity costs for the total P.L. 480 program could vary \pm 10 percent. With regard to the increment of \$294.5 million needed to maintain quantities in the President's budget, the range in commodity costs due to higher or lower than expected prices could vary \pm 50 percent for the Title I component and \pm 40 percent for Title II.

DECLASSIFIED

Per, Rac Project

ESDN: NLG-126-18-8-1-3

BY KS NADA DATE 10/22/13

~~CONFIDENTIAL~~

Honorable James T. McIntyre, Jr.

2

Therefore, while \$294.5 million is our "most likely" estimate of the funds needed, there is no way to guarantee that this level will provide 6.8 million tons. Likewise, such a level might provide for shipments greater than 6.8 million tons.

Our second recalculation maintains the dollar levels in the President's budget as controls. This exercise shows that only 5.6 million tons could be shipped under P.L. 480. This would be a reduction of 1.2 million tons from the originally planned level of 6.8 million tons. (See tables D and E)

Based on "most likely" 1979-80 price estimates, as of July 13, of the total shipment decline of 1.2 million tons, wheat shipments would decline by 1.0 million tons. Other commodities shipped would also decline, but by smaller amounts than for wheat. Feedgrain shipments would decline by about 140,000 metric tons, rice by about 81,000 metric tons and vegetable oils by about 22,000 metric tons. The decline in P.L. 480 shipments, however, would probably not result in an equivalent reduction in U.S. exports of these commodities. Strong foreign demand, as well as growing import requirements in developing countries, would mean that a large percentage (50 to 75 percent) of the decline in P.L. 480 shipments would be offset by commercial export sales.

Any reductions in U.S. exports as a result of lower P.L. 480 shipments would be so small relative to overall supplies of these commodities that little or no impact is expected in domestic farm or consumer prices, or on income of farmers. Conversely, maintaining P.L. 480 shipments at the levels shown in the President's 1980 budget would have negligible domestic impacts.

As you know, in various international fora the United States has advocated increasing levels of food aid, while implying our intention to at least maintain our own levels. Naturally a reduction of our food aid shipments by more than a million tons would be embarrassing and would undercut our efforts to obtain larger commitments from other donors.

Also, at present we see no reason to project decreasing demand for food aid. In fact, analyses show continuing increasing demand for food imports by the less developed countries. It is also likely that the LDC's will experience increasing foreign exchange problems due to the recent action by OPEC. This will further reduce their ability to import needed commodities on a commercial basis and, therefore, increase demand for food aid assistance.

With specific reference to the Title II program, maintaining the original budget level of \$556 million would preclude compliance with the minimum tonnage level established in section 201 of the Act. A reduction of Title II tonnage would both disrupt on-going feeding programs and constrain the U.S. Government's ability to respond to emergency food needs.

~~CONFIDENTIAL~~

Honorable James T. McIntyre, Jr.

3

Additional P.L. 480 Assistance for Egypt

As Secretary Vance has informed you, Egypt has requested additional food aid above the 1.5 million tons of wheat currently included in Title I programming. He has recommended a budget increase of \$60 million for this purpose; this level would provide about 370,000 tons of wheat. This proposed action is not to result in a reduction of food aid to other countries. Therefore, this \$60 million would be additional to the \$294.5 million identified above. As Secretary Vance noted in his memorandum to you, there is a need for additional wheat in Egypt. If this increment does not represent additional imports it is possible this U.S. food aid would displace some other supplier. One other point may be relevant in considering additional P.L. 480 wheat for Egypt; this is the logistical problem which usually accompanies the movement of Title I commodities to countries, including Egypt. Although hard to predict the future, if past experience prevails, some difficulties in moving 1.8 million tons for shipment to Egypt under Title I in a 12 month period may exist if the agreement is not signed early enough to allow the full 12 months for shipments.

I would also note that in my opinion additional programming to Egypt could present two other problems. One relates specifically to efforts to enhance the developmental role of Title I in Egypt. We have just recently begun to make progress in using these resources in Egypt to achieve development objectives. A substantial increase in the program based on political justification may undercut this effort. My second concern relates to the total Title I program; Egypt is already receiving a substantial portion, about 25 percent, of the total Title I program.

Recommendation

Based on the information and analysis available at this time, I would propose that the Executive Branch seek a Senate sponsor of an amendment to the P.L. 480 FY 1980 appropriations language to provide sufficient funding to ship the 6.8 million tons in the original budget. This means we should seek a total program level of \$1,693.5 million and a total appropriation of \$955.3 million. Should it be decided to provide the additional \$60 million of Title I assistance to Egypt, this level should also be added. If this recommendation is approved, we must act this Tuesday afternoon since USDA's appropriation bill may be acted on Wednesday by the full Senate. Also should we be successful in the Senate, it would then be necessary to develop support among the House conferees before the bill goes to Conference.

TABLE A

P.L. 480, Titles I & II
 FY 80 Budget Comparison

<u>Category</u>	<u>Million</u>	<u>Dollars</u>
	<u>President's Budget</u>	<u>Current Estimate</u>
Title I/III:		
Commodity Cost	785.0	961.5
<u>-Initial Payment ^{1/}</u>	<u>35.0</u>	<u>34.0</u>
Net Commodity Cost	750.0	927.5
Ocean Transportation Cost	<u>93.0</u>	<u>103.0</u>
Title I Program Level	843.0	1,030.5
Title II:		
Commodity Cost	375.0	439.0
Ocean Transportation Cost	179.0	222.0
<u>Section 204 Funds</u>	<u>2.0</u>	<u>2.0</u>
Title II Program Level	556.0	663.0

1/ Initial payment estimated as lower percentage due to altered Indonesia and Morocco terms

TABLE B

Title I/III FY 80
Budget Quantities
Repriced as of 7/13/79 1/

<u>Commodity</u>	<u>000 MT</u>	<u>Million \$</u>
Wheat	4241.5	690.0
Rice	500.0	162.5
Feedgrains	334.2	42.0
Vegetable Oil	<u>71.8</u>	<u>51.5</u>
Subtotal, Food	5147.5	946.0
Cotton	10.2	15.0
Tobacco	<u>0.1</u>	<u>0.5</u>
Total, Commodity	5157.8	961.5
<u>Minus Initial Payment</u>		<u>34.0</u>
Net Commodity Cost		927.5
Ocean Transportation Cost		<u>103.0</u>
Total Program Level		1,030.5

1/ Prices derived from Agricultural Supply & Demand Estimates of July 13

USDA/OGSM/P.L. 480
7-13-79

TABLE C

Title II FY 80
Budget Quantities
Repriced as of 7/13/79 1/

<u>Commodity</u>	<u>000 MT GE <u>2/</u></u>	<u>Million \$</u>
Wheat/products	938	210.0
Rice	50	21.0
Feedgrains/products	425	91.5
Vegetable Oil	112	90.0
Non Fat Dry Milk	70	25.0
Soy Flour	<u>5</u>	<u>1.5</u>
Total, Commodity	1600	439.0
Ocean Transportation Cost		222.0
Section 204 Funds		<u>2.0</u>
Total Program Level		663.0

1/ Prices derived from Agricultural Supply & Demand Estimates of July 13

2/ MT GE: Metric ton grain equivalent

TABLE D

Title I/III FY 80
Budget Dollars

Quantities Recalculated as of 7/13/79

<u>Commodity</u>	<u>000 MT 1/</u>	<u>Million \$</u>
Wheat	3440.0	557.6
Rice	425.0	138.0
Feedgrains	265.0	32.8
Vegetable Oil	<u>57.0</u>	<u>40.6</u>
Subtotal, Food	4187.0	769.0
Cotton	10.2	15.6
Tobacco	<u>0.1</u>	<u>0.4</u>
Total, Commodity	4197.3	785.0
Minus Initial Payment		<u>27.0</u>
Net Commodity Cost		758.0
Ocean Transportation Cost		<u>85.0</u>
Total Program Level		843.0

1/ Prices derived from Agricultural Supply & Demand Estimates of July 13

TABLE E

Title II FY 80
Budget Dollars

Recalculated as of 7/13/79

<u>Commodity</u>	<u>000 MT GE <u>1/</u> <u>2/</u></u>	<u>Million \$</u>
Wheat/products	765	172.0
Rice	44	14.3
Feedgrains/products	355	76.9
Vegetable Oil	105	85.5
Non Fat Dry Milk	70	24.7
Soy Flour	<u>5</u>	<u>1.2</u>
Total, Commodity	1344	374.6
Ocean Transportation Cost		180.4
Section 204 Funds		<u>1.0</u>
Total Program Level		556.0

1/ MT GE: Metric ton grain equivalent

2/ Derived from prices based on July 11 Crop Report

OGSM/PPD/PL 480
7/13/79

TABLE F

1979 P.L. 480 Price Estimates
Most Likely, \$/MT or Bale

<u>Commodity</u>	<u>January</u>	<u>June</u>	<u>July 1/</u>	<u>Price 1/ Range</u>
Wheat	130	151	162	± 9.5%
Rice	276	325	325	±11.0%
Feedgrains	98	122	124	± 7.5%
Vegetable Oil	600	645	718	±18.0%
Cotton	326	326	331	- 2/
Tobacco	4740	4740	4740	- 3/

1/ Based on Agricultural Supply & Demand Estimates, July 13

2/ USDA is prohibited by law from projecting cotton prices

3/ Price ranges on tobacco are not applicable

USDA/OGSM/P.L. 480
7/13/79

Tab
B

THE SECRETARY OF STATE
WASHINGTON

July 25, 1979

~~CONFIDENTIAL~~

MEMORANDUM FOR: THE HONORABLE JAMES T. MCINTYRE, Jr.
OFFICE OF MANAGEMENT AND BUDGET

FROM: Cyrus Vance *CV*

SUBJECT: Egyptian Request for Increased Food Assistance

Prime Minister Khalil has written me requesting an additional quantity of 500,000 metric tons of wheat for 1979. Our FY 79 PL 480 Title I/III program for Egypt is \$227 million for 1.5 million metric tons of wheat. The same tonnage level is projected for FY 80.

We believe there are vital political considerations at stake. Egypt has been buffeted almost daily by sanctions imposed by Arab states opposed to the peace treaty. Egyptians face a deepening sense of isolation, a malaise that has begun to affect the body politic. Clearly, Sadat's position would be strengthened by a gesture of encouragement and support. Our willingness to provide an additional quantity of wheat at this time would be a tangible reaffirmation of our commitment to stand with Egypt.

Since Egypt imports between four and five million tons of wheat annually, there is no question that Egypt can use the wheat. The principal economic advantage to Egypt of additional PL 480 assistance would be to lighten the increasing financial burden of food imports. The foreign exchange freed in this manner would be devoted to meet other critical import needs as well as to support Egypt's efforts to carry out economic and financial reforms. Also, given the constraints we face in enhancing substantially the US-Egyptian military relationship a positive response to this request in the vital area of food supply would have a special impact.

~~CONFIDENTIAL~~
(GDS 7/85)

DECLASSIFIED
Per. Rac Project
ESDN: NLC-146-18-8-1-3
BY: *KS* MAR. ONE 10/22/13

~~CONFIDENTIAL~~

-2-

After careful review of the options available for responding to the Egyptian request and in light of the current tight PL 480 budget situation, I have concluded that we should try to satisfy a portion of the request (approximately 50 percent) by a budget amendment of \$40 million in the FY 80 appropriations.

Secretary Bergland has no objection to this memorandum and recommendation.

~~CONFIDENTIAL~~

TAB
C

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

PLANNING OFFICE

WASHINGTON, D. C. 20523

August 31, 1979

MEMORANDUM FOR THE HONORABLE JAMES T. McINTYRE, JR.
Director
Office of Management and Budget

SUBJECT: P.L. 480 Supplemental Request for FY 1980

I have reviewed the Secretary of Agriculture's recommendation of a \$345 million supplemental budget request for the P.L. 480 food assistance program. In light of the President's commitment to contain budget outlays and his directive to increase the developmental effectiveness of the P.L. 480 program, I can endorse the recommendation only to the extent of a supplemental request of \$145 million for developmental and humanitarian uses.

The P.L. 480 program contained in the 1980 AID Congressional Presentation reflected developmental, foreign policy, and domestic agricultural concerns. My support now of a supplemental request of \$103 million for Title II and of approximately \$42 million for Title I (adjusted for freight and down payment) is premised on the belief that only these amounts can be justified on developmental or humanitarian grounds. Clearly, an increase for these purposes alone would result in a shift within the program toward greater emphasis on development. I believe such a shift is appropriate.

The Title II program, congressionally mandated at 1.6 million metric tons, will fall short of this statutory minimum by 300,000 tons unless additional funds are requested. Such a shortfall would not only lead to problems with Congress, but would also hamper this Government's ability to respond to emergency situations and to work credibly with the implementing agencies to strengthen program management and program effectiveness. I therefore recommend requesting the full amount to restore the program to 1.6 million tons as requested by the President in the January budget.

To determine whether a Title I supplemental was required to meet developmental or humanitarian needs, we carefully compared the country allocations established last winter with currently-estimated country needs. In this process, we identified a

number of country programs included in the 1980 Congressional Presentation that were designed, not merely to meet a balance-of-payments or local currency need, but also to help fill a specific commodity gap. Many of these countries (including Bangladesh, Sri Lanka, and the Sudan) are among the poorest in the world and have been hard-hit by the recent round of oil price rises. Adjusting the dollar level to maintain the tonnage level originally required for these countries would require an additional \$40-45 million. I recommend strongly that additional funds be requested to permit such adjustment.

I understand there is a commitment to provide Egypt with 1.5 million tons of wheat in 1980 regardless of price. If this is so, I naturally do not oppose increasing the allocation to Egypt by the \$60 million needed to restore the tonnage level. I do believe it important to note, however, both that Egypt's economic situation and policies are not such as to warrant a program of this magnitude on developmental grounds and that continuation of a tonnage, rather than dollar, commitment injects substantial uncertainty into the P.L. 480 programming process.

I have not endorsed increases over the Congressional Presentation for the unallocated reserve. It thus remains at \$110 million. Although large by historical comparison, such a reserve is needed to allow the program to respond to emerging food needs (e.g. Bangladesh), to accommodate new programming starts (of which some \$30-35 million--largely in the poorer African nations--have already been identified), and to absorb any additional price fluctuations. This flexibility is particularly important if the Egypt program remains a tonnage commitment. An even greater reserve is needed if the probability of a large Pakistan program is high.

I have also not endorsed increases for programs for which the basic motivation is other than developmental or humanitarian. Indeed, on the basis of these criteria, the Title I programs in Korea, Portugal, and Indonesia could be substantially trimmed. Should the President decide it is necessary to meet the full 1.5 million tons in Egypt but hold the supplemental request below the \$100-105 million needed to meet that and urgent developmental requirements, I urge that these other programs be reduced so that the poorer nations not suffer the full burden of the increase in food prices.

Finally, I have not endorsed the Secretary of State's recommendation that Egypt receive \$40 million above the amount needed to reach the 1.5 million ton level. I do not believe it is needed on economic grounds. Most important, we are concerned that such an add-on would further distort the P.L. 480 program and undermine the President's directive to re-orient the program toward the neediest nations and toward those countries exhibiting a willingness to undertake the hard policy measures needed to make U.S. assistance fully effective.

Thomas Ehrlich

TAB
D

~~CONFIDENTIAL~~

PL-480 Title I Programs

(in millions of dollars)

<u>Recipient</u>	<u>1979</u>	<u>1980 Illustrative Country Distribution</u>			
		<u>Option I</u>	<u>Option II</u>	<u>Option III</u>	<u>Option IV</u>
Egypt	227	258	298	258	258
Indonesia	104	127	101	101	101
Korea	40	50	40	30	30
Portugal	40	49	40	40	40
Bangladesh	62	81	75	75	75
Pakistan	40	52	40	40	40
Sudan	20	26	26	26	20
Peru	20	25	25	25	25
Haiti	9	25	20	20	20
Other Countries	176	184	195	162	154
Reserve	<u>46 *</u>	<u>142</u>	<u>90</u>	<u>110</u>	<u>80</u>
Commodity Cost	785	1019	950	887	842
Less: Initial Payment	-27	-35	-33	-31	-29
Plus: Freight	<u>+84</u>	<u>+103</u>	<u>+96</u>	<u>+90</u>	<u>+88</u>
Total Cost	842	1087	1013	946	901

* Used to finance previous year's carry-in.

DECLASSIFIED
Per, Rac Project
ESDN; NLC-12C-18-8-1-3
BY 155 NARA DATE 10/22/13

~~CONFIDENTIAL~~

CONFIDENTIAL

CONFIDENTIAL

~~CONFIDENTIAL~~

PL-480: FY 1980 Budget

(in millions of dollars and millions of metric tons)

<u>Category</u>	<u>Option</u> <u>I</u>	<u>Option</u> <u>II</u>	<u>Option</u> <u>III</u>	<u>Option</u> <u>IV</u>	<u>Option</u> <u>V</u>
<u>Title I/III</u>					
Commodity Cost	1019	950	887	842	785
Less: Initial Payment	<u>-35</u>	<u>-33</u>	<u>-31</u>	<u>-29</u>	<u>-27</u>
Net Commodity Cost	984	917	856	813	758
Ocean Transportation Cost	<u>103</u>	<u>96</u>	<u>90</u>	<u>88</u>	<u>85</u>
Title I Program Level Tonnage	1087 (5.2)	1013 (4.9)	946 (4.7)	901 (4.2)	843 (3.9)
<u>Title II</u>					
Commodity Cost	447	447	447	447	375
Ocean Transportation Cost	210	210	210	210	179
Section 204 Funds	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Title II Program Level Tonnage	659 (1.6)	659 (1.6)	659 (1.6)	659 (1.6)	556 (1.3)
Total Program Level Tonnage	1745 (6.8)	1672 (6.5)	1605 (6.3)	1560 (5.8)	1399 (5.3)
Less Receipts	-406	-406	-406	-406	-406
Outlays	1339	1266	1199	1154	993

DECLASSIFIED

Per, Rac Project

ESDN: N.C-126-18-8-1-3

BY: KCS NARA DATE 10/22/13

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

Wkly Rpts

THE WHITE HOUSE
WASHINGTON
9/10/79

The Vice President
Hamilton Jordan
Bob Lipshutz
Hedley Donovan
Stu Eizenstat
Al McDonald
Frank Moore
Jody Powell
Jack Watson
Sarah Weddington
Ann Wexler
Jim McIntyre

Re: Cabinet Summaries

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

Rick Hutcheson

EYES ONLY

ADMINISTRATIVELY CONFIDENTIAL

3715

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

*4 copies
to handlers &
circlets as
indicated*

ACTION
FYI

/	ADMIN CONFID
	CONFIDENTIAL
	SECRET
/	EYES ONLY

	VICE PRESIDENT
	JORDAN (Francis)
	CUTLER (Lipshutz)
	DONOVAN
	EIZENSTAT
	MCDONALD
	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

Moon
J

September 7, 1979

MEMORANDUM FOR: The President
Attention: Rick Hutcheson, Staff Secretary

SUBJECT : Weekly Report of Major Departmental Activities

Confirmation Hearings for HUD Officials. Secretary-designate Moon Landrieu testified before the Senate Committee on Banking, Housing and Urban Affairs on Thursday, September 6, regarding his confirmation as HUD Secretary. On September 5, I testified before the same Committee on my nomination to head the Federal Home Loan Bank Board. Both hearings went very well, and it is expected that both Committee and floor action on the two nominations will be completed within a few days.

HUD-DOT Agreement Gives Greater Attention to Urban Mix. The three inseparable elements of the urban mix -- housing, community development and transportation -- will receive more unified attention under an Interagency Agreement signed by the Department of Transportation and the Department of Housing and Urban Development and announced on September 6. This agreement is an outgrowth of the President's National Urban Policy and responds to requests for assistance from mayors dealing with projects that contain both complementary and conflicting HUD/DOT elements.

HUD to Grant Disaster Recovery Assistance to Mississippi. Six Mississippi communities which experienced severe flooding last April received a major boost in their recovery efforts this week when HUD announced approval of pre-applications for grants totaling \$4.39 million. The funds, from HUD's Community Development Disaster Assistance program, will be used for housing rehabilitation, acquisition of land for new rental housing, relocation of disaster victims, and prevention of future flooding. Approval of the funds was based upon plans the six communities submitted showing that they are determined to help affected citizens and minimize future problems. I have personally kept in close contact with Governor Cliff Finch on this matter.

HUD Aids Local Energy Conservation Efforts. The Office of Public Affairs has completed work on a 15 minute video tape of a model energy conservation conference which was sponsored by the Department last spring. The tape will be made available to community leaders around the country who are interested in arranging similar conferences in their areas.

Developments in Soul City. This week I approved HUD's share of a \$4.6 million wastewater treatment facility grant for Western Warren County, North Carolina. The area to be served includes the new community of Soul City. It is expected that this grant, which involves cooperation among several federal and state agencies, will contribute to the potential for new economic development in Soul City and Warren County.

Electrostatic Copy Made
for Preservation Purposes

Jay
Jay Jarvis
Acting Secretary

↑
Monitor closely.
Do not waste
money
J



Office of the Attorney General
Washington, D. C.

cc
Len
J

September 7, 1979

Principal Activities of the Department of Justice
for the Week of September 2 through September 7, 1979

1. Meetings and Events

The Attorney General spoke before the National Council of La Raza's 1979 Affiliate Convention and outlined the Department's past civil rights initiatives as well as the commitments he has made for the future. The Attorney General also testified before the Subcommittee on Civil and Constitutional Rights (chaired by Congressman Don Edwards) of the House Judiciary Committee on the FBI Charter.

2. Personnel

During the last two weeks: Charles F. C. Ruff has been named Acting Deputy Attorney General; John Shenefield has been named Acting Associate Attorney General; Alice Daniel has been named Acting Assistant Attorney General for the Civil Division; Alan Parker has been sworn in as Assistant Attorney General for the Office of Legislative Affairs; and Maurice Rosenberg has been sworn in as Assistant Attorney General for Office of Improvements in the Administration of Justice.

3. Judicial Selection

There are currently 145 federal judgeship vacancies (112 under the new law and 32 regular vacancies). The President has signed off on 118 candidates for these vacancies and they are in various stages of the selection and nomination process. This leaves 27 vacancies (15 under the new law and 12 under regular vacancies) not yet presented to the President. Of the 118 candidates, 60 are pending at the Senate (54 under the new law and 6 under regular vacancies), 1 is pending at the White House (1 under regular vacancies), with remainder still under evaluation. The Senate during this Congress has confirmed 48 judicial appointments (40 under the new law and 8 under regular vacancies).

Let's try to get this
done

4. Commutation of Sentence for Puerto Rican Nationalists

To implement the President's decision to commute the sentences of the four Puerto Rican Nationalists, the Attorney General has arranged that all four inmates will be released at 10:00 a.m., Monday morning, September 10th. The grants of clemency have been signed and are being sent to the wardens of the institutions where the defendants are incarcerated. Each of the individuals will also be provided with an airplane ticket home to San Juan, under standard Bureau of Prisons practice for the release of inmates.

5. Civil Rights Suit Against Philadelphia

The Civil Rights Division has filed a schedule for pretrial discovery in the suit brought against the City of Philadelphia for police misconduct. The Department received a petition of 30,000 signatures in support of the Philadelphia police department.

6. Election Observers in Mississippi

Pursuant to the Voting Rights Act, 268 federal observers monitored polling place activities in seven Mississippi counties during the State's primary run-off election on August 28, 1979. There were no serious problems reported, and the election went smoothly.

7. Refugee Legislation

Last night, the Senate passed the Administration's Refugee Act (S.643) with one major amendment. The change, sponsored by Senators Cranston and Hayakawa, has the effect of extending the period of federal funding for assistance to refugees in the United States from two to three years. The House Judiciary Committee will be marking-up the legislation next week.

8. Suspect in FBI Agent's Murder Case Indicted

Mr. Melvin Guyon was indicted and bond of \$1 million was set on charges involving the August 9 slaying of FBI Agent Johnnie Oliver.



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

September 7, 1979

MEMORANDUM FOR: The President
Attention: Rick Hutcheson, Staff Secretary

SUBJECT : Weekly Report of Major Departmental Activities

National Health Plan Legislation Forwarded to the White House.

I am pleased to report to you that the National Health Plan Legislation was transmitted to Stu Eizenstat and James McIntyre today in a separate communication. I made the completion of the legislative draft an immediate priority for the Department because I did not want the legislative debate in Congress to continue without the submission of the Administration bill. I request your assistance in the rapid review and clearance by the Domestic Policy staff and the OMB of this legislation.

The President's Commitment to Refugees. On June 28 you announced a dramatic increase in the number of Indo-Chinese refugees that would be admitted to the United States to alleviate a problem which reached crisis proportions. The world community and the American public applauded this decision and it is now time to back up that decision with the necessary budget actions. On August 2 Secretary Califano sent to the OMB a request for a FY 1980 budget amendment to provide the additional funding to avoid the interruption of service to needy refugees. Because of the fast moving action in the Congress, it is now necessary for the OMB to take action on this amendment as soon as possible so that the Administration can back up the President's commitment with the necessary appropriations.

Action for Radiation Victims. In response to a White House directive, the Attorney General has established an interagency task force on compensation for persons who may have developed radiation-related illnesses as a result of the government's nuclear test program. The task force was directed to submit, by October 1, 1979, recommendations for handling the injury claims of civilians living in the test area. HEW has been asked to submit reports on the types of illnesses that are radiation-related, the effect of the dose received, and the status of epidemiological studies and other research. This will be done promptly.

**Electrostatic Copy Made
for Preservation Purposes**

Low Income Energy Assistance Program. The President will announce the Low Income Energy Assistance Program in Hartford, Connecticut, on Tuesday. HEW staff are working on the background material, the specifications, and the legislation and will provide those materials to the Domestic Policy Staff next week.

Chicago Public Schools Desegregation. On August 31, the Department of Health, Education and Welfare presented the Chicago School Board with a study, requested by the Board, which demonstrated that significant desegregation is feasible and practical in the Chicago school system. Under the study, 60 percent of the schools and 55 percent of the students would be desegregated. The study was intended to illustrate one possible approach and the City was informed that it was not being required to adopt it.

The Department of Health, Education and Welfare was informed on September 6 that the School Board intends to consider a desegregation plan at its next regularly scheduled meeting, September 12, and to submit the Board approved plan to the Department for approval. Under law, the Department has to determine whether to approve the plan by September 15. If the plan is not approved, ESAA funds will not be available to the City for FY 1979. The City, however, has not received ESAA funds since 1973.



Patricia Roberts Harris



Electrostatic Copy Made
for Preservation Purposes

Department of Energy
Washington, D.C. 20585

September 7, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: CHARLES W. DUNCAN, JR. *CWJ*
SUBJECT: Weekly Activity Report
September 3 - 7, 1979

1. Taking control of energy policy matters: I have made a detailed pragmatic assessment of what it will take for me to take charge on energy policy matters. I am developing a list of simple, straight-forward requirements that are necessary for us to move energy matters through the Congress and through the Administration with dispatch. I will be meeting with Bill Miller, Hamilton Jordan, Jim McIntyre and others early next week to put these requirements in place. Any remaining issues will be brought to you promptly. The Executive Council of the Energy Coordinating Committee will meet next week to put a consolidated management system in place.

2. Congressional presentation: As requested, we are putting together a presentation involving you, Bill Miller and me on the precarious state of the oil supply situation, some of the technology developments, and the need for the Administration's overall program. The presentation will draw on the materials we saw presented in Atlanta. I would like to give this a dry run before we set a date, but I expect it will be ready shortly.

3. Home heating oil: The supply situation still looks reasonably good. We will use two approaches to the problem of high prices and spot shortages. Fred Kahn and I believe a "jawboning" effort has promise. That could be done by you or by Kahn and me jointly. We are putting that effort together now and have cleared this with the Department of Justice. We are also forming an interagency distillate management team to serve as an action control center this winter in dealing with shortages and temporary allocation problems.

4. Organizational changes: I have made some organizational changes at the Department of Energy to meet some short term needs. I have met with key Congressmen and Senators and will be announcing these changes next week. We have five appointments now being processed by the White House. I am hopeful these nominations can be announced by the end of next week.



THE SECRETARY OF THE INTERIOR
WASHINGTON

September 7, 1979

MEMORANDUM TO THE PRESIDENT

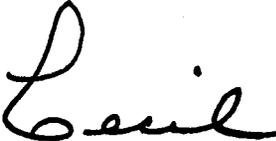
From: Secretary of the Interior
Subject: Items of interest as of September 7

**Electrostatic Copy Made
for Preservation Purposes**

Now that Congress has returned I have talked with Senators Jackson, Stevens, Durkin, Bumpers and Tsongas about the committee timing of our Alaska Lands Bill. Jackson assures me, and the others concur, that the committee action will be finished by early October. Then we will have to deal with Byrd to put it on the calendar. In the interim we are completing the necessary paperwork to make our earlier withdrawals permanent. This action will not be taken unless it looks like the Senate will not act. I will keep you advised.

I know that you have been receiving complaints about the Surface Mining Act implementation, but considering the four years of controversy surrounding the bill, I believe that steady progress is being made. Most of the complaints stem from statutory provisions in the law which require interim federal enforcement while the states are putting their programs together. By the end of the year most states will have submitted their programs and things will smooth out. If you have need of a "state by state" analysis I can supply it, but if I don't hear from you I will continue on our schedule.

Other matters continue to be controversial on a daily basis, but nothing we can't handle. The only suggestion I have is for you to repeat what you said the evening of July 15th about your energy proposals "not preempting state laws." The opposition is continually trying to cast us in the light of being anti-states rights.


CECIL D. ANDRUS

U.S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY
WASHINGTON, D.C.
20210

C
1

September 7, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR *Ray*

SUBJECT: Major Departmental Activities
September 3-7

Further progress on reaching national accord with organized labor. It now seems possible to reach an agreement with the AFL-CIO on the pay price standards. Negotiations will continue over the next several days but by Monday, we should know if we have an agreement. A number of other issues need to be resolved but we are much closer than many people thought possible.

I would like to add that Bill Miller is doing an excellent job as Chairman of the Economic Policy Group.

**Electrostatic Copy Made
for Preservation Purposes**



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

September 7, 1979

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

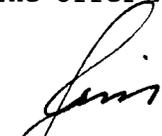
SUBJECT: Weekly Report

TRAVEL. Secretary Bergland and Under Secretary Hathaway return tonight from Ottawa, Canada where they participated in the World Food Council meetings.

WEATHER. Hurricane David was the worst storm to strike the Commonwealth of Puerto Rico in 80 years. The damages to agriculture alone exceed \$50 million. An estimated 230,000 tons of sugarcane were damaged. 150,000 acres of land were damaged. 34,000 acres of grassland were affected. The coffee crop suffered a substantial loss. The banana, vegetable, fruit, citrus and plantain crops were severely damaged. There is other damage, and also damage in Florida and Georgia of less dimensions.

ENERGY. I have been in touch with the Senate Agriculture Committee staff and Senator Talmadge will introduce a very comprehensive renewable energy and energy conservation bill in the next few days. I am told perhaps all eighteen members of the Committee will co-sign. Markup with no additional hearings is possible in the next two weeks. Lynn Daft has been involved in briefings with me.

DULUTH-SUPERIOR STRIKE. Wayne Horvitz, Federal Mediation and Conciliation Service Director, called at noon today and reported Continental Grain made a new liberal offer that the union rejected. He has asked them to reconsider and they will vote on Monday. The offer had no cost-of-living clause.


JIM WILLIAMS
Acting Secretary

**Electrostatic Copy Made
for Preservation Purposes**



THE SECRETARY OF THE TREASURY
WASHINGTON

C

September 7, 1979

**Electrostatic Copy Made
for Preservation Purposes**

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. THE DOLLAR

Despite indications of a continuing tight monetary policy stance by the Federal Reserve, the dollar experienced selling pressure this week as a number of factors, including continued concern about U.S. inflation, contributed to added market uncertainties. Although the U. S. intervened heavily at times to help steady market conditions, the dollar depreciated against the major currencies.

2. EPG

The EPG Executive Committee met twice this week and reviewed the issues involved in formulation of the wage-price guidelines for the next program year. Second year standards must be announced by September 15.

The review of the issues is taking place in the context of discussions with Labor on the design of an anti-inflation program which would generate a broad base of support.

3. CHRYSLER

Messrs. Riccardo, Iacocca, et al. of Chrysler met with us this afternoon and proposed a plan for \$1.2 billion in tax credits, \$760 million of which would be repaid only out of future profits of the company. Since it was plainly inconsistent both in terms and spirit with the conditions that I laid down with your approval last month, I informed them that this approach was not acceptable. They stated that they expected to submit a different plan next week.


G. William Miller

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

September 8, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CS*

Subject: Weekly Report

**Electrostatic Copy Made
for Preservation Purposes**

Anti-Inflation Program: Wage-Price Guidelines

I have been meeting this week with John Dunlop who is acting as an intermediary in an attempt to design a possible "social compact" with labor on the wage/price guidelines. These discussions are part of a broader set of consultations between the Administration and the AFL-CIO. We have made significant progress in the Dunlop discussions, but several major issues remain and I cannot yet forecast the probability of resolving them. We are trying to work toward the establishment of a tri-partite Board which would play a major role in formulating and carrying out the voluntary wage policy.

Energy Program

- We have been working with other agencies to reach final agreement on revenue estimates for the windfall profits tax and estimates for the expenditure side of the energy program.
- We have been trying to develop an improved rationale for the windfall profits tax. In a situation where OPEC prices increase significantly, revenues from the tax would be very large but expenditure needs for some parts of the energy program would be substantially reduced. We obviously do not want to advocate throwing money at energy programs just to use up the tax revenues. Therefore it is important to stress that the windfall profits tax is justified on ground of equity and fairness -- not solely by the need for funds for energy projects. If revenues from the tax are greater than can prudently be spent on energy, there are a number of legitimate national needs which could be addressed with the funds -- e.g., future tax reductions to improve productivity and ease the impact of inflation on tax burdens. There is no reason to decide now on uses for these funds in the mid- to late- 1980s -- indeed, it would be very unwise to do so. But it is important to improve our defense of the tax, particularly against those who argue we won't need all the revenues for legitimate energy projects.

- George Eads will be attending a meeting of the Ad Hoc Energy Group of the OECD in Paris next week. This group is putting together an evaluation of the impact of higher oil prices on all OECD economies.

- We have also been working on the question of payments to middle-income users of home heating oil. We are especially concerned that such a proposal could set a precedent for a broadened assistance program to "solve" a host of other equally pressing financial problems -- e.g. aid to middle-income commuters faced with very high (and rapidly increasing) gasoline bills or southern residents faced with high (and rapidly increasing) cooling bills or midwestern residents faced with high (and rapidly increasing) natural gas bills.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

September 7, 1979

THE ADMINISTRATOR

REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

Within the next two weeks we will release the mileage ratings on 1980 cars. These will get a lot more attention than usual because of the energy crisis. While we don't expect any dramatic changes from last year's ratings, it appears all the automakers will be well within DOT's mileage guidelines. This is partly because of downsizing, but mainly because the companies expect a continued high demand for small cars. If they are right, this could provide a significant energy dividend. The domestic automakers estimate that this summer's small-car boom alone kept average fleet mileages roughly one mile-per-gallon better than the companies projected this fall.

A handwritten signature in black ink, appearing to read "Douglas M. Costle".

**Electrostatic Copy Made
for Preservation Purposes**



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

C
—

September 7, 1979

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : Neil Goldschmidt

A handwritten signature in black ink, appearing to read 'Neil Goldschmidt', written over the printed name.

SUBJECT: Significant Issues for the Week of September 4

Confirmation Hearings - The Senate Commerce Committee met Wednesday to consider my nomination as Secretary of Transportation. Questions were asked ranging from broad philosophical issues such as the concept of deregulation to local issues concerning the Dulles access highway. Additional issues raised included construction of Lock and Dam 26; the need to improve safety regulation of nuclear and hazardous materials transportation; highway billboard; truck weight and length legislation; the airport trust fund; the railroad crisis and the Chrysler Corporation situation. It appears that there is little opposition to my appointment, and I would hope for an early confirmation.

Milwaukee Railroad Bankruptcy Update - The Department of Transportation presented testimony on the Milwaukee Railroad that opposed a freeze of the system and indicated Administration support for legislation to expedite the abandonment and transfer process while providing interim labor protection for displaced workers. The major questions were raised by Senator Melcher and dealt with coal; we believe we answered these effectively. The House staff has been working on a bill that has some features compatible with the Department's but includes a freeze for at least 60 and probably 90 days.

**Electrostatic Copy Made
for Preservation Purposes**

Community WASHINGTON, D.C. 20506
Services Administration



7 SEP 1979

MEMORANDUM TO THE PRESIDENT

Attention: Rick Hutcheson
Staff Secretary

FROM: Graciela (Grace) Olivarez
Director
Community Services Administration

SUBJECT: Weekly Report of Significant Agency
Activities (September 3 - 7, 1979)

**Electrostatic Copy Made
for Preservation Purposes**

Texaco to Help the Poor

I am giving material to Jack Watson today about Texaco's agreement to: 1) Supply free home-heating oil to poor persons certified by our Community Action Agencies in an emergency situation; 2) Extend the time limit for line-of-credit within the Texaco home-heating oil marketing network, and 3) Hold the line on home-heating oil prices. The Department of Energy and this Agency will be working with Texaco to determine the details about the free fuel program and a final agreement is expected to be reached within the next few days.

Energy Problems of the Indians

I have just returned from visiting with three Indian Tribes about socio-economic problems they have encountered as a result of energy development. I visited the Southern Utes in Fort Duchesne, Utah; the Three Affiliated Tribes in Fort Berthold, North Dakota, and the Northern Cheyenne on the Lane Deer Reservation in Montana. I was accompanied by David Lester, Commissioner of the Administration for Native Americans; Lucille Echohawk, my Special Assistant; and La Donna Harris.

You soon will receive a one-page summary of my findings. Just before leaving for my trip, I met with Forrest Gerard, Assistant Secretary of Interior, to discuss actions of the Council of Energy Resource Tribes (CERT) and the government's plans to assist CERT. This meeting was to be attended by several other Assistant Secretaries, but no others were present.

THE WHITE HOUSE
WASHINGTON
8 September 1979

①

MEMORANDUM FOR THE PRESIDENT

FROM: RICK HUTCHESON *R.H.*
SUBJECT: Status of Presidential Requests

THE VICE PRESIDENT:

1. (9/14) The President wants you to send Bob Byrd a memo on PRC leaders who want him to visit -- Done. *done*

EIZENSTAT:

1. (8/14) The President wants to know the status of the nuclear waste proposals -- Done. *done*
2. (8/16) (and Speth) The President would like you to:
(a) plan a meeting to discuss with the environmentalists key issues; (b) have staff screen public statements and distribute pertinent comments to key groups; (c) marshall administration support; and (d) advise on further action -- In Progress, (joint status report expected 9/18, previously expected 9/5).
3. (8/17) Assess James Wallace letter on stockholder representation on corporate boards -- In Progress, (expected 9/11, previously expected 9/7).
4. (9/4) (and Sec. Duncan) The President wants you to set up an early and small meeting to discuss items contained in Secretary Schlesinger's memo on "unfinished business" -- In Progress, (Phil is arranging a time for the meeting).

MOORE:

1. (6/4) You and OMB give the President a potential veto list -- don't be timid -- In Progress, (expected 9/11, previously expected 9/7).

**Electrostatic Copy Made
for Preservation Purposes**

MCINTYRE:

1. (8/16) Concerning the NEW YORK TIMES article, "U.S. Agencies Rush to Spend before Cutoff," and the WASHINGTON POST article, "Numbers Game in the Bureaucracy, Thousands of Employees Hidden to Avoid Manpower Ceiling," the President wants you to do what you can to stop this and move to full time equivalent standard -- Done.

done

WATSON:

1. (8/17) The Middle Distillate situation is a major responsibility. Act boldly to prevent any serious shortage -- the 240 mil. goal must be met -- In Progress, (status report attached).

WEDDINGTON:

1. (8/17) Consult with Tim Kraft and give the President a written summary of what you intend to accomplish -- Done.

done

SECRETARY VANCE:

1. (8/16) (and Christopher) We need to clarify our policy on South Africa. Proceed with conference as discussed at foreign policy breakfast -- Done, (according to NSC, Secretary Vance discussed this with you at the 9/7 foreign affairs breakfast and will brief you on further developments in their nightly report).

done

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

9/10/79

Alfred Kahn

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

Rick Hutcheson

cc: Hedley Donovan
Stu Eizenstat
Al McDonald
Les Francis

3717

THE WHITE HOUSE
WASHINGTON

September 7, 1979

cc Fred
J

MEMORANDUM FOR THE PRESIDENT

**Electrostatic Copy Made
for Preservation Purposes**

FROM: ALFRED E. KAHN

Fred

SUBJECT: Summary of Weekly Activities

I am taking the liberty of adding myself to the list of people who submit to you weekly reviews of their activities. I hope you will find it helpful.

Fred

Second Year Wage-Price Standards. We plan to publish our proposed standards for the second program year around September 15 -- after clearing them with you -- and, after a brief interval for public comment, final standards on October 1.

What actually goes into the September 15 announcement is still subject to the intense consultations we are conducting with interested parties; we will be prepared, however, to issue a comprehensive set of standards, should that prove to be the best course.

Bob Russell and I will announce them. My staff has, in consultation with White House and Department of Commerce people, developed plans for press coverage and outreach to business, labor and state and local governments. We do not, however, plan the same kind of major publicity effort as accompanied the announcement of the entire anti-inflation program last October.

Other Wage-Price Guidelines Activity. We are reviewing the various sanctions at our disposal to apply to companies that are not complying with the standards. We have comprehensively surveyed the various departments and agencies to compile a list of discretionary grants programs that might be conditioned on certification of compliance. Our list of noncomplying companies is very short; but it has been difficult to find effective sanctions to apply to the few stubborn violators we have identified.

*Don't
hesitate
to blast
them*

Regulatory Activities. My staff has been heavily involved in a wide range of regulatory activities.

As you suggested, I have sent to each member of Congress and of the Cabinet a copy of my speech to the ABA detailing the ways in which the Administration has been delivering on its promise of regulatory reform.

We are continuing our efforts on trucking deregulation. My staff has been working with witnesses at Senator Cannon's hearings, several of whom have expanded their testimony to endorse the Administration's bill.

During the past two or three weeks, COWPS has made formal filings in the following regulatory proceedings -- all of them directed at either relaxing regulation or making it more efficient: on incremental pricing of natural gas (FERC); utility-sponsored measures to improve residential energy conservation (DOE); regulations determining critical environmental areas within federally owned lands (DOI); increased competition in delivering express mail (Postal Service); and the use of economic incentives in air quality regulations (EPA).

Energy. My staff and the Department of Energy have begun looking at home heating oil prices to see what actions we might take. After these discussions, I may (in consultation with Secretary Duncan) recommend that you meet with the industry to demand an explanation of recent margin increases. *ok*

Food. We and USDA are following up on our meeting with the industry. In addition, the Council has issued notices of probable noncompliance to several food processors. *go public*

Health. We have asked several Federal agencies to consider whether the Federal Government should not refuse to assist in the construction of additional hospitals in already overbedded areas. Jim McIntyre and I will discuss the results with you. *Send me De firm*

Hides. My staff has coordinated the planning for an announcement of STR's successful negotiation of a lifting of export controls on hides by the Argentinian government, which should reduce leather prices without our having to impose export controls. This will solve a serious problem we have had with the New England-based shoe manufacturing industry.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

9/10/79

Anne Wexler

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

Rick Hutcheson

3719



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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION
FYI

	VICE PRESIDENT
	JORDAN
	CUTLER
	DONOVAN
	EIZENSTAT
	MCDONALD
	MOORE
	POWELL
	WATSON
	WEDDINGTON
/	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

THE WHITE HOUSE
WASHINGTON

Good
J

September 8, 1979

**Electrostatic Copy Made
for Preservation Purposes**

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER *AW*

SUBJECT: ACTIVITIES REPORT -- WEEK ENDING SEPTEMBER 7, 1979

1. Energy. Governor Byrne is forming a citizens committee for the windfall profits tax. Harding Lawrence of Braniff and Bob Georgine of the Building trades have agreed to be co-chairmen and we are talking to Margaret Bush Wilson of the NAACP and Allan Alda about being the other co-chairmen. Governor Byrne is scheduled to meet with you next Tuesday to discuss this briefly.

We are working with Gus Speth, Esther Peterson, Nelson Cruikshank and Ed Sanders, Louis Martin and Ed Torres to firm up support from their groups on the windfall profits tax, and to set up lobbying efforts.

The speakers program has set up 20 Cabinet-level speaking engagements in the next few weeks, and has sent out 60 sub-cabinet officials to speak on energy.

On the Energy Security Corporation, we are holding five luncheons next week for chief executives with Charlie Duncan, Bill Miller, Stu Eizenstat and myself. The National Association of Manufacturers soon will announce its support, and the Associated General Contractors (which will have a photo opportunity with you next week) is organizing a supporting coalition. We are close to completing negotiations with the original supporters of the Moorehead Bill and anticipate that your meeting with insurance executives in Hartford will bring support from the financial community. Mil Batten of the New York Stock Exchange is helping to develop further financial community support. Each of these activities has generated outside lobbyists who are working with Frank's staff.

A large number of business and trade association representatives contributed to this week's Commerce Committee victory on the energy mobilization board. They will support us in the Senate although they want a board with more substantive powers than we proposed.

Finally, most of the State and local government interest groups have announced support for the tax, the corporation and the board. However, there are indications of weakening on the board because environmentalists are pressuring governors, mayors and other local officials that they will lose environmental gains achieved over the past two years. At the New Coalition meeting next week you will have an opportunity to explain our strategy and reconfirm their support.

2. Other Matters. The SALT and Hospital Cost Containment briefings have produced positive responses and I know that the Congress is hearing from many of the attendees. The video-tapes of your pre-summit SALT briefings are being shown on over 50 college campuses in September and early October. I will be sending you a separate report on SALT outreach activities.

On the Department of Education, we are working with Pat Harris to get the active support of the major civil rights leaders, particularly in fighting the anti-civil rights amendments in the House version.

THE WHITE HOUSE
WASHINGTON
9/10/79

Frank Moore

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

Rick Hutcheson

3718



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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION
FYI

	VICE PRESIDENT
	JORDAN
	CUTLER
	DONOVAN
	EIZENSTAT
	MCDONALD
✓	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

THE WHITE HOUSE
WASHINGTON

September 6, 1979

*Frank - I
don't need this
much raw data -
either summarize or
let me know what
I need to do
J*

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM.*
SUBJECT: ENERGY CALLS

We are in the process of receiving from all Departments the results of each Secretary's calls on energy. As you can see from the attached comments, most Members were quite candid and many offered constructive comments. Secretary Harris and Secretary-Designate Landrieu asked to be excused from making the calls. Both of them are making the initial contacts with their new oversight committees and will mention energy as they make the rounds. Attorney General Civiletti wished to call only Members of the Judiciary Committees.

Attached are responses from Commerce, DOD, DOE, State, DOL, DOT and Interior. Others will follow.

**Electrostatic Copy Made
for Preservation Purposes**

DEPARTMENT Interior -- (call made by Secretary Andrus)

MEMBER'S NAME Senator Paul E. Tsongas (D)

STATE Massachusetts

GENERAL COMMENTS Regarding the energy situation, Senator Tsongas
advised that his Massachusetts constituency is more confused than
anything else and stresses more emphasis on conservation as opposed
to the proposed synfuels program.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Senator Tsongas identified himself as
"very supportive."

ENERGY MOBILIZATION BOARD _____

ENERGY SECURITY CORPORATION Senator Tsongas stressed that he
is pro conservation and for that reason is not inclined to support a
"big push" in the synfuels program but, rather, sees synfuels as a
somewhat smaller element of an overall energy program.

DEPARTMENT Interior-- (call made by Secretary Andrus)

MEMBER'S NAME Senator Henry M. Jackson (D)

STATE Washington

GENERAL COMMENTS Senator Jackson strongly believes price controls
must be kept on, but admits that won't happen.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Predicted that the Senate will pass the
windfall profits tax, but with a Russell Long provision that money
plowed back by the companies for exploration purposes be exempt.
Senator Jackson pointed out that he has not discussed the matter
personally with Senator Long.

ENERGY MOBILIZATION BOARD _____

ENERGY SECURITY CORPORATION _____

DEPARTMENT Interior -- (call made by Secretary Andrus)

MEMBER'S NAME Senator J. James Exon (D)

STATE Nebraska

GENERAL COMMENTS People in Nebraska are acutely aware that there are energy problems and are very uneasy -- there is no consensus as to what the right answers are. The Senator states that his constituency believes that the President is absolutely correct in his no tax cut posture.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Senator Exon supports "wholeheartedly."

ENERGY MOBILIZATION BOARD Senator Exon "has not focused on."

ENERGY SECURITY CORPORATION Senator Exon will support; however, questions whether there will be enough votes for passage.

DEPARTMENT Interior -- (call made by Secretary Andrus)

MEMBER'S NAME Senator Dale Bumpers (D)

STATE Arkansas

GENERAL COMMENTS People in Arkansas generally recognize that there is a very real energy problem -- they don't have any answers, but believe the President and Congress must work together to come up with the right solutions.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Should be a "...lead pipe cinch." However, there is some concern by various Senators as to "what Senator Long may have in his hip pocket."

ENERGY MOBILIZATION BOARD Senator Bumpers recognizes the need for this Board; has both questions about the mechanics of its operation and a concern for the States' rights issue.

ENERGY SECURITY CORPORATION _____

DEPARTMENT Interior -- (call made by Secretary Andrus)

MEMBER'S NAME Senator John A. Durkin (D)

STATE New Hampshire

GENERAL COMMENTS Both adequate supply and the cost of heating oil are the principle concerns of Senator Durkin's New Hampshire constituents. The Senator cannot reconcile Administration projections of adequate supplies to meet the needs of New England with wholesalers' statements that they are presently 50% below heating oil supply levels of last year at this time. The Senator's comments can be characterized as being overall negative.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Senator Durkin does not want -- is principally concerned with price reductions at the pumps.

ENERGY MOBILIZATION BOARD No comments.

ENERGY SECURITY CORPORATION Opposed to synfuels proposal.

DEPARTMENT Interior -- (call made by Secretary Andrus)

MEMBER'S NAME Senator Frank Church (D)

STATE Idaho

GENERAL COMMENTS Senator Church indicates that his constituents are confused as to whether there is in fact an energy shortage or not. He expressed the view that their sentiments are principally anti big oil companies. The Senator advised that he has been so preoccupied with SALT and other issues that he has not focused on the energy problems. He volunteered little information.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX _____

ENERGY MOBILIZATION BOARD _____

ENERGY SECURITY CORPORATION _____

DEPARTMENT Interior -- (call made by Secretary Andrus)

MEMBER'S NAME Representative James Weaver (D)

STATE Oregon

GENERAL COMMENTS The Congressman is a strong exponent of the recent energy study issued by the Harvard Business School.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX The Congressman supports windfall profits tax, but would like to see the money used for a reduction of social security taxes for both employees and employers.

ENERGY MOBILIZATION BOARD Congressman Weaver expressed a strong pro States' rights posture with respect to the Energy Mobilization Board.

ENERGY SECURITY CORPORATION Congressman Weaver is opposed to the synfuels proposal, and identified himself as a strong proponent of conservation.

DEPARTMENT Interior -- (call made by Secretary Andrus)

MEMBER'S NAME Representative Timothy E. Wirth (D)

STATE Colorado

GENERAL COMMENTS _____

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Congressman supports windfall profits tax.

ENERGY MOBILIZATION BOARD Supports, but feels strongly on the
issue of States' rights which he has addressed in his amendment to this
proposal.

ENERGY SECURITY CORPORATION _____

DEPARTMENT DOE

MEMBER'S NAME Muskie

STATE Maine

GENERAL COMMENTS All three are a must -- will try to make constructive inputs

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Support, depending on Finance Committee action

ENERGY MOBILIZATION BOARD Staff following closely -- concerned about suspension regulations -- agreed to try to avoid jurisdictional conflicts -- reserving judgment -- effort being made to accommodate divergent views -- disposition to be helpful.

ENERGY SECURITY CORPORATION Need to see more -- worried about it -- government need to be involved in R&D, demonstration plants and first commercialization plants.

DEPARTMENT DOE

MEMBER'S NAME Hatfield

STATE Oregon

GENERAL COMMENTS Energy and inflation top issues -- people focus on Northwest power corporation -- concerned about exports to Iran.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Not hard on present format -- tying social programs to energy economics -- need some restraints.

ENERGY MOBILIZATION BOARD No problems

ENERGY SECURITY CORPORATION No problems -- single administrator

DEPARTMENT DOE

MEMBER'S NAME Hollings

STATE South Carolina

GENERAL COMMENTS S. Carolina better economically than he expected -- oil company executives are genuinely upset about Presidential comments -- "cheats" -- "no brief for oil companies, but need to reverse White House statement." "I'm a consumer senator."

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Tax on import oil O.K., but "excess profits tax" no good.

ENERGY MOBILIZATION BOARD Strong supporter -- needs adequate authority

ENERGY SECURITY CORPORATION OK as long as -- financing private sector

DEPARTMENT DOE

MEMBER'S NAME Johnston

STATE Louisiana

GENERAL COMMENTS Approves Sawhill

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Supports the President's program with exemption
of 2 to 3 percent now produced. He is not opposed in principal. There will be
a tax but it may not go far enough to suit the President -- he wants exemptions.

ENERGY MOBILIZATION BOARD Wants to go further than the Committee -- should be
able to set time on critical projects -- some legislation will pass which will
help -- however it will not be strong enough in his opinion.

ENERGY SECURITY CORPORATION Supports two-phased operation -- (1) commercial
demonstration; then a report to Congress; (2) plant application -- must
consider price and environmental costs.

DEPARTMENT DOE

MEMBER'S NAME Dominici

STATE New Mexico

GENERAL COMMENTS Supports Sawhill

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Tough problem. Will support some basic concept but exempt small producers and new oil.

ENERGY MOBILIZATION BOARD The Committee has its "feet stuck in ground" on environmental concerns. The issue needs to be clarified and additional emphasis should be placed on the need -- "Its flopping now."

ENERGY SECURITY CORPORATION Need it. DOE must stay close to Johnston and Dominici on this issue. Support two-phased approach -- (1) commercial application; then a report to Congress; (2) is to build more plants.

Sept. 4, 1979

DEPARTMENT Energy

MEMBER'S NAME Senator Malcolm Wallop

STATE Wyoming

GENERAL COMMENTS Reacted favorably toward Sec. Duncan's comments
concerning the President's energy program.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX not discussed

ENERGY MOBILIZATION BOARD should recognize that red tape
exists at federal level as well as state and local. If something
is placed in the legislation to deal with this, he could support
it.

ENERGY SECURITY CORPORATION Does not like it because
it builds competition into the system.

Sept. 4, 1979

DEPARTMENT ENERGY

MEMBER'S NAME Rep. Richard Ottinger

STATE New York

GENERAL COMMENTS Having 5 days of hearings on synfuels beginning tomorrow. Need better conservation program - wants our views on his bill. Discussed DOE - - he supported.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Likes "tremendous social damage" from higher energy costs. Money needs to be returned to the people via tax structure such as COET - will vote for strongest tax.

ENERGY MOBILIZATION BOARD do not waive substance

ENERGY SECURITY CORPORATION same comments as "general comments". Expects excellent testimony at synfuel hearings. Deutsch is acceptable from DOE though invitation to Sec. Duncan.

DEPARTMENT of Transportation _____

MEMBER'S NAME William Lehman _____

STATE Florida _____

GENERAL COMMENTS Likes entire package. _____

SPECIFIC COMMENTS

WINDFALL PROFITS TAX _____

ENERGY MOBILIZATION BOARD _____

ENERGY SECURITY CORPORATION _____

DEPARTMENT of Transportation

MEMBER'S NAME Don Bonker

STATE Washington

GENERAL COMMENTS Moffett has support in House for rebate. Members seem more supportive of energy package since recess.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX

ENERGY MOBILIZATION BOARD

ENERGY SECURITY CORPORATION

DEPARTMENT of Transportation

MEMBER'S NAME Carl Levin

STATE Michigan

GENERAL COMMENTS Suggests a different approach at energy legislation
in the bill. He is very interested in gasohol. Thinks the Administration
should take on emergency measures.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Wants as tough a windfall profits
tax as possible.

ENERGY MOBILIZATION BOARD _____

ENERGY SECURITY CORPORATION _____

DEPARTMENT of Transportation

MEMBER'S NAME Michael Lowry

STATE Washington

GENERAL COMMENTS No problem with entire tax package.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX

ENERGY MOBILIZATION BOARD

ENERGY SECURITY CORPORATION

DEPARTMENT of Transportation

MEMBER'S NAME James Howard

STATE New Jersey

GENERAL COMMENTS He is satisfied with the Administration's approach, but feels the hard thing to do is to get Congress to feel that it was their program. He feels there is no problem with the tax, but has differences over how to set up the trust fund; he wants 25% to go to his Mass Transit Trust Fund. Says DOT needs to get other Subcommittee Chairmen on board and ~~SECRET EXCERPTS~~ the President has to show eagerness to the program.

WINDFALL PROFITS TAX

ENERGY MOBILIZATION BOARD

ENERGY SECURITY CORPORATION

DEPARTMENT of Transportation

MEMBER'S NAME Robert Edgar

STATE Pennsylvania

GENERAL COMMENTS Not a lot of opposition to the legislation particularly
in the public transit part. Satisfied with the Administration's approach;
feels the President should show eagerness about his program.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX

ENERGY MOBILIZATION BOARD

ENERGY SECURITY CORPORATION

DEPARTMENT of Transportation

MEMBER'S NAME Herb Harris

STATE Virginia

GENERAL COMMENTS Basically supports program.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX

ENERGY MOBILIZATION BOARD

ENERGY SECURITY CORPORATION

DEPARTMENT of Transportation

MEMBER'S NAME Congressman Joseph Fisher

STATE Virginia

GENERAL COMMENTS

SPECIFIC COMMENTS

WINDFALL PROFITS TAX - He expressed the feeling there should be a windfall tax and we should remain flexible as to its features. He did feel the proceeds from the tax should go into the energy field and felt comfortable with committing more money to transit. As for the split, he said the possible uses are still open. He couldn't remember the exact amount of the federal take on the tax, but on a split of which provides for \$16 billion being committed to transit, he seemed comfortable.

ENERGY MOBILIZATION BOARD He felt the idea for a Mobilization Board or something on the theme was a good idea.

ENERGY SECURITY CORPORATION He was least sure about the Security Board idea, but feels that consolidated and focused locations for new energy development is generally a good proposition.

DEPARTMENT of Transportation

MEMBER'S NAME Senator Abraham Ribicoff

STATE Connecticut

Doesn't think the President will get the amount of
GENERAL COMMENTS money he wants; notes his own trust fund proposal
which the Senate passed earlier included transit, but was kicked
out in conference. He expressed a feeling that Long's major
interest is a credit for plow-back. He also expressed his hope
that a substantial sum will be committed for relief for home
heating. He is not comfortable with the President's program; feels
that the synfuel proposal is far too large and the atmospheric
impacts of carbon dioxide could be dangerous. He expressed the
view that synfuels will be whittle down to a pilot program and is
~~SPECIFIC COMMENTS~~ generally comfortable with the Energy Security
Corporation and Mobilization Board proposals.

WINDFALL PROFITS TAX _____

ENERGY MOBILIZATION BOARD He expressed the view that if
the energy companies can develop synthetic fuel alternates,
they should get the credit rather tahn putting the system
together to collect taxes, run it through a federal
corporation and back out again for development.

ENERGY SECURITY CORPORATION _____

DEPARTMENT of Transportation

MEMBER'S NAME Congressman James Corman

STATE California

GENERAL COMMENTS Against trust funds, but will not make a big deal about this. He generally supports the \$16.5 billion for transit and auto management.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX

ENERGY MOBILIZATION BOARD

ENERGY SECURITY CORPORATION

DEPARTMENT of Transportation

MEMBER'S NAME Congressman Henry Nowak

STATE New York

GENERAL COMMENTS Supports transit.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX

ENERGY MOBILIZATION BOARD

ENERGY SECURITY CORPORATION

DEPARTMENT of Transportation

MEMBER'S NAME Congressman Harold Johnson

STATE California

GENERAL COMMENTS Indicated it is a little too early to tell how solid the \$16.5 billion commitment is; made a case for 25% of the funds for the Mass Transit Trust Fund. He doesn't know how Al Ullman or Senator Long feel. The other two parts of the program he indicated were o.k. with him; basically supports the total package.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX

ENERGY MOBILIZATION BOARD

ENERGY SECURITY CORPORATION

DEPARTMENT of Transportation

MEMBER'S NAME Congressman Charles Rangel

STATE New York

GENERAL COMMENTS Concerned about aid to the poor and crisis intervention.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX

ENERGY MOBILIZATION BOARD

ENERGY SECURITY CORPORATION

DEPARTMENT Defense

MEMBER'S NAME Lucien Nedzi (D.)

STATE Michigan

GENERAL COMMENTS In Detroit, it's the Chrysler Corporation and inflation. Now that the pumps are no longer empty, people have forgotten about the energy shortage; they do worry about its high cost. Still an impression that President is ineffective, despite integrity and good character. White House staff is still a question mark. Would await results of new changes.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Politically that is the way to go; it's important to use the money effectively.

ENERGY MOBILIZATION BOARD Even if we get it, it will make the headlines for a few days but then people will have to pay their grocery bills again.

ENERGY SECURITY CORPORATION _____

DEPARTMENT Defense

MEMBER'S NAME Rep. Joseph Addabbo (D.)

STATE New York

GENERAL COMMENTS In his district, the big immediate flap is from black and Jewish voters worried about the PLO -- Andy Young events, from different standpoints. ENERGY - when gas lines stopped, people concluded there was no problem -- all done to get \$1.10 gas. Admin. will have to be very careful with report on shortage. Attitudes toward Admin. troublesome. President will have to make difficult decisions, and whatever they are they will upset some people. Joe clearly wants to delay defense increases to a supplemental. In general, Joe says Pres. should convey message of "war type economy" to get people to make sacrifices and increased productivity (as Japanese did last year).

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Yes -- in his district they'd go further and nationalize the oil industry.

ENERGY MOBILIZATION BOARD _____

ENERGY SECURITY CORPORATION His constituents would buy it as a sign of energy independence.

Joe can support the energy program (though it gives him political problems) but Pres. has to seize the initiative in leadership on inflation & energy. Pres. should stress that he had the foresight to see the energy problem two years ago.

DEPARTMENT Defense

MEMBER'S NAME Rep. Mel Price (D.)

STATE Illinois

GENERAL COMMENTS Normal situation in district, no particular complaints. People in district hardly understand energy problems - have stopped worrying since gas lines stopped. Less than a dozen letters to his office on the energy problem.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Probably can get it through by end of year. He's for it.

ENERGY MOBILIZATION BOARD Thinks we can work something out. Local people might be happy to have someone else take the responsibility.

ENERGY SECURITY CORPORATION _____

DEPARTMENT Defense

MEMBER'S NAME Rep. Charles Bennett (D)

STATE Florida

GENERAL COMMENTS Inflation most on people's minds. On energy, people have been led to believe Fed gov't can solve all problems, so failure to solve often taken as sign of bad faith. He urges Pres. to pick 2 or 3 policies he thinks best, & then pursue them; decontrol oil prices; mention but don't make energy stamps primary.

On SALT II, limits Sovs, allows us, not fair but not forever. On balance, he's for it. Hasn't linked with Nunn's view, but Pres. has a potential weakness on national defense. Most in his district, after inflation, would put defense before energy, & worry about Pres' determination. Pres. should try to get defense increase not tied to SALT.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Most would heartily endorse if it goes to producing more energy, rather than to social programs.

ENERGY MOBILIZATION BOARD

ENERGY SECURITY CORPORATION "Phony" if it's limited to synthetic fuels.

DEPARTMENT Defense

MEMBER'S NAME Rep. Les Aspin (D.)

STATE Wisconsin

GENERAL COMMENTS The voters are apathetic toward the Federal Govt. Worried about energy & inflation, but don't discuss it in a Washington context. Discuss Admin. only if you raise it with them. Attitude toward Pres is personally favorable but they question his ability to handle the job.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Should be possible to get through in some form. Public sceptical about what Fed. Govt will do with it, but they don't want the oil companies to keep it. Admin. should think of a simple way to get money to poor to pay their fuel bills.

ENERGY MOBILIZATION BOARD _____

ENERGY SECURITY CORPORATION Public mood not unfavorable.

DEPARTMENT Defense

MEMBER'S NAME Rep. Jack Edwards (Republican)

STATE Alabama

GENERAL COMMENTS Major issues: economy (linked with) energy, SALT & defense. General unhappiness with President's performance and leadership, mixed with personal regard and esteem for him, and concern with lack of Democratic Congressional support. Constituent feeling is that, if "Kissinger approach" succeeds, SALT II is OK.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Mobile is a big oil area. His constituents see little value in DOE. They see Duncan as an improvement. (He feels Schlesinger has been unfairly blamed by the public.) Supported House bill. Edwards doesn't see new proposal as a windfall profits tax.

ENERGY MOBILIZATION BOARD _____

ENERGY SECURITY CORPORATION Needs clarification of new "agency" functions -- they are seen as a new bureaucratic layer.

DEPARTMENT Defense

MEMBER'S NAME Senator John Stennis (D.)

STATE Mississippi

GENERAL COMMENTS People have lingering doubts about reality of energy problem. Unclear whether they'll follow Presidential leadership. M-X needs quick action; if we don't take it other things will topple. President, Brown, Claytor, Perry can put over any figure that they stand behind; it has to be significant increase but needn't and shouldn't be just any figure that Tower & Nunn put forward. Admin. should accompany its figure with an explanation of the programs the FYDP will buy.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Thinks Congress will go along with it.

ENERGY MOBILIZATION BOARD _____

ENERGY SECURITY CORPORATION Seems generally in accord.

DEPARTMENT Defense

MEMBER'S NAME Senator Howard Cannon (D.)

STATE Nevada

GENERAL COMMENTS People associate inflation with energy problem.
Constituents who know about it don't like SALT. He can't support
SALT without firm committed program on Defense -- not just
promises. He's not wedded to 5% vs 3%, but insists on substantial
real increases. May not be for SALT even then (I think he would).

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Cannon supports it in some form.
Waiting to see what comes out of committees.

ENERGY MOBILIZATION BOARD Wants to head off interminable
delays.

ENERGY SECURITY CORPORATION Constituents see it as a bureau-
cratic layer. But Cannon accepts it if (as I described) it
works to help private sector by guarantees of loans, or prices,
or extending loans, rather than by building government plants.

DEPARTMENT Defense

MEMBER'S NAME Senator Sam Nunn (D.)

STATE Georgia

GENERAL COMMENTS Most (esp. in West, where he's been vacationing)
people don't pay much attention to national affairs. Georgia
attitudes are pro-defense; most would be critical of President
for not doing more, though there is a minority on other side.
The only way to get a consensus is for President to tell the facts
about what's happened to defense spending compared with social
programs in last 15 years.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Some form of windfall profits tax should
be feasible. He'd be for whatever encourages maximum reinvestment
by private sector; tax oil cos. if they invest outside energy, but
to extent they invest in energy, better to do it in private sector.
Willing to bargain on details.

ENERGY MOBILIZATION BOARD No doubt people will support
one stop appeal, and must include right to overrule on substance.
President has to be hard-nosed and make some people unhappy on
this, or else he'll get no bill and/or no credit.

ENERGY SECURITY CORPORATION Hasn't thought about it.
Probably not too far from President's view.

DEPARTMENT Defense

MEMBER'S NAME Senator Gary Hart

STATE Colorado

GENERAL COMMENTS Defense -- people are confused because sense
lack of consensus. Nunn-Jackson-Tower theory hasn't caught hold,
nor has it been shot down. Stennis is really the key. To the degree
that Pres. is seen as weak politically, it spills over to Defense,
but that doesn't mean big spenders control the field. Urges qualita-
tive approach on Defense. ENERGY - Uncertainty as to whether the
proposals are right. Cabinet shuffle lost him momentum that speech
on energy would have given him.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Majors and independents howl, and they
do have an effect on the voters. Not a grass roots base for support.
Hart prefers complete decontrol of new oil, no decontrol of old oil -
with severance tax, modest profit, on it. Consumers less organized,
producers more so.

ENERGY MOBILIZATION BOARD Hart has a lot of concern about
it, but not much attention to it in his state.

ENERGY SECURITY CORPORATION Concept needs a lot of selling
in Congress as well as in country. Coloradoans fear becoming
an "energy colony."

DEPARTMENT Defense

MEMBER'S NAME Senator John Culver (D.)

STATE Iowa

GENERAL COMMENTS Administration - Pres. faulted on job performance but very highly regarded for personal characteristics, and like partnership with Rosalynn.

Thinks they still worry about energy, and perception is that nothing has been done (blamed more on Congress than on President). We need to be clearer on what has already been done or committed on conservation, on R&D. Administration needs a list of accomplishments and new initiatives to make sure we get some credit.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX People in the state are for it; not much focus on it.

ENERGY MOBILIZATION BOARD _____

ENERGY SECURITY CORPORATION Worried about synfuel environmental issue.

DEPARTMENT STATE - - R. N. Cooper

MEMBER'S NAME Senator Birch Bayh

STATE Indiana

GENERAL COMMENTS Strong interest in gasahol - partly because of Bayh's role, partly because of agricultural interests and "pro-American" sentiment; and in all uses of coal. No gas lines. Farmer concerns about getting adequate diesel fuel for harvest. Concern about delays on Alaskan gas pipeline.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Constituents favor, as does Bayh.

ENERGY MOBILIZATION BOARD Strong support for reduction in licensing delays and would even compromise standards a bit.

ENERGY SECURITY CORPORATION Generally supportive, insofar as constituents understand it. Especially strong on development of coal.

DEPARTMENT STATE --- R. N. Cooper

MEMBER'S NAME Senator David Durenberger

STATE Minnesota

GENERAL COMMENTS Durenberger very well informed. With constituents
most of the recess, energy the main concern, even though no gas lines.
People puzzled by the President, wonder whether his energy policy
is real or politically motivated. Much interest in conservation,
and desire to get more information on it. Also, majority favors
more emphasis on nuclear. Not keen on oil shale, for environmental
SPECIFIC COMMENTS reasons.

WINDFALL PROFITS TAX People generally in favor, want to be
sure proceeds are well used, especially to solve energy program
(and relieve impact of higher oil prices on the poor).

ENERGY MOBILIZATION BOARD Everyone is impatient with delay
and wants to make the process more efficient. Even some willingness,
if necessary, to weaken environmental standards a bit - significant
in a very environment-conscious state.

ENERGY SECURITY CORPORATION Few understood it. When
Durenberger explained it, it drew general support. But he is
strongly opposed to dedicating particular tax revenues to it -
believes it (and its financing) should be evaluated on its merits.

He elicited support for this position. Also, \$88 billion for
synthetic fuels 10 years from now sounds much to much. Durenberger
wants government to go slow in getting into the production business,
but favors loan guarantees.

DEPARTMENT STATE -- R. N. Cooper

MEMBER'S NAME Congressman Ben Rosenthal

STATE New York

GENERAL COMMENTS Many senior citizens in district. People are
furious about inflation. Energy secondary. Don't trust oil
companies, or government at any level. Not at all knowledgeable
about details of energy program, but feel not enough is being done.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Favor in principle, but skeptical it
will work. Oil companies will find loopholes.

ENERGY MOBILIZATION BOARD An "interesting" idea. Rosenthal
will support, but won't know how well it will work until we see
its decisions.

ENERGY SECURITY CORPORATION Inherently risky. Suspicious
about how well the money will be spent.

DEPARTMENT STATE - R. N. COOPER

MEMBER'S NAME Rep. Jonathan Bingham

STATE New York

GENERAL COMMENTS Low income constituency, low car ownership.
Little concern over gasoline prices. Much concern over fuel
oil prices and higher rents and abandonment of buildings due
to non-payment of rent.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Bingham favors; also, higher gasoline
taxes.

ENERGY MOBILIZATION BOARD Bingham favors, provided no
dilution of the substance of environmental rules.

ENERGY SECURITY CORPORATION Bingham is skeptical of the
strong emphasis on synfuels (but he voted for the Moorhead bill).
Believes we should have much more emphasis on conservation and,
in the long run, on solar energy. Also, is a "moderate" on
nuclear energy.

In general, Bingham indicated his views on energy were close to Mo Udall's.

DEPARTMENT of Commerce

MEMBER'S NAME Lamar Gudger

STATE North Carolina

GENERAL COMMENTS The Congressman has talked perhaps 30-40 times with groups during the recess. He has reviewed the President's program, going into all of it, and feels that the public generally supports the President. He notes a great concern among the people regarding the gas shortage and the possible shortage of heating oil this winter.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX _____

ENERGY MOBILIZATION BOARD Although he finds no depth of understanding on the details of the Corporation or the Board, he does not feel that there is strong opposition to the proposals of the Administration.

ENERGY SECURITY CORPORATION _____

DEPARTMENT of Commerce

MEMBER'S NAME Lindy Boggs

STATE Louisiana

GENERAL COMMENTS The Congresswoman pointed out that Louisiana had a special interest in energy adding that the State legislature had just taken a strong stand opposing any sharp shift from oil to coal. She notes that there have been good stories on the front pages of local papers praising efforts to build solar energy and in general a great interest in conserving heating fuel, particularly through insulating homes. She thinks that when school opens, students may be very helpful if organized to "save a gallon of gas a week" or such campaigns. She feels that people generally are pleased with the idea of alternate fuel sources and finds a particular interest in the smaller programs such as gasohol.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Expressed opposition to the windfall profits tax.

ENERGY MOBILIZATION BOARD The Energy Mobilization Board is favored and indeed, she thinks, can be extended in principle to cover minerals as well.

ENERGY SECURITY CORPORATION

DEPARTMENT of Commerce _____

MEMBER'S NAME Robert Morgan _____

STATE North Carolina _____

GENERAL COMMENTS The Senator reports that he has been speaking out continuously on behalf of the President's energy program. He is saying, "You may not agree with all the details of the program, but it's the best one we could come up with and it must be supported."

SPECIFIC COMMENTS

WINDFALL PROFITS TAX _____

ENERGY MOBILIZATION BOARD _____

ENERGY SECURITY CORPORATION _____

DEPARTMENT of Commerce

MEMBER'S NAME Jennings Randolph

STATE West Virginia

GENERAL COMMENTS The Senator and his staff report significant mail on energy questions with 80 percent of the letters supporting the windfall profits tax. The correspondence indicates strong support for the use of coal and no necessary support of all the Administration's program. He has had little comment on the Board or Corporation which people do not understand. He finds two overriding concerns among his constituents: (1) the people are talking about the high cost of living and (2) they respond to any query on energy shortage with the response, "Then why aren't we selling our coal?" He notes that with 10,000 miners unemployed it is difficult for West Virginians to understand the energy problem. He concluded by saying that the Department of Energy has "failed miserably" to work with the utility groups and EPA to move to the use of coal. He urges that DOE be instructed to work with each of the utility firms to carry out the President's plan to move the coal. EPA, he says, has been excellent and he has particular praise for Doug Costle.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX

ENERGY MOBILIZATION BOARD

ENERGY SECURITY CORPORATION

DEPARTMENT of Commerce

MEMBER'S NAME L. H. Fountain

STATE North Carolina

GENERAL COMMENTS The Congressman said that he voted for the Energy package in the House and now that it has gone to conferees, he would like to see it when it comes back from them. Fountain feels that there is more going on at the Department of Energy than the people realize; that there is more happening than they get credit for doing. He feels that there is not enough press coverage of the good things happening at DoE. The Congressman also feels that DoE is too big already to add additional tasks.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Fountain does not think the people realize that the windfall profits tax will eventually mean the oil companies will raise prices even further and that the consumers will end up paying that extra tax.

ENERGY MOBILIZATION BOARD The idea of a Board appeals to him.

ENERGY SECURITY CORPORATION The Congressman said he does not know alot about the Energy Security Corporation but the Board does appeal to him.

* Please note: The Secretary did not personally talk with Congressman Fountain. When he returned the call she was not available. The above comments were given to Secretary Kreps' personal secretary.

DEPARTMENT of Commerce

MEMBER'S NAME Quentin Burdick

STATE North Dakota

GENERAL COMMENTS People in his State are interested in synthetic fuels and are particularly interested in gas. The most popular chord touched by the program is the promise that the needy (especially the old) will get help this winter with their fuel bills.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX The Senator says that there is general support for the windfall profits tax, despite the sentiment for leaving money with the oil companies for exploration.

ENERGY MOBILIZATION BOARD He predicts greater difficulty with the Energy Mobilization Board than with the Corporation.

ENERGY SECURITY CORPORATION

DEPARTMENT of Commerce

MEMBER'S NAME Robert Roe

STATE New Jersey

GENERAL COMMENTS The Congressman reported on a mini-summit on energy held by Governor Byrne, with businessmen and government people in attendance. He finds that many people still do not believe that there is a crisis. He points out that the House has been supportive, but the Senate is the problem. In addition to educating the public and conserving, he urges that the nuclear energy plants being held up in New Jersey and elsewhere get immediate approval from the Nuclear Regulatory Commission. He thinks that the people are "mad at the Arabs"; that they want a program that will make us independent of foreign oil. Finally he thinks if the President would announce in no uncertain terms that we are going to build the SPECIFIC COMMENTS pipeline (and indicate which route) he would gain immediate nationwide support. "This would be a silver bullet" for the President. Roe notes in passing that the political situation in New Jersey looks bad for the President.

WINDFALL PROFITS TAX

ENERGY MOBILIZATION BOARD He thinks the Corporation and the Board are essential and will carry.

ENERGY SECURITY CORPORATION

DEPARTMENT of Commerce

MEMBER'S NAME Stephen Neal

STATE North Carolina

GENERAL COMMENTS The Congressman feels that people like the program; that they are coming around to support the President because they understand that he is facing difficult choices. So although they do not understand the energy program very well, they think the President is doing a good job. They are beginning to blame Congress more and the President less. He has been urging the people to support the Administration and to stop bickering among themselves. He thinks the President was wise not to make too much of putting the blame on Congress, and he cites Jerry Ford's experience in this regard as instructive.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX _____

ENERGY MOBILIZATION BOARD _____

ENERGY SECURITY CORPORATION _____

DEPARTMENT of Commerce

MEMBER'S NAME Charles Vanik

STATE Ohio

GENERAL COMMENTS The Congressman reports support for the windfall profits tax. He supports the rationing and opposes decontrol. His constituents show no support for decontrol, since they are consumers who will be hard hit by the price rise. He says no problem on the Board or Corporation. He predicts that we will have difficulty with Russell Long--that the President may have to threaten to veto. He would like to have the government buy the oil and cites his estimate that the eight major oil companies have gone from \$280 billion of sales in 1977 to \$one half trillion at present. The figures have not been checked and the Congressman concedes that they are rough estimates.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX The Congressman reports "a pretty solid basis of support for the windfall profits tax."

ENERGY MOBILIZATION BOARD He says no problem on the Board or the Corporation but no glowing enthusiasm for the overall energy plan.

ENERGY SECURITY CORPORATION

DEPARTMENT LABOR

MEMBER'S NAME Congressman Frank Horton

STATE New York

GENERAL COMMENTS people are insecure - can't understand it -
Rochester depends on fuel oil - one woman had no oil because
she couldn't take Fed. - availability important.

SPECIFIC COMMENTS

WINDFALL PROFITS TAX concept is good

ENERGY MOBILIZATION BOARD good, but need ways to
cut through red tape

ENERGY SECURITY CORPORATION way to go

If national commitment can get something done - people want
a commitment

President needs to work with Republicans

DEPARTMENT LABOR

MEMBER'S NAME Senator Tom Eagleton

STATE Missouri

GENERAL COMMENTS Senator Eagleton is generally supportive.

He said "I probably will support the President's program all the
way, but wanted to brainstorm some with his staff when he gets
back, especially on EMB and ESC. Impressed by HBS book

Energy Future

SPECIFIC COMMENTS

WINDFALL PROFITS TAX No question of support for this

ENERGY MOBILIZATION BOARD support

ENERGY SECURITY CORPORATION support

DEPARTMENT LABOR

MEMBER'S NAME Congresswoman Geraldine Ferraro

STATE New York

GENERAL COMMENTS people skeptical at first - town meetings -
concerned about heating oil - much frustration recognized among
young

SPECIFIC COMMENTS

WINDFALL PROFITS TAX support - anxious to tax oil
companies

ENERGY MOBILIZATION BOARD support

ENERGY SECURITY CORPORATION support - need to worry about
people who make \$10,000 to \$12,000

People were told they would have to sacrifice - didn't like it
but accepted it - confidence in Pres and government

People worried about oil for winter and money to pay for it.

DEPARTMENT LABOR

MEMBER'S NAME Senator Pete Williams

STATE New Jersey

GENERAL COMMENTS Harvard book - Energy Future - makes some sense - will probably be "Bible in Senate"

SPECIFIC COMMENTS

WINDFALL PROFITS TAX will support

ENERGY MOBILIZATION BOARD Not clear on

ENERGY SECURITY CORPORATION concerned about synfuels - will support solar - conservation

DEPARTMENT LABOR

MEMBER'S NAME Senator Wendell Ford

STATE Kentucky

GENERAL COMMENTS coal - people confused

SPECIFIC COMMENTS

WINDFALL PROFITS TAX support - leave off little -
will not be enough to pay for synfuels

ENERGY MOBILIZATION BOARD support - people don't understand

ENERGY SECURITY CORPORATION support - people don't understand

Kentucky has one of the largest deposits of tar sand - needed money - 30-45 m. bbls. - better than west - 25+ bbl - need loan guarantee - need low income - Pres. will get proposal

DEPARTMENT LABOR

MEMBER'S NAME Congressman Carl Perkins

STATE Kentucky

GENERAL COMMENTS Coal is very important - hurting Democratic Party - need to declare a national emergency, put some outstanding business people in charge and move the problem along

SPECIFIC COMMENTS

WINDFALL PROFITS TAX favorable

ENERGY MOBILIZATION BOARD not much focus

ENERGY SECURITY CORPORATION favorable - get retired Pres. in charge - get chemical companies into synfuels, not oil companies. He is concerned from experience that oil companies are mainly behind OPEC and responsible for the problem. coal - not moving fast enough - declare national emergency - 1 bbl oil - ton of coal - synfuels - work around the clock - Pres has got to do this - give authority to produce. Let chemical companies do it, not the oil companies. 4/53 Gulf closed dem. plants - said they were going to beat us.

DEPARTMENT LABOR

MEMBER'S NAME Congressman Joe Fisher

STATE Virginia

GENERAL COMMENTS Energy #1 issue - wants to stay with it

SPECIFIC COMMENTS

WINDFALL PROFITS TAX positive comments - some discussion
of what to do - lot of debate about how much will be raised

ENERGY MOBILIZATION BOARD pluses on the idea

ENERGY SECURITY CORPORATION support - thinks we ought
to move rapidly with what we know about; take time to test ideas
later

- concentrate on quick returns
- on synfuels - asked to get testing first

DEPARTMENT LABOR

MEMBER'S NAME Congressman Bill Ford

STATE Michigan

GENERAL COMMENTS not happy with Democrats - tourist industry
taking a beating

SPECIFIC COMMENTS

WINDFALL PROFITS TAX Pres. confused by creating suspicion
that nothing had happened - popular - will get support

ENERGY MOBILIZATION BOARD

ENERGY SECURITY CORPORATION In the west- get feeling that
synfuels is on way - ecologists in the west - papers in Michigan
and west question whether you get to be purists in protecting
environment - auto people want standards relaxed - will be bad-
need device patterned on WPB - refineries E. coast - synfuels needed-
That Pres. would do this job - but do not think he can. Auto workers
worried about layoffs.

DEPARTMENT LABOR

MEMBER'S NAME Congressman Don Bailey

STATE Pennsylvania

GENERAL COMMENTS _____

SPECIFIC COMMENTS

WINDFALL PROFITS TAX supports

ENERGY MOBILIZATION BOARD confusion by people - good idea

ENERGY SECURITY CORPORATION confusion by people

Bailey will support

attacks on Congress tend to be self-defeating - why can't Pres.
lead Congress - what is problem of getting along in Congress
Need to talk with Congress

DEPARTMENT LABOR

MEMBER'S NAME Congressman Jim Obestar

STATE Minnesota

GENERAL COMMENTS People confused - Obestar has newsletter - facts
rather than panic - people trust Pres. - pricing and availability
need to settle down if going to - critical of Congress - not way
to go - get mad if pick on the Congress

SPECIFIC COMMENTS

WINDFALL PROFITS TAX wants it badly

ENERGY MOBILIZATION BOARD supports

ENERGY SECURITY CORPORATION supports

get price set - and keep it there - give certainty!!!!
240 m bbl target

DEPARTMENT LABOR

MEMBER'S NAME Congressman Jim Jeffords

STATE Vermont

GENERAL COMMENTS Title VI not popular - senior citizens concerned
about oil costs - want gas supplies - more concerned about supply
than price - more receptive to rationing - antipathy to oil companies

SPECIFIC COMMENTS

WINDFALL PROFITS TAX favor

ENERGY MOBILIZATION BOARD not much focus

ENERGY SECURITY CORPORATION gasahol popular

Jeffords pushing idea that refineries purchase 10% of synfuels
etc. would be more relevant in New England - Help senior citizens

DEPARTMENT LABOR

MEMBER'S NAME Congressman Ted Weiss

STATE New York

GENERAL COMMENTS People had not focused much on energy - strong support for windfall profits, but not on EMB and ESC - confusion

SPECIFIC COMMENTS

WINDFALL PROFITS TAX

21

ENERGY MOBILIZATION BOARD not focused

ENERGY SECURITY CORPORATION not focused

DEPARTMENT LABOR

MEMBER'S NAME Congressman Gillis Long

STATE Louisiana

GENERAL COMMENTS Energy settling down - believe have shortage -
oil companies not popular in Louisiana

SPECIFIC COMMENTS

WINDFALL PROFITS TAX strong support - how would look to
people who get royalty - yet royalty groups behind this

ENERGY MOBILIZATION BOARD not much focus

ENERGY SECURITY CORPORATION not much focus

Need to let people know the package is complete. People need to spoon feed better.

DEPARTMENT LABOR

MEMBER'S NAME Congressman Bill Ratchford

STATE Connecticut

GENERAL COMMENTS _____

SPECIFIC COMMENTS

WINDFALL PROFITS TAX support

ENERGY MOBILIZATION BOARD support

ENERGY SECURITY CORPORATION support

DEPARTMENT LABOR

MEMBER'S NAME Congressman Gus Hawkins

STATE California

GENERAL COMMENTS jobs and inflation - Firestone, Goodyear, GM
many oil endorsements - need comprehensive approach

Energy - when lines disappeared, not much interest - feel oil
companies problem

SPECIFIC COMMENTS

WINDFALL PROFITS TAX strong support - don't blame OPEC
but oil companies

ENERGY MOBILIZATION BOARD support - some fears of what it
could do to local laws on environment

ENERGY SECURITY CORPORATION not too excited about it -
long range - Gus supports - should have done it in '74 - '75

Fear unemployment will go up - will

DEPARTMENT LABOR

MEMBER'S NAME Congressman Parren Mitchell

STATE Maryland

GENERAL COMMENTS Jobs - highest priority - crime not highest
not much on energy - would get supply when those suckers get their
money

SPECIFIC COMMENTS

WINDFALL PROFITS TAX must support - Mitchell believes we
must move and fast

ENERGY MOBILIZATION BOARD need to move

ENERGY SECURITY CORPORATION need to move

There are questions of credibility about oil and gas -
resignation to the fact that prices will rise - need to
get on with it in a hurry.

DEPARTMENT LABOR

MEMBER'S NAME Congressman Dan Glickman

STATE Kansas

GENERAL COMMENTS Frustration high - blame oil industry - government
believes oil companies abused to improve profits - IAM negative -
Energy not discussed - inflation main problem

SPECIFIC COMMENTS

WINDFALL PROFITS TAX support - but people not excited about
this - some say tax on consumers - but much support

ENERGY MOBILIZATION BOARD support

ENERGY SECURITY CORPORATION support

Kansas - transportation fuels up, people believe we need better
transportation, people want to do.

DEPARTMENT LABOR

MEMBER'S NAME Senator Don Riegle

STATE Michigan

GENERAL COMMENTS confusion - shell game - lot of people who think that windfall profits are something they are contributing rather than are taking away from oil companies - autos dwarf things in Michigan - concern about whether Pres. is going to be able to get on top of this job. Stories: 1) whether supplies manipulated 2) Energy companies as much as 5 years ago couldn't account for lack of
SPECIFIC COMMENTS supply - Don believes anybody

WINDFALL PROFITS TAX support

ENERGY MOBILIZATION BOARD support

ENERGY SECURITY CORPORATION support

Sen. Riegle thought there had been great confusion in Michigan - suspicions of oil companies and the DOE - conditioned by the special problems in the auto industry.

DEPARTMENT LABOR

MEMBER'S NAME Senator Jim Sasser

STATE Tennessee

GENERAL COMMENTS People in Tennessee have heard so much about energy they have started tuning out - spoke that energy problem not the President's fault - was strong response - people are eager for good things to happen for the President

SPECIFIC COMMENTS

WINDFALL PROFITS TAX favor - strongly

ENERGY MOBILIZATION BOARD favor

ENERGY SECURITY CORPORATION favor

DEPARTMENT LABOR

MEMBER'S NAME Senator Don Stewart

STATE Alabama

GENERAL COMMENTS mostly favorable - would prefer USDA to handle
some aspects of liquid fuels - but will support

SPECIFIC COMMENTS

WINDFALL PROFITS TAX support

ENERGY MOBILIZATION BOARD support

ENERGY SECURITY CORPORATION some concern about this -
some need to get USDA in the gasahol program

DEPARTMENT LABOR

MEMBER'S NAME Senator Howell Heflin

STATE Alabama

GENERAL COMMENTS Need to emphasize help for poor - mass transit
considered to be something that will help NY - what's in it for
Ala? Sen. Heflin is generally supportive - seemed not to understand
the ESC very well

SPECIFIC COMMENTS

WINDFALL PROFITS TAX support - need to get the money

ENERGY MOBILIZATION BOARD support - need to cut through
red tape

ENERGY SECURITY CORPORATION support - government operated
entirely would not be a good idea - I explained that was not the
plan and he seemed to be satisfied

DEPARTMENT LABOR

MEMBER'S NAME Congressman John Erlenborn

STATE Illinois

GENERAL COMMENTS _____

SPECIFIC COMMENTS

WINDFALL PROFITS TAX would support true windfall profits
tax, not excise.

ENERGY MOBILIZATION BOARD fairly positive, but hasn't
looked into it

ENERGY SECURITY CORPORATION fairly positive

DEPARTMENT LABOR

MEMBER'S NAME Congressman Mike Myers

STATE Pennsylvania

GENERAL COMMENTS People don't believe there is a problem

big oil companies holding back - we know it is a problem but
the people don't

SPECIFIC COMMENTS

WINDFALL PROFITS TAX support

ENERGY MOBILIZATION BOARD not focused on in district but
he supports

ENERGY SECURITY CORPORATION supports but not much focus

THE WHITE HOUSE
WASHINGTON
9/10/79

Arnie Miller

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

Rick Hutcheson

cc: Frank Moore (page 2)

THE WHITE HOUSE
WASHINGTON

September 7, 1979

**Electrostatic Copy Made
for Preservation Purposes**

MEMORANDUM FOR THE PRESIDENT

FROM: ARNIE MILLER *AM*

SUBJECT: Commodity Futures Trading Commission

The Commodity Futures Trading Commission is a bipartisan body composed of five members. Its function is to regulate futures trading in all commodities -- agricultural products, lumber, metals, and financial instruments.

There is presently a non-Democratic vacancy. Of the four currently serving, you appointed three. They are David Gartner, James M. Stone, whom you designated as Chairman, and Read Dunn, whom you reappointed to an unexpired term ending April, 1980. The fourth member is Robert Martin, former chairman of the largest exchange in the country.

Stone's effectiveness has been limited because he doesn't have the votes. He has not been able to hire his own executive director or general counsel. Gartner has not been helpful at all. Dunn is an occasional but reluctant supporter because he wants to serve another term and Martin always supports the industry's point of view.

Therefore, we believe that if the commission is to function as it should the person selected to fill the vacancy should represent a point of view that closely parallels Stone's.

Hugh J. Cadden (Ind-Calif) has been a member of the Commission staff since 1975. He has served as a senior staff officer in two of the most important sections in the agency. He was Deputy Director of the Division of Enforcement and Director of the Division of Trading and Markets. In April, 1979 he received the Commission's Distinguished Service Award, given to the highest rated agency staff member. Both former Acting Chairman Gary Seevers and current Chairman Stone believe Cadden to be the leading professional staff member at the Commission. Senator Cranston and Senator Hayakawa both strongly support Cadden's nomination.

HUGH J. CADDEN
Falls Church, Virginia

EXPERIENCE

1975 - Present Commodity Futures Trading Commission
1978 - Present Director of the Division of Trading
and Markets
1977 - 1978 Deputy Director, Division of
Enforcement
1976 - 1977 Regional Counsel for the Western
Region of the Division of Enforcement
1975 - 1976 Trial Attorney, Washington Office
1971 - 1975 Associate, law firm of Bianchi, Hoskins
and Rosenberg in San Rafael, California

EDUCATION

1970 Hastings College of the Law
University of California, J.D.
1967 University of California at
Berkeley, California, B.A.

PERSONAL

White Male
Age 35
Independent

Comments on Hugh J. Cadden

Senator Alan Cranston, Democrat-California

"Cadden has received the CFTC's distinguished service award for his contributions to the increased effectiveness and efficiency of the Commission's programs. He is a highly competent, organized administrator who would, in my opinion, continue making significant improvements if nominated and confirmed as a Commissioner."

Senator S. I. Hayakawa, Republican-California

"As a member of the Senate Committee on Agriculture, Nutrition, and Forestry, I am familiar with the Commission's statutory mandate and the necessity to appoint and confirm individuals with broad knowledge of all aspects of the futures trading industry and its regulations. Considering these requirements, I believe Mr. Cadden is well qualified to serve as a Commissioner."

Eugene Gartland, Labor and Maritime Attorney, San Francisco, California (Campaign Manager for Mayor Diane Feinstein)

"I have observed Hugh Cadden's career first-hand for many years. He enjoys a reputation for professionalism, honesty and integrity and there is no doubt in my mind that he would excel as a deliberative, fair and open minded policymaker."

Fred J. Martin, Jr., Vice-President of the Department of Public Affairs, Bank of America

"Hugh Cadden is a true professional. He has consistently demonstrated a strong capability for informed, fair decision-making that reflects a solid appreciation of both public and private sector considerations."

THE WHITE HOUSE
WASHINGTON

*Susan
where is*



Electrostatic Copy Made
for Preservation Purposes

September 5, 1979

*done
J*

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Presidential Personnel Office Recommendation
for Commodity Futures Trading Commission
Vacancy

The purpose of this memorandum is to supplement the material provided you by the Presidential Personnel Office regarding the CFTC vacancy.

Jim Stone, the Chairman of the CFTC, desperately needs at least one more vote on the Commission in order to have any chance of implementing his policies and to make necessary staff changes there. Jim is feared by the industry and its friends in Congress, and they are deeply concerned that we will nominate someone who will vote with Stone consistently. The people who have been recommended to you by the Personnel Office -- particularly Hugh Cadden -- will be generally supportive of Stone if nominated and confirmed.

I concur in the Personnel Office's recommendation. However, I cannot emphasize too strongly the need for you to contact Dee Huddleston to let him know of your decision and to acknowledge his interest and concerns. We have consulted with him at every step of the way and asked him for the names of any candidates he might have on a couple of occasions. He maintained from the outset that he was only interested in being sure that our nominee was qualified. You may recall that he had created tremendous problems for us with the Stone nomination because he felt Stone was not qualified since Jim had no background in agricultural production, had not worked in the commodities markets, and had no experience in the regulation of the futures market (the statute says that a nominee should possess one of those three credentials.) The recommendations presented to you will certainly raise no questions about qualifications.

Huddleston is a friend of the industry. He (and the industry) now insists that our nominee should be "independent" of both Stone and the industry -- a vote up for grabs so to speak. This is an unacceptable request in the circumstances with Stone needing some support on the Commission to implement his policies. Also, as you may know, Cadden was promoted within the CFTC by the previous acting Chairman, Gary Seevers who is a Republican and whom the industry wanted reappointed for a full term.

Dee has been a good friend of ours and, if there were any possible way to accommodate his desire, we would. However, in the circumstances with Stone needing some support to implement his policies, it would be unfair to him to nominate someone who would be totally "independent" of him.

Dee just got back from a Caribbean vacation with a Washington lawyer who represents the industry. He needs to feel that while you could not follow his recommendations, you wanted him to know that his views had not been ignored.

9/14

Sarah, Ham

1/15

THE WHITE HOUSE
WASHINGTON

9/9/79

Mr. President:

Atty. Gen. Civiletti
would like an appointment
this week to discuss judges
and his deputy position.
May I schedule?

yes no

Electrostatic Copy Made
for Preservation Purposes

Phil

J
Expedite