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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Moore to The President (one page) re: Assistant Sec. of Commerce Nomination	1/3/80	C
memo w/att	From Moore to The President (26 pp.) re: Congressional Consultation on Soviet Trade Imbargo	1/4/79	A

**FILE LOCATION**

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THE PRESIDENT'S SCHEDULE

NOT ISSUED

Friday - January 4, 1980

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- 7:15 Dr. Zbigniew Brzezinski - The Oval Office.
- 7:30 Breakfast with Secretaries Cyrus Vance and  
(90 min.) Harold Brown, Mr. Hedley Donovan, Dr. Zbigniew  
Brzezinski, and Mr. Hamilton Jordan - Cabinet Room.
- 10:00 Mr. Hamilton Jordan and Mr. Frank Moore - Oval Office.
- ~~# 12:00~~ PRIVATE LUNCHEON - Second Floor Private Dining Room.
- # 1:45 Chairman Paul Volcker - The Oval Office.  
(10 min.)
- ~~2:00~~ Honorable Walter Heller - The Oval Office.  
(15 min.)
- 2:30 Depart South Grounds via Helicopter en route  
Camp David.

THE WHITE HOUSE  
WASHINGTON  
04 Jan 80

Jack Watson

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

Rick Hutcheson

Esther Peterson  
Frank Moore  
Jody Powell

*Jack*  
*J*

THE WHITE HOUSE  
WASHINGTON

December 31, 1979

Electrostatic Copy Made  
for Preservation Purposes

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack* ESTHER PETERSON *EP*

SUBJECT: Letter to Governors on Life Insurance Disclosure

The Federal Trade Commission has asked that you send the attached letter to Governors urging the adoption of the FTC's model life insurance disclosure format. We support the request.

Earlier this year, the FTC completed a study that showed that many whole life insurance policies do not pay an adequate rate of return on the \$141 billion "invested" by consumers in the "savings" portion of those policies. Policies available today give only 2 percent - 6 percent. The study concluded that if consumers possessed information to compare the costs and benefits of term versus whole life policies, they would be in a position to make better choices about their life insurance expenditures.

Due to the McCarran-Ferguson Act, however, which specifies that the business of insurance shall be regulated by the states, the FTC is without authority to require price disclosure. As a result, the agency developed a model life insurance cost disclosure format which it has urged the states to adopt. While many states, as well as the National Association of Insurance Commissioners have developed disclosure formats, they are deficient in several respects, including the failure to require disclosure of the annual rate of return.

The FTC report has sparked considerable controversy in the industry. Nevertheless, we believe the report and model disclosure format merit state consideration. Last year, you urged the Governors to adopt a model generic drug substitution law in the interest of savings to consumers. This action would be consistent with that initiative.

Fred Kahn and Stu Eizenstat concur in this request.  
Speechwriters have edited letter.

- | <input checked="" type="checkbox"/> APPROVE | <input type="checkbox"/> DISAPPROVE |
|---|-------------------------------------|
| a) Publicize                                | letter & key points in model format |
| b) Send to                                  | all State Insurance Commissioners   |
| c) " "                                      | " Consumer Advocates                |
| d) " "                                      | " Legislature Speakers and          |
| e) " "                                      | Senate Pro-Pro Temp Insurance       |
|   | legis Committee Chairmen            |

THE WHITE HOUSE

WASHINGTON

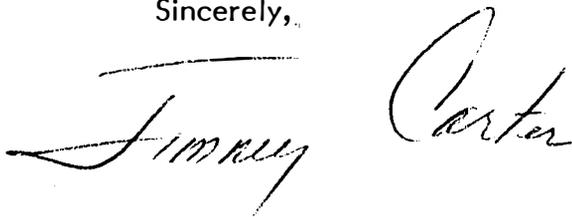
To Governor

Americans spend over \$30 billion a year on life insurance premium payments. Yet too often, consumers lack the basic cost information they need to find the best policy at the lowest price. The Federal Trade Commission has recently recommended a model state regulation on life insurance cost disclosure to help achieve this purpose.

On the basis of economic study and consumer research, the Commission concluded that whole life value insurance policies not held to maturity pay a relatively low rate of return on their cash values, and that consumers are not getting the information they need to understand the true costs of their policies. The result is billions of dollars a year in unnecessary costs to consumers.

I am enclosing a copy of the model state regulation and other material which summarizes the key findings and recommendations. The model regulation is designed to provide meaningful disclosure of life insurance costs. Under the law, only the states can act to require this kind of disclosure. This is an important initiative the states can take to promote price competition and to ensure that the life insurance market is responsive to the needs of consumers. I hope that the resources invested in this study by the Federal government will yield a dividend of increased Federal-State cooperation. I urge you and your insurance officials to give the model regulation the most careful consideration.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

**Electrostatic Copy Made  
for Preservation Purposes**

ID 795958

THE WHITE HOUSE  
WASHINGTON

*Handwritten signature/initials*

DATE: 02 JAN 80

FOR ACTION: RICK HERTZBERG

INFO ONLY: THE VICE PRESIDENT

JIM MCINTYRE

SUBJECT: WATSON PETERSON MEMO RE LETTER TO GOVERNORS ON LIFE  
INSURANCE DISCLOSURE

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+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM FRIDAY 04 JAN 80 +
+++++

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ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE  
WASHINGTON

December 31, 1979

To Governor

Each year, Americans spend over 30 billion dollars on life insurance premium payments. Because of the importance and the expense of life insurance, consumers need basic information on the cost of insurance policies so they can find the one that meets their needs at the lowest price. The Federal Trade Commission has recently recommended a model state regulation on life insurance cost disclosure to help achieve this purpose.

Based on economic study and consumer research, the Commission concluded that whole life value insurance policies, not held to maturity, pay a relatively low rate of return on their cash values, and that consumers are not receiving the information essential to an understanding of true policy costs. It was also estimated that ill-informed life insurance purchases have resulted in consumer costs of billions of dollars a year.

I am enclosing a copy of the model state regulation and other material which summarizes the key findings and recommendations. The model regulation is designed to provide meaningful disclosure of life insurance costs and to promote price competition. This is an important initiative the states can take to ensure that the life insurance market is responsive to the needs of insurance consumers. I urge you and your insurance officials to give it careful consideration.

Sincerely,

Enclosures

DRAFT REGULATION

(1) AUTHORITY. (Insert applicable state authority)

(2) PURPOSE. The purpose of this regulation is to require insurers to deliver to prospective purchasers of life insurance information which will improve the buyer's ability to select the most appropriate plan of life insurance for his or her needs, improve the buyer's understanding of the basic features of the policy which has been purchased or which is under consideration, improve the ability of the buyer to evaluate the relative costs of similar plans of life insurance and improve the buyer's ability to choose between dissimilar plans of insurance. This rule does not prohibit the use of additional material which is not in violation of this rule or any other [state] statute or rule.

(3) SCOPE. (a) Except as hereafter exempted, this rule shall apply to any solicitation, negotiation or procurement of life insurance or annuities occurring within this state. This rule shall apply to any issuer of life insurance contracts including fraternal benefit societies.

(b) For purposes of this regulation the term "life insurance" includes annuities except where the context indicates otherwise.

(c) Unless otherwise specifically included, this rule shall not apply to:

1. Credit life insurance.
2. Group life insurance provided at least a portion of the cost is borne by a person other than the persons insured or their beneficiaries.

3. Variable life insurance under which the death benefits and cash values vary in accordance with unit values of investments held in a separate account.
4. Group annuities provided at least a portion of the cost is borne by a person other than the annuitants or their beneficiaries.

(4) DEFINITIONS. For the purposes of this rule, the following definitions shall apply:

(a) [state] Buyer's Guide to Life Insurance. The [state] Buyer's Guide to Life Insurance is a document which contains, and is limited to, the language within the current edition of "The [state] Buyer's Guide to Life Insurance" put out by the Insurance Commissioner of the State of [ ]. A copy of which is attached hereto as Appendix 1. Insurers may purchase the Buyer's Guide at cost from the Office of the Commissioner of Insurance, or they may reproduce it themselves (subject to reasonable standards of style, size, and layout).

(b) Cash Dividend. A Cash Dividend is the current illustrated dividend which can be applied toward payment of the gross premium.

(c) Additional First Year Premium Policies. A policy requiring an additional premium payment for the first policy year, or for the first several policy years, that is substantially larger than the premium for the remainder of the policy years and providing a fixed payment at the end of a fixed term period coupled with a term insurance policy or a whole life insurance

policy. There are several variations in the forms of such policies and are more commonly known as "deposit term", "deposit whole life," or "modified whole life" policies.

(d) Equivalent Level Death Benefit. The Equivalent Level Death Benefit of a policy or term life insurance rider is an amount calculated as follows:

1. Accumulate the guaranteed amount payable upon death, regardless of the cause of death, at the beginning of each policy year for twenty years at five percent interest compounded annually to the end of the twentieth policy year.
2. Divide each accumulation of step 1 by an interest factor that converts it into one equivalent level annual amount that, if paid at the beginning of each year, would accrue to the value in step 1. The twenty year interest factor is 34.719.

(e) Generic Name. Generic Name means a short title which is descriptive of the premium and benefit patterns of a policy or rider.

(f) Life Insurance Indices

1. Surrender Index. The Surrender Index is calculated by applying the following steps:
  - a. Determine the guaranteed cash surrender value, if any, available at the end of the twentieth policy year.

- b. For participating policies, add the terminal dividend payable upon surrender, if any, to the accumulation of the annual Cash Dividends at five percent interest compounded annually to the end of the twenty years and add this sum to the amount determined in step a.
- c. Divide the result of step b (step a for guaranteed-cost policies) by the interest factor that converts it into an equivalent level annual amount that if paid at the beginning of each year, would accrue to the value in step b (step a for guaranteed-cost policies) over the respective period stipulated in step a. The twenty year interest factor is 34.719.
- d. Determine the equivalent level premium by accumulating each annual premium payable for the basic policy or rider (if the premium includes supplemental benefits without separate identifiable charge, a reasonable adjustment may be made) at five percent interest compounded annually to the end of twenty years and dividing the result by the factor stated in step c. (This amount is the annual premium payable for a level premium plan).

- e. Subtract the result of step c from step d.
- f. Divide the result of step e by the number of thousands of the Equivalent Level Death Benefit to arrive at the Surrender Index.

2. Average Annual Rate of Return Index. This index is calculated on cash value policies using the Linton Yield method.

- a. The Linton Yield method solves for a level, effective, annually compounded interest rate, or yield. This yield is determined by equating the cash available at the end of a specified number of years from two different protection/savings programs, and then solving for the annual yield that must be achieved on the separate savings fund of the second program in order to produce the cash equivalency with the first program.

The two programs compared are:

- i. A life insurance policy on, normally but not necessarily, some permanent plan. The cash used at the end of the specified year is the policy's guaranteed cash surrender value plus the terminal dividend payable upon surrender and the dividend payable at the end of the specified year.

- ii. A combination of a savings fund and yearly renewable term (YRT) insurance. The amount deposited in the savings fund each year is assumed to be equal to the annual premium payable under the alternative program for the permanent life insurance policy (less any dividend payable at the end of the preceding year) less an assumed premium payable for YRT insurance. The amount of YRT purchased each year is that which would be adequate to bring the combined death benefit from the savings plan and the YRT to the same as that payable under the permanent life insurance policy. The cash used for comparison with the permanent policy is the amount accumulated in the savings fund at the end of the specified year.
- b. Average Annual Rate of Return index figures given out in [state] by insurers or intermediaries shall be calculated separately for males and females and shall be based upon the following assumptions:

i. As to YRT premium rates:

YRT premiums =  $(1,000 q) (K) + \$0.90 + \$25/S$  where K equals 1.00 for ages 0 through 14 and 0.95 for ages 15 and above, S equals policy size in thousands and  $1,000q$  equals the mortality rate for age x shown in subsection (9);

ii. As to elements entering into the calculation: Gross premiums shall include the total premiums charged for all life insurance benefits; dividends shall be total illustrated dividends excluding any separately identifiable dividends payable for benefits other than life insurance.

c. Average Annual Rate of Return index figures for additional first year premium policies defined in Section 4(c) shall be calculated in the same manner as for cash value policies. For purposes of the calculation gross premiums shall include all payments made to the company under the contract and cash values for each year shall be the total amount to which the policyholder is entitled under the contract for that year.

d. Average Annual Rate of Return index figures for annuities shall be the annually compounded interest rate, or yield, on gross premiums paid over the selected holding period.

Note: A discussion of the Linton Yield method may be found on pages 28-30 in the Analysis of Life Insurance Cost Comparison Index Methods, prepared by the Society of Actuaries Committee on Cost Comparison Methods and Related Issues (Special), September, 1974. Further discussion on the "low" YRT rates to be used in computing the Linton Yield, which are the rates specified in this rule, may be found in Appendix E, pp. 187-192 of that same publication.

(g) Preliminary Policy Summary. For the purposes of this rule, Preliminary Policy Summary means a document provided to the buyer of a life insurance policy which contains necessary consumer cost disclosure information, in substantially the same format for all companies, as specified by the Commissioner. Appendix 2 to this rule contains a Preliminary Policy Summary form for Whole Life and Endowment Policies. Appendix 3 contains a Preliminary Policy Summary form for Term Policies and Term Riders.

(h) Preliminary Policy Summary for Additional First Year Premium Policies. For the purposes of this rule the Preliminary Policy Summary for additional first year premium policies means a document provided to the buyer of these products which contains the following information:

1. The name of the company and Generic Name of the policy.
2. The policyholder's age and sex at issue.
3. The annual premiums and guaranteed amount payable upon death for representative policy years.
4. The average annual rate of return for five, ten, twenty and thirty years.
5. A statement warning that early termination of the policy will result in the loss of the additional premium, if such is the case.
6. Language substantially similar to the notice located at the top of the Preliminary Policy Summaries in Appendices 2 and 3.
7. The signature of the soliciting agent and the date on which the summary was prepared.
8. Such other information that the Commissioner may determine is necessary to fully inform the purchaser of the basic features of the policy.

(i) Preliminary Policy Summary for Annuities. For the purposes of this rule the Preliminary Policy Summary for annuities means a document provided to the buyer of an annuity which contains the following information:

1. The name of the company and Generic Name of the policy.
2. The policyholder's age and sex at issue.
3. The annual premium for the policy.

4. The average annual rate of return on gross premiums paid for five, ten, twenty and thirty years.
5. If the annuity contains both a guaranteed and current rate the average annual rate of return shall be shown for both.
6. Language substantially similar to the notice located at the top of the Preliminary Policy Summaries in Appendixes 2 and 3.
7. The signature of the soliciting agent and the date on which the summary was prepared.
8. In the case of flexible premium annuity contracts the information on the Preliminary Policy Summary shall be determined on the assumption that consideration payments will be made at the rate of \$1,000 per year.

(j) Policy Summary. 1. For the purposes of this rule, Policy Summary means a written statement in substantially the same format for all companies and describing the elements of the policy including but not limited to:

- a. A prominently placed title as follows:  
STATEMENT OF POLICY COST AND BENEFIT  
INFORMATION.
- b. The name and address of the insurance intermediary, or, if no intermediary is involved, a statement of the procedure to be followed

in order to receive responses to inquiries regarding the Policy Summary.

- c. The full name and home office or administrative office address of the company in which the life insurance policy is to be or has been written.
- d. The Generic Name of the basic policy and each rider.
- e. The following amounts, where applicable, for the first five policy years and representative policy years thereafter sufficient to clearly illustrate the premium and benefit patterns, including but not necessarily limited to, the year for which the Surrender Index is displayed and at least one age from sixty through sixty-five or maturity whichever is earlier:
  - i. The annual premium for the basic policy.
  - ii. The annual premium for each optional rider.
  - iii. Guaranteed amount payable upon death, at the beginning of the policy year regardless of the cause of death other than suicide, or other specifically enumerated exclusions, which is provided by the basic policy and each optional rider, with benefits provided

under the basic policy and each rider shown separately.

- iv. Total guaranteed cash surrender values at the end of the year with values shown separately for the basic policy and each rider.
- v. Cash Dividends payable at the end of the year with values shown separately for the basic policy and each rider. (Dividends need not be displayed beyond the twentieth policy year).
- vi. Guaranteed endowment amounts payable under the policy which are not included under guaranteed cash surrender values above.
- f. The effective policy loan annual percentage interest rate, if the policy contains this provision, specifying whether this rate is applied in advance or in arrears. If the policy loan interest is variable, the Policy Summary shall include the maximum annual percentage rate.
- g. The annual percentage rate of interest if the premiums are paid more often than once a year.
- h. Surrender Cost Index at the twentieth year. Separate indices are displayed for the

basic policy and for each optional term life insurance rider. Such indices need not be included for optional riders which are limited to benefits such as accidental death benefits, disability waiver of premium, preliminary term life insurance coverage of less than 12 months and guaranteed insurability benefits nor for the basic policies or optional riders covering more than one life.

- i. For cash value insurance policies, annuities, and additional first year premium policies, the average annual rate of return if the policy is held for five, ten, twenty and thirty years.
- j. A statement that the purchaser can return the policy within 10 days after receipt of the policy and receive a full refund of all premiums paid.
- k. A Policy Summary which includes dividends shall also include a statement that dividends are based on the company's current dividend scale and are not guaranteed.
- l. A statement in close proximity to the Surrender Index and average annual rate of return as follows: A further explanation

of the intended use of these indices is provided in the Life Insurance Buyer's Guide.

m. The date on which the Policy Summary is prepared.

2. The Policy Summary must consist of a separate document. All information required to be disclosed must be set out in a manner as to not minimize or render any portion thereof obscure. Any amounts which remain level for two or more years of the policy may be represented by a single number if it is clearly indicated what amounts are applicable for each policy year. Amounts in subdivision 1.a. above shall be listed in total, not on a per thousand nor per unit basis. If more than one insured is covered under one policy or rider, guaranteed death benefits shall be displayed separately for each insured or for each class of insureds if death benefits do not differ within the class. Zero amounts shall be displayed as zero and shall not be displayed as a blank space.
3. If the Policy Summary is for an annuity contract, in addition to the information listed above which may be applicable, the policy summary shall also show:

- i. The amount of the guaranteed annuity payments at the scheduled commencement of the annuity, based on the assumption that all scheduled considerations are paid and there are no prior withdrawals from or partial surrenders of the contract and no indebtedness to the insurer on the contract.
- ii. On the same basis as for item i. except for guarantees, illustrative annuity payments not greater in amount than those based on (1) the current dividend scale and the interest rate currently used to accumulate dividends under such contracts, or the current excess interest rate credited by the insurer, and (2) current annuity purchase rates. A dividend scale or excess interest rate which has been publicly declared by the insurer with an effective date not more than two months subsequent to the date of declaration shall be considered a current dividend scale or current excess interest rate.

iii. In the case of a flexible premium annuity contract, the information on the policy summary shall be determined on the assumption that consideration payments will be made at the rate of \$1,000 per year.

(5) DISCLOSURE REQUIREMENTS. (a) The insurer will provide, to all prospective purchasers of any policy subject to this rule, a copy of the current edition of the [state] Buyer's Guide to Life Insurance at the beginning of any sales presentation. A properly filled out Preliminary Policy Summary for a life policy, first year premium policy or annuity, as appropriate, must be provided to all prospective purchasers prior to the time they are provided an application for a policy. If a whole life or endowment policy has a term insurance rider, a separate Preliminary Policy Summary must be provided for the basic policy and any term riders.

(b) Insurers that do not market policies through an intermediary may provide the Preliminary Policy Summary and the [state] Buyer's Guide to Life Insurance at the time of policy delivery, provided they:

1. Guarantee to the policyholder a 30-day right to return the policy for a full refund of premium, and
2. Alert the prospective policyholder, in advertisements or direct mail solicitations, of his or her right to obtain a copy of the [state] Buyer's Guide to Life Insurance and a Preliminary Policy Summary prior to sale.

(c) The insurer shall provide a Policy Summary upon delivery of the policy.

(d) The insurer shall provide a [state] Buyer's Guide to Life Insurance and a Preliminary Policy Summary to individual prospective purchasers upon reasonable request.

(e) For policies already issued and paying premiums on the effective date of this rule, policyholders shall have the right to obtain a Policy Summary at cost. The company may charge a reasonable fee for preparing this summary, not to exceed \$5.00, and may utilize reasonable assumptions in providing the cost disclosure information, so long as they are clearly disclosed.

(f) If the provisions of Sections 5(a) and (c) are fully complied with the purchaser shall have the right to return the policy and obtain a full refund of all monies paid at any time within ten days after the policy is delivered.

(6) GENERAL RULES. (a) Each insurer shall maintain at its home office or principal office, a complete file containing one copy of each document authorized by the insurer for use pursuant to this regulation. Such file shall contain one copy of each authorized form for a period of three years following the date of its last authorized use.

[Alternative Paragraph 6(a)] Each insurer shall maintain at its home office or principal office, a complete file containing one copy of the Preliminary Policy Summary and Policy Summary for each policy that it issues. Such documents shall be maintained for a period of three years after the policy is issued.

(b) An intermediary shall inform the prospective purchaser, prior to commencing a life insurance sales presentation, that he or she is acting as a life insurance intermediary and inform the prospective purchaser of the full name of the insurance company which he or she is representing to the buyer. In sales situations in which an intermediary is not involved, the insurer shall identify its full name.

(c) Terms such as financial planner, investment advisor, financial consultant, or financial counseling shall not be used in such a way as to imply that the insurance intermediary is generally engaged in an advisory business in which compensation is unrelated to sales unless such is actually the case.

(d) Any reference to policy dividends must include a statement that dividends are not guaranteed.

(e) A system or presentation which does not recognize the time value of money through the use of appropriate interest adjustments shall not be used for comparing the cost of two or more life insurance policies.

(f) A presentation of benefits shall not display guaranteed and nonguaranteed benefits as a single sum unless they are shown separately in close proximity thereto.

(g) A statement regarding the use of the Surrender Index shall include an explanation to the effect that the index is useful only for the comparison of the relative costs of two or more similar policies.

(h) For the purposes of this rule, the annual premium for a basic policy or rider, for which the company reserves the right to change the premium, shall be the maximum annual premium.

(7) EFFECTIVE DATE. This rule shall apply to all solicitations of life insurance which commence on or after

(8) UNUSUAL CIRCUMSTANCES. Insurers with unique difficulties in implementing sections of this rule may petition the Commissioner for allowance to meet the requirements of the rule through alternative approaches.

(9) YEARLY RENEWABLE TERM INSURANCE MORTALITY RATES. The following mortality rates are to be used in determining YRT premiums for calculating Average Annual Rate of Return Index figures.

MORTALITY RATES PER 1,000

<u>Attained Age (x)</u>	<u>Male Lives</u>	<u>Female Lives</u>	<u>Attained Age (x)</u>	<u>Male Lives</u>	<u>Female Lives</u>
0	5.80	4.80	48	5.71	3.20
1	1.33	1.22	49	6.34	3.52
2	0.84	0.72	50	6.94	3.84
3	0.65	0.55	51	7.56	4.15
4	0.53	0.48	52	8.32	4.48
5	0.48	0.42	53	9.20	4.84
6	0.42	0.37	54	10.09	5.23
7	0.39	0.33	55	11.00	5.67
8	0.35	0.29	56	12.06	6.16
9	0.32	0.22	57	13.26	6.70
10	0.31	0.25	58	14.60	7.27
11	0.31	0.26	59	16.06	7.87
12	0.33	0.27	60	17.69	8.52
13	0.42	0.29	61	19.55	9.21
14	0.52	0.31	62	21.61	10.00
15	0.73	0.36	63	23.75	10.83
16	0.87	0.36	64	25.83	11.81
17	1.02	0.37	65	27.99	13.07
18	1.18	0.38	66	30.34	13.72
19	1.29	0.40	67	33.04	16.80
20	1.37	0.41	68	35.92	19.28
21	1.46	0.44	69	39.27	22.28
22	1.52	0.48	70	42.90	25.69
23	1.47	0.53	71	46.45	29.43
24	1.32	0.60	72	49.96	33.43
25	1.25	0.66	73	53.72	37.30
26	1.22	0.70	74	58.16	40.72
27	1.19	0.70	75	63.36	43.59
28	1.17	0.70	76	69.04	46.36
29	1.13	0.71	77	75.09	49.38
30	1.15	0.75	78	81.98	53.45
31	1.22	0.83	79	89.68	59.01
32	1.28	0.93	80	96.68	66.03
33	1.32	1.04	81	105.42	73.80
34	1.34	1.14	82	113.40	79.38
35	1.40	1.21	83	122.90	86.03
36	1.49	1.23	84	135.00	94.50
37	1.60	1.25	85	149.17	107.40
38	1.75	1.29	86	165.94	122.80
39	1.91	1.37	87	182.12	138.41
40	2.12	1.47	88	196.71	153.43
41	2.36	1.59	89	213.16	170.61
42	2.66	1.74	90	229.66	188.32
43	3.02	1.91	91	246.98	207.47
44	3.45	2.10	92	262.03	225.34
45	3.96	2.32	93	276.79	243.58
46	4.51	2.58	94	302.02	271.82
47	5.09	2.88	95	338.33	311.26

NOTE: The mortality rates for ages 0 through 14 are from the 1965-1970 Select Basic Tables published on pages 202 and 203 of the Transactions of the Society of Actuaries Publication Year 1974, Number 3, 1973 Reports of Mortality and Morbidity Experience. The mortality rates for ages 15 and above are from the Ultimate Basic Tables, Males Lives (1957-1960 Experience), Female Lives (1957-1960 Experience) published on page 48 of the Transactions of the Society of Actuaries, Publication Year 1963, Number 2, 1962 Reports of Mortality and Morbidity Experience.

(10) PENALTY. Violations of this rule shall subject the violator to (Insert applicable state statute or regulation).

(11) SEPARABILITY. If any provision of this rule shall be held invalid, the remainder of the rule shall not be affected thereby.

ID 795958

THE WHITE HOUSE

WASHINGTON

DATE: 02 JAN 80

FOR ACTION: RICK HERTZBERG

INFO ONLY: THE VICE PRESIDENT

JIM MCINTYRE

SUBJECT: WATSON PETERSON MEMO RE LETTER TO GOVERNORS ON LIFE  
INSURANCE DISCLOSURE

+++++

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

+ BY: 1200 PM FRIDAY 04 JAN 80 +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

*See edict  
RH*

THE WHITE HOUSE

WASHINGTON

December 31, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON, *Jack* ESTHER PETERSON *EP*

SUBJECT:

Letter to Governors on Life Insurance Disclosure

The Federal Trade Commission has asked that you send the attached letter to Governors urging the adoption of the FTC's model life insurance disclosure format. We support the request.

Earlier this year, the FTC completed a study that showed that many whole life insurance policies do not pay an adequate rate of return on the \$141 billion "invested" by consumers in the "savings" portion of those policies. Policies available today give only 2 percent - 6 percent. The study concluded that if consumers possessed information to compare the costs and benefits of term versus whole life policies, they would be in a position to make better choices about their life insurance expenditures.

Due to the McCarran-Ferguson Act, however, which specifies that the business of insurance shall be regulated by the states, the FTC is without authority to require price disclosure. As a result, the agency developed a model life insurance cost disclosure format which it has urged the states to adopt. While many states, as well as the National Association of Insurance Commissioners have developed disclosure formats, they are deficient in several respects, including the failure to require disclosure of the annual rate of return.

The FTC report has sparked considerable controversy in the industry. Nevertheless, we believe the report and model disclosure format merit state consideration. Last year, you urged the Governors to adopt a model generic drug substitution law in the interest of savings to consumers. This action would be consistent with that initiative.

Fred Kahn and Stu Eizenstat concur in this request.

THE WHITE HOUSE

WASHINGTON

December 31, 1979

To Governor

~~Each year~~ Americans spend over <sup>\$</sup>30 billion <sup>a year</sup> dollars on life insurance premium payments. ~~Because of the importance and the expense of life insurance, consumers need basic information on the cost of insurance policies so they can find the one that meets their needs at the lowest price.~~ The Federal Trade Commission has recently recommended a model state regulation on life insurance cost disclosure to help achieve this purpose.

Yet too often, }  
 lack the }  
 basic cost }

They need to find the best policy

On the basis of }

~~Based on economic study and consumer research, the Commission concluded that whole life value insurance policies, not held to maturity, pay a relatively low rate of return on their cash values, and that consumers are not receiving the information essential to an understanding of true policy costs. It was also estimated that ill-informed life insurance purchases have resulted in consumer costs of billions of dollars a year.~~

they need }  
 The result is }

getting }  
 The }  
 of their policies }

I am enclosing a copy of the model state regulation and other material which summarizes the key findings and recommendations. The model regulation is designed to provide meaningful disclosure of life insurance costs, ~~and to promote price competition.~~ This is an important initiative the states can take to ensure that the life insurance market is responsive to the needs of ~~insurance~~ consumers. I urge you and your insurance officials to give ~~it~~ careful consideration.

Under the law, only the states can act to ~~ensure~~ require this kind of disclosure. The model regulations

to promote price competition and

Sincerely,

in unnecessary costs to consumers.

Enclosures

the model regulation the most ~~effective~~

I hope that the resources invested in this study by the Federal government will yield a dividend of increased Federal-State cooperation.

THE WHITE HOUSE  
WASHINGTON

04 Jan 80

Phil Wise  
Fran Voorde

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

Rick Hutcheson

Anne Wexler

FOR STAFFING
FOR INFORMATION
✓ FROM PRESIDENT'S OUTBOX
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ACTION  
FYI

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	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

January 3, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER *Anne*

The President of the National Council of Churches, Reverend William Howard, one of the three clergymen who went to Iran, will be attending the breakfast on energy conservation with you next Thursday, January 10. He has requested to meet with you either before or after the breakfast. Your schedule would permit either option. If you agree, I will work out the details with Phil.

Zbig and Hamilton both agree that this would be a useful meeting if you want to do it. It would be off the record and would not appear on the public schedule. Reverend Howard is perfectly willing to respect those ground rules. Claire Randall will accompany him to the meeting. As you know Claire was one of the participants at the Camp David meeting and has organized the convocation of religious leaders on energy.

I will meet with Reverend Howard.

Agree

Disagree

*5 min*  
*J*

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Telegram

WDA207(1200)(1-004666A355)PD 12/21/79 0944

TLX AIU NYK  
ZCZC 01 AIG NY NY 12-21-79  
PMS AMBASSADOR ROBERT STRAUSS  
1413 K STREET N.W.  
WASHINGTON, D.C.

( TELEGRAM- DO NOT TELEPHONE )

*Mr. President -  
This is the fellow  
you spent 5 minutes  
with when we had New York  
group in White House -  
He is largest employer  
in New Hampshire -  
1800 people -  
RSS*

FOLLOWING BEING SENT TO ALL OUR EMPLOYEES IN NEW HAMPSHIRE INSURANCE COMPANY QUOTE "WE ARE ALL VERY CONSCIOUS THAT FIFTY AMERICANS HAVE BEEN HELD CAPTIVE IN TEHRAN SINCE NOVEMBER 4. HOWEVER AS MANY OF YOU KNOW ONE OF OUR FELLOW EMPLOYEES HAS BEEN JAILED IN IRAN SINCE LAST APRIL IN COMPLETE VIOLATION OF HIS HUMAN RIGHTS. AS WITH ALL THE HOSTAGES, HE IS THE ARBITRARY VICTIM AND NOT THE

*C. Kraft  
Jordan*

8F-1201 (RS-89)



Telegram

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CAUSE OF HIS PRESENT SITUATION.

OUR COMPANIES HAVE TRIED AND ARE STILL TRYING IN EVERY WAY POSSIBLE TO HAVE HIM RELEASED SO THAT HE CAN RETURN TO THE UNITED STATES WITH HIS WIFE AND CHILD. PRESIDENT IS DOING EVERYTHING POSSIBLE TO OBTAIN FREEDOM FOR OUR ASSOCIATE AS WELL AS ALL THE HOSTAGES. IN THIS HOLIDAY SEASON, LET US ALL JOIN IN EXPRESSING OUR THANKS FOR THE PRESIDENT'S HELP AND IN CONTINUING OUR SUPPORT OF HIS SUSTAINED EFFORTS TO HELP OUR COLLEAGUE AND THE OTHER HOSTAGES.

ENDQUOTE

HANK GREENBERG

NNNN

*K - Manual thanks to  
for the Great Telegram to  
N.H. - I have forwarded  
it to the President, who  
will be most  
appreciative - etc  
RSS*

8F-1201 (RS-89)

THE WHITE HOUSE  
WASHINGTON

04 Jan 80

FOR THE RECORD:

ORIGINAL TO STRIPPING FOR  
MAILING.

THE WHITE HOUSE

WASHINGTON

December 28, 1979

MEMORANDUM FOR THE PRESIDENT

FROM

STU EIZENSTAT  
ZBIGNIEW BRZEZINSKI

*Stu*  
*ZB*

SUBJECT

REAPPOINTMENT OF BRADFORD MORSE AS ADMINISTRATOR  
OF UNITED NATIONS DEVELOPMENT PROGRAM

On December 14, the United Nations General Assembly unanimously supported the reappointment of Bradford Morse as Administrator of United Nations Development Program (UNDP). Morse is one of the highest ranking American citizens in the United Nations system and has done an excellent job in helping UNDP recover from the severe liquidity crisis it faced when he took office in 1976. Primarily because of Morse's work, the UNDP today is in good financial and programmatic shape. He has worked closely and effectively with the Administration and has been fully responsive to our concerns.

We would, therefore, suggest that you send him a note of congratulations along the lines of the attached. It is based on the U.S. delegation's statement to the General Assembly on Morse's re-appointment.

Recommendation:

That you sign the letter to Brad Morse at Tab I.

The speechwriters have cleared the letter.

THE WHITE HOUSE

WASHINGTON

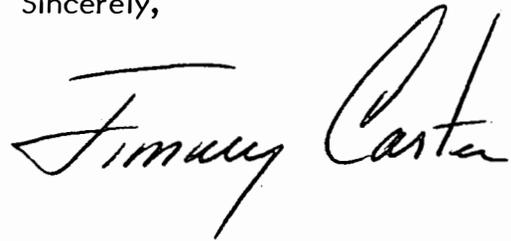
January 3, 1980

To Bradford Morse

I congratulate you on your reappointment as Administrator of the United Nations Development Program. Your renomination by Secretary General Waldheim and the unanimous support of the General Assembly demonstrate the high regard that the international community has for your work.

Thanks to you and your colleagues, the UNDP is now financially sound and capable of meeting the challenges of the future. I am proud that an American citizen has done so much to help meet the needs of people in the developing nations. I wish you continued success in your efforts.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

The Honorable Bradford F. Morse  
Administrator  
United Nations Development Program  
One United Nations Plaza  
New York, New York 10017

①

MEMORANDUM FOR THE PRESIDENT

12/29/79

FROM: LOUIS MARTIN

PRESIDENTIAL TRIP ABROAD

All of our constituents are praying for a quick and peaceful resolution of the Iranian crisis. The time table for this resolution might be accelerated, in my view, without any additional risks.

Specifically, it has been suggested that a meeting of the heads of state of the Western powers might be called in the next few weeks to discuss the following:

1. The military intervention of Russia into Afghanistan and the implications of this move for the future of Western relations with Afghanistan, and the border states to the South, especially Iran where our interests and concerns are at this time paramount.

2. The need for a summit meeting of the leaders of the world's great religions, Protestant, Catholic, Islamic, Hindu, Jewish, Buddhist, etc.

A trip by the President of the U.S. to Europe to discuss these and related matters would underscore U.S. concern over threats to world peace and our determination to halt any drift toward war-

THE WHITE HOUSE  
WASHINGTON

04 Jan 80

EIZENSTAT AND MOORE RECEIVED  
COPIES OF THE ATTACHED.

PM

NAME Cong. Mike McCormack

488

*Frank -  
not made*

TITLE U.S. Congressman

*tu*  
Requested by Stu Eizenstat  
Frank Moore *f.m.*

CITY/STATE 4/Washington

Date of Request 1/2/80

Phone Number--Home (  ) W.H. operator has number

Work (  ) 225-5816

Other (  ) \_\_\_\_\_

INFORMATION (Continued on back if necessary) Cong. McCormack has for some time indicated a desire to see you. He indicated he will be in Washington all of this week and wanted to talk with you about nuclear fusion. Frank feels you should call him rather than meet with him. He believes strongly that nuclear fusion will be our ultimate energy source and that the technology is ready to move from the research phase to the engineering phase. He wants you to make the same type of commitment to fusion that JFK did in setting the goal of reaching the moon, by indicating your desire to have a demonstration plant (over

NOTES: (Date of Call \_\_\_\_\_)

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operating before the end of the century. He has pointed out to Stu and Secretary Duncan in recent meetings that fusion has wide acceptance even by environmentalists and that an additional commitment of Federal resources is necessary to move this technology to the engineering and demonstration phase. He also wants you to visit Hanford during your proposed February visit to Washington state. This is the location of the first fusion device which will test materials used in the technology.

We suggest that you mention to him that Stu has indicated the results of his meeting with McCormack and that while you are unable to see him now you would like to talk with him about his interest in fusion technology.

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THE SECRETARY OF ENERGY  
WASHINGTON, D.C.

December 31, 1979

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Charles W. Duncan, Jr.

A handwritten signature in dark ink, appearing to read "John A. DeLoach".

SUBJECT:

Early Warning on a Proposed Meeting Between  
Congressman McCormack and Yourself

Congressman McCormack, the Chairman of the Energy Research and Production Subcommittee of the House Science and Technology Committee, is attempting to schedule a meeting with you to discuss the Department's Magnetic Fusion Energy Program. His position is that the program is technically ready to move into an "Apollo" program crash mode. He believes that the decision is basically political and that the country needs such an effort to show a commitment to solving our energy problems. This would entail, in his view, rapidly growing budgets from the FY 1980 level of \$353 million to \$1 billion by 1983.

The Department's position is that the program is not prepared technically to enter into an Apollo-like mode. Considerable basic, fundamental information needs to be developed before we commit to a single magnetic fusion confinement scheme for accelerated development. The current program level that you have approved for 1981 for \$403 million is adequate given the program's long-term nature; although, budget constraints aside, the present program could effectively utilize greater funding to correct program deficiencies and initiate studies of an engineering test facility. However, we recognize the fiscal constraints and competing priorities under which our budget was developed and fully support the level you have approved for 1981--a level that exceeds the first enhanced level of our request to OMB.

cc: Stu Eizenstat ✓  
Frank Press  
Jim McIntyre

THE WHITE HOUSE  
WASHINGTON

04 Jan 80

Jim McIntyre

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

Rick Hutcheson

FOR STAFFING
FOR INFORMATION
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	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

Phil has

been

THE WHITE HOUSE  
WASHINGTON

January 4, 1980

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for Preservation Purposes**

MR. PRESIDENT:

Bob Maddox called last night  
to leave word that Jimmy Allen  
is back from Iran and in New York.  
Allen would like to share his observa-  
tions with you. Do you want to

Talk by phone with Allen ✓  
Office visit late today No time  
Other \_\_\_\_\_

PHIL

*Make phone  
card*



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

JAN 3 1980

Electrostatic Copy Made  
for Preservation Purposes

MEMORANDUM FOR: THE PRESIDENT  
FROM: Jim McIntyre *Jim*  
SUBJECT: Reducing Federal Agencies' Energy Consumption

In response to your question, Federal agencies have made noticeable progress in reducing their energy consumption. Preliminary information shows that since your April directive, total gasoline consumption has dropped 4.4 percent. Overall energy consumption is down by 4 percent. Your goal was to cut overall consumption by 5 percent and automobile gasoline purchases by 10 percent in one year.

The Department of Energy is now verifying these findings on an agency-by-agency basis. Secretary Duncan will send you a formal report shortly.

I understand that Energy Department officials will soon be meeting with Assistant Secretaries of the agencies with the highest energy usage, to ask them to redouble their conservation efforts. You might emphasize the importance of this matter in a Cabinet meeting.

cc: Secretary Duncan

*Jim*  
4.4% since April or  
on annual basis?  
I want a report  
listing each agency  
& its record.

THE WHITE HOUSE  
WASHINGTON

1/4/80

Stu Eizenstat

Jack Watson

Jody Powell

Sarah Weddington

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

Rick Hutcheson

cc: Phil Wise  
Fran Voorde

THE WHITE HOUSE  
WASHINGTON

January 4, 1980

*Get ok  
for Today  
J*

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*  
JACK WATSON *Jack*  
SARAH WEDDINGTON *SW*  
ELIOT CUTLER *EC*

SUBJECT: Low Income Energy Assistance Announcement

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for Preservation Purposes**

The Treasury Department will have completed today the mailing of the low income energy assistance checks. Four million low income citizens will receive a total of \$380 million in payments on Monday of next week. The money will arrive just in time for many people who must pay the first bills which reflect sharply higher heating oil prices.

These checks are the first concrete results of the energy proposals you submitted to the Congress last year. Monday's occasion of the checks being received provides an excellent opportunity for the Administration to claim due credit for achieving our goal in time to help people in need and to push again for speedy enactment of the last three pending energy proposals (WPT, ESC and EMB).

Therefore, we suggest the following program for Monday:

1. After the Cabinet meeting, you and Secretary Harris would proceed to the press briefing room, where you would introduce her with a brief statement noting that the checks are being received and that speedy action is needed on the rest of the program. (We will provide you with talking points by Saturday noon.) Secretary Harris would then brief the press on the details of the program.
2. We would ask our key supporters in important States to make similar statements on Monday. Examples: Governor Gallen in New Hampshire, Governor King in Massachusetts, Speaker of the House John Martin in Maine, Governor Grasso in Connecticut, etc.

APPROVE ✓

DISAPPROVE \_\_\_\_\_

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12:00 Noon

January 3, 1980

C  
—

MEMORANDUM FOR THE PRESIDENT AND FIRST LADY

FROM: TIM KRAFT/LORI BAUX  
SUBJECT: LUNCHEON, FRIDAY, JANUARY 4, 1980  
12:00 Noon  
Second Floor Family Dining Room

Below is a capsule description of your guests for the private luncheon tomorrow. They will be briefed by David Aaron and David Rubenstein at 11:15 A.M. in the Map Room.

This luncheon is being sponsored by the Carter/Mondale Committee.

LARRY AND NORMA VANDER WERFF

Reasoner, Iowa. Farmers. Larry is past president of the Farm Bureau. Both are on Democratic Committee for Elk Creek Township. Both are area managers for C/M.

ROBERT (BOB) ANDERS AND WIFE DEBBIE ANDERS-BOND

Iowa Falls, Iowa. Bob is County Supervisor for Hardin County and a farmer. He is leaning Brown; considers himself very liberal. We understand he will have a list of questions to ask you.

ROBERT AND ARLEEN FULLER

Eldora, Iowa. Like Bob Anders, Robert is a County Supervisor for Hardin County and a farmer. He is very supportive. His sister, Betty Taylor, is a very hard worker for you in the county. Robert is up for re-election this year.

KAREN MERRICK

Guttenburg, Iowa. City Councilwoman. Area manager for C/M. Her husband is a medical doctor. She will host Chip on his next trip to Iowa.

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MS. ELDA EWOLDT

Davenport, Iowa. Writes advertising for KSTT Radio. She is Vice Chair of both Davenport and Scott County Democratic Party; past Secretary of Iowa Women's Political Caucus; past President of Women's Chamber of Commerce and Business & Professional Women's Club. She is also a member of NOW. A precinct coordinator for C/M. Could be more useful.

JOSEPH PICKETT

Dubuque, Iowa. Owns the only brewery in Iowa, brewing Pickett's Beer. Also owns Bar, Ziggy's, used regularly by Democrats for meetings. He is active in converting corn to gasohol.

MAYOR WILLIAM GLYNN

Bettendorf, Iowa. Has just begun his fourth term; has been uncontested in his last two elections. He has been a supporter since 1975; you have met him several times, including during your riverboat trip in July. Has large family, all of whom could be helpful; the First Lady called his mother, Angeline Glynn on December 23rd. The notes from the call read: "going to work hard for us".

*donkey pin ?*

Larry/Norma Vander Werff  
- Amber - Cln

- Bob/Debbie Andero - Farmer Brown

- Robt/Arken Fuller (Sister Betty Cln)

- Karen Merrick - City Council - Cln

- Elda Ewaldt - Cln - Radio

- Joseph Pickett - brewery - gasalar

- Mayor Wm Glynn - '75 - Bethendorf

private luncheon  
january 4, 1980

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for Preservation Purposes

regular foreign affairs breakfast 1/4/80

THE WHITE HOUSE  
WASHINGTON

For AFJ

1-4-79

- > Aid → Afghan rebels
- OHD radar
- > Iran → sanctions
- > Grain, other sales
- > Waldheim mission
- > Marginal notes - weekly summary
- > Aust + re grain (Can + Argen?)
- > PNG Iranian diplomats
- > Afghan UN amb speak? no
- > Pak. legis - Aid <sup>7115 ESF</sup> (100 + 100) consortium
- > Corn → gasahol
- > India - Tarapur
- > Mtg re negotiations
- > Post-Sanctions =  
    Canada/6 out - Can passports
- > El Salvador → Christ Deves

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NAME Senator John Culver

522

TITLE D-Iowa

CITY/STATE \_\_\_\_\_

Phone Number--Home ( ) \_\_\_\_\_

Work ( ) \_\_\_\_\_

Other (12) 280-3430

Requested by Frank Moore

Date of Request 1-4-80

INFORMATION (Continued on back if necessary)

The law stipulates that you call Senator Culver to consult with him on the decisions you make today.

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for Preservation Purposes**

NOTES: (Date of Call 1-4)

*ok. If he has any further  
suggestions will contact Berglund*

NAME Rep. Thomas P. O'Neill

521

TITLE Speaker of the House

CITY/STATE \_\_\_\_\_

Phone Number--Home (617) 223-2784 or 432-5409

Work () \_\_\_\_\_

Other () \_\_\_\_\_

Requested by Frank Moore

Date of Request 1-4-80

INFORMATION (Continued on back if necessary)

The law stipulates that you call Speaker O'Neill to consult with him on the decisions you make today.

-----  
NOTES: (Date of Call \_\_\_\_\_)

NAME Senator Robert C. Byrd

520

TITLE Majority Leader

CITY/STATE \_\_\_\_\_

Requested by Frank Moore

Phone Number--Home (     ) \_\_\_\_\_

Date of Request 1-4-80

Work (202) 224-3954

Other (     ) \_\_\_\_\_

INFORMATION (Continued on back if necessary)

The law stipulates that you call Senator Byrd to consult with him on the decisions you make today.

NOTES: (Date of Call \_\_\_\_\_)

THE WHITE HOUSE  
WASHINGTON

04 Jan 80

Jack Watson

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

Rick Hutcheson

Arnie Miller

FOR STAFFING
FOR INFORMATION
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	MOORE
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	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
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	KAHN
	LINDER
	MARTIN
✓	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

7:30 AM

THE WHITE HOUSE  
WASHINGTON

January 3, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*  
ARNIE MILLER *AM*

SUBJECT: Follow-up to December 15, 1979 Meeting of  
the Presidential Advisory Board on Ambassa-  
dorial Appointments

*Jack - all of  
this sounds ok -  
after USC - State -  
Plan consultation, give  
me a recommendation.  
Let's don't drag it  
out. It seems  
that I've  
approved  
Nava several  
times*

You recently received a notebook containing the Board's selections of non-career ambassadors for ten countries. The notebook also lists foreign service officer candidates for each embassy.

We suggest you consider at least four non-career appointments among the ten ambassadorships\*; we have listed below, in order of priority, six embassies and our suggested non-career choices as ambassadors:

*Let's move on  
Nava*

- (1) Mexico - We understand that you have already discussed with the Secretary three leading candidates: Professor Julian Nava, Esteban Torres and Viron P. Vaky, a career foreign service officer, whom Secretary Vance favors. As you know, we previously recommended Julian Nava.
- (2) Nepal - The Advisory Panel approved Philip Trimble, who was strongly recommended to Jack by Mayor Koch. Trimble, 40, is a Harvard Law graduate and, from 1974-1978, was an assistant legal advisor in the State Department. Trimble is knowledgeable about Nepal and Asia, and would be a good representative of the United States.

*ok*

There is some question as to when a vacancy will occur in the post. But, we recommend strongly that you agree in principle with the Secretary that Trimble will be the next ambassador.

\*We also recommend a decision concerning Costa Rica be deferred for a week. The Board approved Jack Vaughn, 57, who is strongly supported by the Vice President. Vaughn, however, is under active consideration for other posts. If Vaughn is not chosen for the other positions, we believe he would be a good choice for Ambassador to Costa Rica.

- ok
- (3) Luxembourg - Henry L. Kimelman, 58, who was supported by the Vice President and Frank Church, among others. He was approved for Haiti, but would be a good choice for Luxembourg. Kimelman has been a successful businessman in the Caribbean, as well as a long-time supporter of the Democratic Party. From 1967 to 1969, Kimelman served as Assistant to then Secretary of the Interior Morris Udall. Kimelman is a competent man, whose appointment would be applauded by most segments of the Democratic Party.
  - (4) Finland - The Advisory Panel approved Madeleine Haas Russell, who was recommended by Senator Cranston, among others. Evan Dobelle and Hamilton Jordan also support her candidacy. Russell, 62, is a distinguished professional woman who has been very active in a broad range of domestic and international issues. She is a trustee of Brandeis University and the Asia Foundation, as well as a Democratic National Committee woman.

If you decide on a foreign service officer for any of the above embassies, you may want to select non-career ambassadors for the following additional posts:

- (5) Haiti - Madeleine Haas Russell, if you prefer someone else for Finland. Russell is fluent in French. She was approved for Finland and Luxembourg, but would be a good choice for Haiti.
- (6) Senegal - Walter Carrington, 49, who is strongly supported by Louis Martin. Carrington, a Harvard Law graduate, served as the Peace Corps Regional Director for Africa and is presently the Executive Vice President of the African-American Institute.