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A

THE PRESIDENT'S SCHEDULE

Tuesday - September 26, 1978

- 7:15 Dr. Zbigniew Brzezinski - The Oval Office.
- 7:45 Mr. Frank Moore - The Oval Office.
- 7:58 Mr. Wendell Mitchell, Dem. Congressional Candidate, 2nd. District, Alabama. (Mr. Frank Moore) - Oval Office.
- 8:00 Breakfast with Congressional Leaders.
(60 min.) (Mr. Frank Moore) - First Floor Family Dining Room.
- 9:30 Meeting with Congressional Black Caucus.
(15 min.) (Mr. Frank Moore) - The Cabinet Room.
- 10:30 Mr. Jody Powell - The Oval Office.
- 11:30 Vice President Walter F. Mondale, Mr. Frank
(30 min.) Carlucci, Dr. Zbigniew Brzezinski and
Mr. Hamilton Jordan - The Oval Office.
- 12:30 Lunch with Mrs. Rosalynn Carter - The Residence.
(60 min.)
- 1:30 Mr. James McIntyre - The Oval Office.
(20 min.)
- 2:15 Meeting with Businessmen/Press Announcement on
(15 min.) Export Policy. (Mr. Stuart Eizenstat) - Cabinet Room.
- 2:45 Drop-By Briefing on Hospital Cost Containment.
(10 min.) (Mrs. Anne Wexler) - The East Room.

THE PRESIDENT'S SCHEDULE

Thursday - September 28, 1978

8:00 Dr. Zbigniew Brzezinski - The Oval Office.

8:45 Mr. Frank Moore - The Oval Office.

8:58
(2 min.) Photograph with Mr. John J. Marino, Democratic
Congressional Candidate, 10th District, Mass.
(Mr. Frank Moore) - The Oval Office.

9:00
(10 min.) Congressman Harold T. Johnson et al.
(Mr. Frank Moore) - The Cabinet Room.

9:20
(2 min.) Mr. Eric Sandstrom, Commander-in-Chief,
Veterans of Foreign Wars. (Ms. Anne Wexler).
The Oval Office.

9:25
(2 min.) Dr. Horace Tate, Executive Secretary;
Ms. Barbara Muntean, President; Mr. Kyle
Smith, Jr., Associate Executive Secretary;
and Mr. O'Dell Owens, Jr., President-elect,
Georgia Association of Educators - Oval Office.

4:00
(30 min.) News Conference. (Mr. Jody Powell).
Room 450, OEOB.

4:45
(15 min.) Drop-by Reception for Religious Leaders.
(Mrs. Anne Wexler) - The State Floor.

THE WHITE HOUSE

WASHINGTON

Leaders breakfast 9/26/78

- > M East - Egypt wheat
- > Th → Inouye - > For Aid App
- > Humphrey - Hawkins
- > ERA - Demos do our best
- Tax bill - schedule ?
- > Energy bills - " ?
- > Hospital cost
- > Airline dereg
- Probs: a) Pub wks (Berill - Wright)
- b) Senate Hwy bill - ok - Wms - \$1B +
✓ \$1B Brooke deletion
- c) Tuition tax credit
- d) Treasury^{app} - Dole amend = veto
- e) Small Business
- f) Clinch River
- g) Veterans pension
- h) Sugar
- i) Tax
- > Th → Speaker: Phil Sharp's work on Nat Gas

EXPORT POLICY

LARGE TR DEF. \$ - Inff.
CAUSES Leadership
OIL - FAST GROWTH
INFLATION
SLOW GROWTH, U.S. EXPORTS
LITTLE EMPHASIS on US EXPORTS
FIN/TECH ASSISTANCE
REMOVE GOV'T BARRIERS
(ENVIR - SAFETY - HURTS)
REMOVE FOR TR BARRIERS
PERFORMANCE, ^{US} IND/WORKERS

business meeting
re announcement on
export policy 9/26/8

parren mitchell

9/26/78

THE WHITE HOUSE
WASHINGTON

Parren Mitchell

- > a) H.H. #1 = 1st time test = Coretta
- b) Minority enterprise bill { A.B.
S.W.
- > c) EPA extension

Gus Hawkins

Long dissertation on H.H.

John Conyers

Summit Conference @ C. David

Fambroy

Not give up

STATEMENT BY THE PRESIDENT ON EXPORT POLICY

It is important for this Nation's economic vitality that both the private sector and the Federal government place a higher priority on exports. I am today announcing a series of measures that evidences my Administration's strong commitment to do so.

The large trade deficits the United States has experienced in recent years have weakened the value of the dollar, intensified inflationary pressures in our own economy, and heightened instability in the world economy. These trade deficits have been caused by a number of factors. A major cause has been our excessive reliance on imported oil. We can reduce that reliance through the passage of sound energy legislation this year. Another factor is that the United States economy has been growing at a stronger pace in recent years than the economies of our major trading partners. That has enabled us to purchase relatively more foreign goods while our trading partners have not been able to buy as much of our exports. We will begin to correct this imbalance as our trading partners meet the commitments to economic expansion they made at the Bonn Summit.

The relatively slow growth of American exports has also been an important factor in our trade deficit problem. Over the past 20 years, our exports have grown at only half the rate of other industrial nations and the United States has

been losing its share of world markets. Until now, both business and government have accorded exports a relatively low priority. These priorities must be changed.

The measures I am announcing today consist of actions this Administration has taken and will take to:

- (1) provide increased direct assistance to United States exporters;
- (2) reduce domestic barriers to exports; and
- (3) reduce foreign barriers to our exports and secure a fairer international trading system for all exporters.

These actions are in furtherance of the commitment I made at the Bonn Summit to an improved United States export performance.

DIRECT ASSISTANCE TO UNITED STATES EXPORTERS

1. Export-Import Bank. I have consistently supported a more effective and aggressive Export-Import Bank. During the past two years, my Administration has increased Eximbank's loan authorization fivefold -- from \$700 million in FY 1977 to \$3.6 billion for FY 1979. I intend to ask Congress for an additional \$500 million in FY 1980, bringing Eximbank's total loan authorization to \$4.1 billion. These authorizations will provide the Bank with the funds necessary to improve its competitiveness, in a manner consistent with our international obligations, through increased flexibility in the

areas of interest rates, length of loans, and the percentage of a transaction it can finance. The Bank is also moving to simplify its fee schedules and to make its programs more accessible to smaller exporters and to agricultural exporters.

2. SBA Loans to Small Exporters. The Small Business Administration will channel up to \$100 million of its current authorization for loan guarantees to small business exporters to provide seed money for their entry into foreign markets. Small exporting firms meeting SBA's qualifications will be eligible for loan guarantees totaling up to \$500,000 to meet needs for expanded production capacity and to ease cash flow problems involving overseas sales or initial marketing expenses.

3. Export Development Programs. I am directing the Office of Management and Budget to allocate an additional \$20 million in annual resources for export development programs of the Departments of Commerce and State to assist United States firms, particularly small and medium-sized businesses, in marketing abroad through:

- a computerized information system to provide exporters with prompt access to international marketing opportunities abroad and to expose American products to foreign buyers;
- risk sharing programs to help associations and small companies meet initial export marketing costs; and

- targeted assistance to firms and industries with high export potential and intensified short-term export campaigns in promising markets.

4. Agricultural Exports. Agricultural exports are a vital component of the U.S. trade balance. Over the past 10 years, the volume of U.S. farm exports has doubled and the dollar value has nearly quadrupled. Trade in agricultural products will contribute a net surplus of almost \$13 billion in fiscal year 1978. This strong performance is due in part to this Administration's multifaceted agricultural export policy, which will be strengthened and which includes:

- An increase of almost \$1 billion (up from \$750 million in FY 1977 to \$1.7 billion in FY 1978) in the level of short-term export credits.
- An increase of almost 20% in the level of funding support for a highly successful program of cooperation with over 60 agricultural commodity associations in market development.
- Efforts in the Multilateral Trade Negotiations to link the treatment of agricultural and nonagricultural products.
- Opening trade offices in key importing nations in order to facilitate the development of these markets.

- Aggressive pursuit of an international wheat agreement, to ensure our producers a fair share of the expanding world market.
- Support of legislation to provide intermediate export credit for selective agricultural exports.

5. Tax Measures. I am hopeful that Congress will work with the Administration to promptly resolve the tax problems of Americans employed abroad, many of whom are directly involved in export efforts. Last February, I proposed tax relief for these citizens amounting to about \$250 million a year. I think this proposal, which Congress has not approved, deals fairly and, during a time of great budget stringency, responsibly with this problem. I remain ready to work with the Congress to resolve this issue, but I cannot support proposals which run contrary to our strong concerns for budget prudence and tax equity.

My Administration's concern for exports is matched by our obligation to ensure that government-sponsored export incentives constitute an efficient use of the taxpayers' money. The DISC tax provision simply does not meet that basic test. It is a costly (over \$1 billion a year) and inefficient incentive for exports. I continue to urge Congress to phase DISC out or at least make it simpler, less costly, and more effective than it is now, and my Administration stands ready to work with Congress toward that goal.

REDUCTION OF DOMESTIC BARRIERS TO EXPORTS

Direct financial and technical assistance to United States firms should encourage them to take advantage of the increasing competitiveness of our goods in international markets. Equally important will be the reduction of government-imposed disincentives and barriers which unnecessarily inhibit our firms from selling abroad. We can and will continue to administer the laws and policies affecting the international business community firmly and fairly, but we can also discharge that responsibility with a greater sensitivity to the importance of exports than has been the case in the past.

1. Export Consequences of Regulations. I am directing the heads of all Executive departments and agencies to take into account and weigh as a factor, the possible adverse effects on our trade balance of their major administrative and regulatory actions that have significant export consequences. They will report back on their progress in identifying and reducing such negative export effects where possible, consistent with other legal and policy obligations. I will make a similar request of the independent regulatory agencies. In addition, the Council of Economic Advisers will consider export consequences as part of the Administration's Regulatory Analysis Program.

There may be areas, such as the export of products which pose serious health and safety risks, where new regulations are warranted. But through the steps outlined above, I intend to inject a greater awareness throughout the government of the effects on exports of administrative and regulatory actions.

2. Export Controls for Foreign Policy Purposes. I am directing the Departments of Commerce, State, Defense, and Agriculture to take export consequences fully into account when considering the use of export controls for foreign policy purposes. Weight will be given to whether the goods in question are also available from countries other than the United States.

3. Foreign Corrupt Practices Act. At my direction, the Justice Department will provide guidance to the business community concerning its enforcement priorities under the recently enacted foreign antibribery statute. This statute should not be viewed as an impediment to the conduct of legitimate business activities abroad. I am hopeful that American business will not forego legitimate export opportunities because of uncertainty about the application of this statute. The guidance provided by the Justice Department should be helpful in that regard.

4. Antitrust Laws. There are instances in which joint ventures and other kinds of cooperative arrangements between

American firms are necessary or desirable to improve our export performance. The Justice Department has advised that most such foreign joint ventures would not violate our antitrust laws, and in many instances would actually strengthen competition. This is especially true for one-time joint ventures created to participate in a single activity, such as a large construction project. In fact, no such joint conduct has been challenged under the antitrust laws in over 20 years.

Nevertheless, many businessmen apparently are uncertain on this point, and this uncertainty can be a disincentive to exports. I have, therefore, instructed the Justice Department, in conjunction with the Commerce Department, to clarify and explain the scope of the antitrust laws in this area, with special emphasis on the kinds of joint ventures that are unlikely to raise antitrust problems.

I have also instructed the Justice Department to give expedited treatment to requests by business firms for guidance on international antitrust issues under the Department's Business Review Program. Finally, I will appoint a business advisory panel to work with the National Commission for the Review of the Antitrust Laws.

5. Environmental Reviews. For a number of years the export community has faced the uncertainty of whether the National Environmental Policy Act (NEPA) requires environmental

impact statements for Federal export licenses, permits and approvals.

I will shortly sign an Executive Order which should assist U.S. exports by eliminating the present uncertainties concerning the type of environmental reviews that will be applicable and the Federal actions relating to exports that will be affected. The Order will make the following export-related clarifications:

- Environmental Impact Statements will not be required for Federal export licenses, permits, approvals, and other export-related actions that have potential environmental effects in foreign countries.
- Export licenses issued by the Departments of Commerce and Treasury will be exempt from any environmental reviews required by the Executive Order.
- Abbreviated environmental reviews will be required only with respect to (1) nuclear reactors, (2) financing of products and facilities whose toxic effects create serious public health risks, and (3) certain Federal actions having a significant adverse effect on the environment of non-participating third countries or natural resources of global importance.

Accordingly, this Order will establish environmental requirements for only a minor fraction (well below 5%) of the dollar volume of United States exports. At the same time, it will provide procedures to define and focus on those exports which should receive special scrutiny because of their major environmental impacts abroad. This Executive Order will fairly balance our concern for the environment with our interest in promoting exports.

REDUCTION IN FOREIGN TRADE BARRIERS AND SUBSIDIES

We are also taking important international initiatives to improve U.S. export performance. Trade restrictions imposed by other countries inhibit our ability to export. Tariff and especially non-tariff barriers restrict our ability to develop new foreign markets and expand existing ones. We are now working to eliminate or reduce these barriers through the Multilateral Trade Negotiations in Geneva.

United States export performance is also adversely affected by the excessive financial credits and subsidies which some of our trading partners offer to their own exporters. One of our major objectives in the MTN is to negotiate an international code restricting the use of government subsidies for exports. In addition, I am directing the Secretary of the Treasury to undertake immediate consultations with our trading partners to expand the scope and tighten the terms of the existing International Arrangement on Export Credits.

I hope that our major trading partners will see the importance of reaching more widespread agreements on the use of export finance, to avoid a costly competition which is economically unsound and ultimately self-defeating for all of us. These international agreements are essential to assure that American exporters do not face unfair competition, and this Administration intends to work vigorously to secure them.

CONCLUSION

While these initiatives will assist private business in increasing exports, our export problem has been building for many years and we cannot expect dramatic improvement overnight. Increasing our exports will take time, and require a sustained effort. Announcement of my Administration's export policy is not the end of our task, but rather the beginning. To ensure that this issue continues to receive priority attention, I am asking Secretary Kreps, in coordination with officials from other concerned government agencies, to direct the continuation of efforts to improve our export potential and performance.

I will shortly sign an Executive Order to reconstitute a more broadly-based President's Export Council to bring a continuous flow of fresh ideas into our government policymaking process. I expect this Council to report to me annually through the Secretary of Commerce.

Increasing U.S. exports is a major challenge -- for business, for labor, and for government. Better export performance by the United States would spur growth in the economy. It would create jobs. It would strengthen the dollar and fight inflation.

There are no short-term, easy solutions. But the actions I am announcing today reflect my Administration's determination to give the United States trade deficit the high-level, sustained attention it deserves. They are the first step in a long-term effort to strengthen this Nation's export position in world trade.

THE WHITE HOUSE
WASHINGTON

September 26, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Meeting with Senator DeConcini

Dan Tate informed me this morning that Senator DeConcini will give his support to the Natural Gas Bill if you can provide him with the same assurances that Danny, Les Goldman (Department of Energy) and I gave him late last week when we met with him on the Hill on the following points:

1) Increase in size of Department of Energy bureaucracy

His chief concern, as expressed to us, was that this bill would lead to a vast increase in the number of employees in the Department of Energy, because of the regulatory requirements of the bill. We made the following points, which you might reiterate:

a) Most importantly, I gave him my personal assurance that inasmuch as you were very concerned about not increasing the size of the Federal bureaucracy and inasmuch as you had kept the level of Federal employment at levels below those you inherited and inasmuch as you had under active consideration a possible employment freeze as part of your anti-inflation program, that I was sure you ^{would} give personal attention to seeing that the Department of Energy did not substantially increase its numbers of employees. It was this pledge of personal attention that he seemed to be most swayed by.

b) The period during which this bill will be implemented may require some increase in FERC personnel as the cumbersome regulatory provisions of the past are phased in to the future control system and the administration capability established for extending controls to the intra-state market. Once the additional phase-in period is complete, however, it is expected that the simplification of the regulatory system will result in an actual reduction in FERC employees.

c) In addition, although it will not be passed this year, whatever oil pricing plan is proposed next year will do away with the entitlements system and thereby will reduce the number of employees necessary to manage this program due to the simplification involved.

2) Gas Supply

Senator DeConcini was somewhat concerned about whether there would actually be a supply response to this bill. You might make the following points:

a) We estimate 2 trillion cubic feet of additional annual supply by 1985. This is a conservative figure. The American Gas Association has independently projected 2.3 trillion cubic feet of additional annual supply by 1985, and the Independent Gas Producers Association have projected 5 trillion cubic feet additional supply in 1985.

b) Without this bill the Alaska Natural Gas Pipeline will be substantially delayed and, indeed, may not be able to be privately financed. This pipeline would add 800 billion cubic feet of additional annual production by 1985. You might mention that the Canadian government regularly complains about the delay on our part in moving forward with that joint project.

3) Importance of legislation to Arizona

This bill is particularly important to Arizona for the following reasons:

a) Arizona will directly benefit from the increased gas supplies from both Texas and Alaska because its inter-state pipeline systems are directly interconnected with these sources of supply. Passage of the bill will mean that additional supplies of natural gas will be available to Arizona so that new home hook-ups can be undertaken and industry will have all the gas it needs at prices below the BTU equivalent of substitute fuels such as foreign oil. To the extent that the additional supplies of natural gas are not forthcoming (that is if our projections and those of other independent experts are wrong) there will be no additional cost to Arizona consumers. Thus, Arizona has much to gain from passage of this bill, and very little to lose.

4) Canadian and Mexican Gas

The Senator was concerned about the impact of this bill on the possible importation of natural gas from Mexico and Canada. His concern was that he feels we should be taking

advantage of these additional supplies from Canada and Mexico. I suggest the following points:

a) Negotiations with the Mexicans have been stalled pending passage of a natural gas price policy. Passage of this bill will enable those negotiations to proceed and help the United States take advantage of reasonably priced gas supplies from Mexico.

b) The vast majority of future Canadian gas imports are tied to construction of the Alaska natural gas pipeline. When this bill is enacted and the pipeline moves forward the United States will have guaranteed its access to substantial additional quantities of Canadian gas that will become available as part of that project.

Dan Tate asked me to make one last point. Danny stated that based on the Panama Canal experience, Senator DeConcini can be expected to talk to the press and to make the maximum of any statement that you make to him. Therefore, Danny suggests that you be particularly careful in your statements and in any commitments that you make.

DeConcini was quite blunt in our meeting in saying that he did not trust Dr. Schlesinger to keep the number of employees down at the Department of Energy. You might add that Jim has a proven track record of reducing employment in the agencies that he has headed. You should again stress your personal involvement in seeing that employment levels are kept within reasonable bounds at the Department of Energy. You can state that you could hardly urge all the other departments to keep their levels of employment constant if you were to let the Department of Energy go "hog wild" in hiring.

THE WHITE HOUSE
WASHINGTON

MEETING AND ANNOUNCEMENT ON EXPORT POLICY
Tuesday, September 26, 1978
2:15 p.m. (15 minutes)
The Cabinet Room

From: Stu Eizenstat

I. PURPOSE

To discuss briefly the existing export problem and the Administration's new export policy with a group of supportive business leaders, labor leaders, and Congressmen. Following this meeting, you will announce the export policy in the Press Briefing Room.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

- A. Background: Prior to your entrance, Secretary Kreps will have briefed the participants on the measures included in the export policy. That briefing will begin at 1:30 p.m. At the time of your announcement of the policy, a statement will be issued to the press fully describing the policy. We have forwarded a copy of this statement to you separately.
- B. Participants: There will be approximately 25 to 30 representatives of business, labor and the Congress. They have been selected because of their strong interest in export promotion and preliminary indications of their support of the export policy. The list of expected attendees is attached.
- C. Press Plan: White House photorographer only at the meeting. Full press coverage in the briefing room.

III. TALKING POINTS FOR MEETING IN THE CABINET ROOM

Attached at Tab A.

IV. STATEMENT TO BE MADE IN THE PRESS BRIEFING ROOM

Attached at Tab B.

PARTICIPANTS

BUSINESS

Irving Shapiro	Dupont
Richard Leshner	Chamber of Commerce
Lawrence Fox	NAM
Robert Norris	National Foreign Trade Council
Robert McNeill	Emergency Committee for American Trade
John Lewis	National Small Business Association
Jack Babson	Ingersol Rand
William Smeath	Union Carbide
Richard Trotman	Afro International Corporation
Donald Platten	Chemical Bank
Ruch Scheuler	Scheuler & Company

LABOR

Lloyd McBride	United Steel Workers
Paul Burnskey	Metal Trades Department of AFL/CIO
Tom Donahue	Exexutive Assistant to George Meany

CONGRESSIONAL

Senator Howard Cannon
Senator Adlai Stevenson
Senator John Heinz
Congressman Stephen Neal
Congressman Charles Vanik
Congressman Bill Alexander

EXECUTIVE BRANCH

Secretary Kreps
Frank Weil
Jerry Jasinowski
Stanley Marcuss, Commerce
John Moore, Export-Import Bank
Fred Bergsten, Treasury
Vernon Weaver, SBA
Rich Cooper, State
Jules Katz, State
Howard Samuel, Labor
Stu Eizenstat
Bob Strauss

TALKING POINTS FOR MEETING IN CABINET ROOM ON EXPORT POLICY

1. The large trade deficits the United States has experienced in recent years have weakened the value of the dollar, increased inflationary pressures in our own economy, and caused some of our trading partners to question our capacity for world economic leadership.
2. There are a number of factors behind these trade deficits:
 - Excessive reliance on imported oil. Need for strong national energy policy; importance of the natural gas vote in the Senate. ✓
 - Faster growth in the United States than abroad, causing the U.S. to import more and export less to our trading partners. The commitments made by West Germany and Japan to economic expansion at the Bonn Summit should help ease this problem. ✓
 - Inflation in the U.S. Important new anti-inflation initiatives will be announced soon. ✓
 - The relatively slow growth of U.S. exports. ✓
3. Because of our great size and abundant natural resources, we have never placed as much emphasis on exporting as our major trading partners. Exports have been given a relatively low priority by both the private sector and the Government.
4. These priorities must now be changed. The measures being announced today demonstrate this Administration's commitment to placing a higher priority on exports.
 - Significant new financial and technical assistance to American exporters.
 - A reduction of Government-imposed barriers which unnecessarily inhibit our firms from selling abroad. We have no intention of downgrading our Nation's values and commitments in areas such as the environment, safety, and human rights. We will continue to administer the laws and policies which affect international business firmly and fairly, but we can also discharge that responsibility with a greater sensitivity to the importance of exports.
 - We will negotiate strongly for a reduction in foreign trade barriers to U.S. exports and for a reduction in the excessive export subsidies used by some foreign governments.

5. This is the beginning of a greater national emphasis on exporting. But there are no easy answers or short-term solutions. There will be no dramatic, overnight increase in exports. It will take time and a sustained effort.
6. This Administration is willing to take that time and make that effort. But it cannot solve this problem alone. The results will depend on the joint efforts of everyone at this meeting. In the end, improved exports and a reduced trade deficit will depend on the performance of American firms and American workers.
7. I appreciate your attending this meeting to give us an opportunity to explain our new export policy. I am leaving now to announce the export policy. I hope that, in the coming months and years, we will have your support as we implement this new export policy.

alternative = trade barriers

B

THE WHITE HOUSE
WASHINGTON

MONDAY - SEPTEMBER 25, 1978
4:55 P.M.

MR. PRESIDENT

SECRETARY KREPS WOULD

APPRECIATE A CALL IN THE

MORNING.

PHIL

Done

9:30 AM

THE WHITE HOUSE

WASHINGTON

September 25, 1978

Louis Martin

MEETING WITH THE CONGRESSIONAL BLACK CAUCUS

Tuesday, September 26, 1978

9:30 a.m. (15 minutes)

The Cabinet Room

From: Frank Moore *F.M. IBR*

I. PURPOSE

To discuss matters of concern to minority citizens, especially the passage of the Humphrey-Hawkins bill and Minority Business Enterprise legislation.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: The Congressional Black Caucus would like to discuss the innumerable anti-civil rights, social program funding cuts, job reduction and other amendments and bills which threaten to halt and reverse progress for our least advantaged citizens, along with full employment legislation and new legislative initiatives of the Administration.

Their agenda, as time permits, includes the following:

1. Africa (Cardiss Collins)
2. Full Employment (Gus Hawkins, John Conyers)
3. Equal Opportunity/Affirmative Action (Parren Mitchell)
4. Appropriations, Budget and Proposition 13 (Parren Mitchell)
5. Minority Business Enterprise (Parren Mitchell)
6. D.C. Full Voting Representation (Walter Fauntroy)
7. The Status of Black Colleges (Shirley Chisholm)
8. National Health Insurance (Ralph Metcalfe, Ron Dellums, Harold Ford)
9. Tax Reform (Charlie Rangel)
10. Defense Appropriations (Ron Dellums)

The two most important issues, and the two which the Caucus will spend the majority of their time on, are Humphrey-Hawkins and Minority Business Enterprise.

Humphrey-Hawkins: The Department of Labor reports that in the Senate we have 60 hard votes for cloture with 12 still undecided. The compromise amendments have been worked out. Senator Byrd, while not putting the bill on his

Black Caucus
page 2

"must" list, has said that he wants to do this for Muriel Humphrey. We do not know when the bill will be called up but we do know that it will be the subject of various amendments to postpone the 1979 minimum wage increase and to establish a youth subminimum wage.

Minority Business Enterprise: The eligibility provision in the House bill requires social and economic disadvantages, but creates a rebuttable presumption that blacks and hispanics are disadvantaged. The Small Business Administration is authorized to consider whether other groups (eskimos, women, veterans) should enjoy such a presumption. The presumption can be rebutted by the SBA through an individualized substantial evidence finding. For individuals not members of groups presumed to be disadvantaged, their 8(a) eligibility will be determined on a case-by-case basis.

The Senate intention is to make the 8(a) program available "to all disadvantaged Americans" on an equal footing. This provision is part of an omnibus piece of minority SBA legislation which Parren Mitchell has been pushing for 6-8 years. Commerce, SBA and some Hill contacts all agree that this eligibility issue will be a sticking point in the conference on Wednesday, and that there is a possibility of a deadlock and no bill. Both sides are apparently looking to the Administration for guidance.

My staff, Reps. Chisholm, Parren Mitchell and the political/legislative staff at the SBA report that the Black Caucus and organized black business groups are howling and will scream if we do not do something to help the House position, or something close to it. In fact, Parren Mitchell has stated that if the President does not come out in support of the House bill, he will publicly oppose the President.

Women's groups have been satisfied with our position of neutrality, but would be incensed if we were to support the House language. Women's groups have grown increasingly interested in economic issues.

The SBA and Commerce apparently are stymied. They cannot reach internal consensus on a proper substantive solution, and want the Congress to decide the apparent women versus minority conflict.

The SBA can live, administratively, with either the case-by-case or the rebuttable presumption process. Their current practice is case-by-case, and it doubts that the portfolio of 8(a) contractors would change much under the Senate language. The legislative history on the Senate side may result in a vast increase in applicants, and in more litigation to challenge the eligibility process if that process results in the same 95% minority mix as at present.

There are 1500 8(a) contractors now; 56 are women, and only 8 are Caucasian women. The program handles roughly \$2.8 billion in contracts, as compared with a \$66 billion total for the federal government. There are 45-66,000 minority contractors in a position to do business with the federal government, so that 8(a) is really a crumb-game.

Participants: The President, Reps. Shirley Chisholm, Bill Clay, Cardiss Collins, John Conyers, Ron Dellums, Charlie Diggs, Walter Fauntroy, Harold Ford, Gus Hawkins, Ralph Metcalfe, Parren Mitchell, Charlie Rangel, Frank Moore, Valerie Pinson and from the Black Caucus staff: Barbara Williams, Derrick Humphries.

Press Plan: White House photographer only.

ADDENDUM

An additional issue which may be raised by one or more members of the Caucus is the question of the treatment of equal employment opportunity cases in the Federal civil service under the Civil Service Reform bill. As you may recall, the House adopted a provision carrying forward the provisions of our Reorganization Plan #1, giving the EEOC a predominant role. The Senate, under strong pressure from Senator Ribicoff, adopted a very different provision giving a comparatively greater role in EEO cases to the new Merit Systems Protection Board.

In the HouseSenate civil service conference today, both Senator Ribicoff and Representative Bill Clay (a caucus member) gave strong speeches declaring their willingness to permit the bill to die if this EEO issue were not resolved to their satisfaction.

This morning, administration representatives (Harrison Wellford and Si Lazarus of Stu Eizenstat's staff) met with Bill Clay and explained the administration's position in these terms:

1. We prefer the House position (resembling Reorganization Plan #1).
2. We recognize features of the Senate provision which have merit and should be considered in seeking a final resolution, especially the idea of judicial resolution of disputes between MSPB and EEOC.

One point stressed by Ribicoff today, about which Clay might question you: Ribicoff stated that in a letter to him at the end of the Senate Governmental Affairs Committee's consideration of Reorganization Plan #1, you acknowledged that there were questions about the Plan that remained to be resolved in the context of the civil service reform bill. If asked, you could say:

- My letter stated that there were issues which could be further discussed, but I did not mean that I felt that there were fundamental deficiencies in Reorganization Plan #1.

Parren MITCHELL (D-Maryland-7)

Committees: # 9 Banking, Finance & Urban Affairs
Subcommittees: Domestic Monetary Policy (Chairman)
General Oversight & Renegotiation
Housing & Community Development

5 Budget
Task Forces: Community & Physical Resources
Human Resources (Chairman)
State & Local Government

CHAIRMAN, Congressional Black Caucus

Administration Support: 95.5%

Yvonne BURKE (D-California-28)

Committee: #27 Appropriations
Subcommittees: District of Columbia
State, Justice, Commerce & the
Judiciary

Administration Support: 78.4%

Husband: Bill

Shirley CHISHOLM (D-New York-12)

Committee: #10 Rules
Secretary of the House Democratic Caucus

Administration Support: 88.4%

Husband: Arthur Hardwick

Bill CLAY (D-Missouri-1)

Committees: # 9 Education & Labor
Subcommittees: Employment Opportunities
Labor-Management Relations
Labor Standards

7 Post Office & Civil Service
Subcommittees: Civil Service (Chairman)
Investigations
Postal Personnel & Management

Administration Support: 87.9%

Wife: Carol

Cardiss COLLINS (D-Illinois-7)

Committees: #14 District of Columbia

#11 Government Operations

Subcommittees: Commerce, Consumer & Monetary
Affairs
Manpower & Housing (Chairman)

#14 International Relations

Subcommittees: Africa
Inter-American Affairs

Administration Support: 84.6%

John CONYERS (D-Michigan-1)

Committees: # 9 Government Operations

Subcommittees: Legislation & National Security
Manpower & Housing

5 Judiciary

Subcommittees: Crime (Chairman)

Administration Support: 87.8%

Ronald DELLUMS (D-California-8)

Committees: #16 Armed Services

Subcommittees: Intelligence & Military Application
of Nuclear Energy
Investigations

2 District of Columbia

Subcommittees: Fiscal & Government Affairs
(Chairman)
Judiciary

Administration Support: 86.4%

Wife: Leola

Charles DIGGS (D-Michigan-13)

Committees: District of Columbia (CHAIRMAN)

4 International Relations

Subcommittees: Africa (Chairman)
International Operations

Administration Support: 91.7%

Wife: Janet

Walter FAUNTROY (D-D.C.)

Committees: #10 Banking, Finance & Urban Affairs

Subcommittees: Consumer Affairs
Economic Stabilization
Historic Preservation (Chairman)
Housing & Community Development

3 District of Columbia

Subcommittees: Economic Development & Regional
Affairs
Fiscal & Government Affairs

Wife: Dorothy

Harold FORD (D-Tennessee-8)

Committee: #19 Ways & Means

Subcommittees: Health
Oversight

Administration Support: 86.0%

Wife: Dorothy

Gus HAWKINS (D-California-29)

Committees: # 5 Education & Labor

Subcommittees: Economic Opportunity
Employment Opportunities (Chairman)
Select Education

5 House Administration

Subcommittees: Accounts
Contracts
Printing (Chairman)

Administration Support: 86.8%

Barbara JORDAN (D-Texas-18)

Committees: #16 Government Operations
Subcommittees: Environment, Energy & Natural Resources
Government Information & Individual Rights

#12 Judiciary
Subcommittees: Administrative Law & Governmental Relations
Monopolies & Commercial Law

Administration Support: 84.8%

Ralph METCALFE (D-Illinois-1)

Committees: #12 Interstate & Foreign Commerce
Subcommittees: Consumer Protection & Finance
Transportation & Commerce

#10 Merchant Marine & Fisheries
Subcommittees: Merchant Marine
Oceanography
Panama Canal (Chairman)

#16 Post Office & Civil Service
Subcommittees: Investigations
Postal Personnel & Modernization

Administration Support: 90.9%

Wife: Madalynne

Robert NIX (D-Pennsylvania-2)

Committees: Post Office & Civil Service (Chairman)
Subcommittee: Investigations (Chairman)

5 International Relations
Subcommittees: Africa
International Development

Administration Support: 84.1%

Charlie RANGEL (D-New York-19)

Committee: #11 Ways & Means
Subcommittees: Oversight
Public Assistance & Unemployment
Compensation

Administration Support: 85.2%

Wife: Alma

Lou STOKES (D-Ohio-21)

Committees: #21 Appropriations
Subcommittees: Foreign Operations
HUD - Independent Agencies
Labor - Health, Education &
Welfare

7 Budget
Task Forces: Community & Physical Resources
(Chairman)
Human Resources
National Security
State & Local Government

Administration Support: 93.3%

Wife: Jeanette

THE WHITE HOUSE

WASHINGTON

September 22, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: RICHARD PETTIGREW *Rich*

SUBJECT: Letter from Leadership Conference on
Civil Rights re Civil Service Reform
Bill

The attached letter from the Leadership Conference on Civil Rights signed by Clarence Mitchell raises a difficult issue that is under consideration in the Civil Service Reform Conference Committee and is likely to be raised in your meeting with the Congressional Black Caucus on Tuesday, September 26, by Representative Parren Mitchell or Bill Clay.

While every effort is being made to amicably resolve this matter, it remains one that must be handled with great sensitivity by Administration representatives. The original Administration position is contained in the House bill; however, the Senate version was modified to accommodate Senator Ribicoff and to permit the bill to move forward in the Senate.

Attachment

cc: Alan Campbell
Louis Martin
Jim McIntyre
Harrison Wellford
Les Francis
Si Lazarus
Valerie Pinson

Leadership Conference on Civil Rights



2027 Massachusetts Ave., N.W.,
Washington, D.C. 20036
202/667-1780

OFFICERS

HONORARY CHAIRMEN

A. Phillip Randolph
Roy Wilkins

CHAIRMAN

Clarence M. Mitchell

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David Brody

Anti-Defamation League of

B'nai B'rith

Douglas A. Fraser

International Union of

United Automobile Workers

Dorothy Height

National Council of Negro Women

Msgr. George Higgins

U.S. Catholic Conference—

Division of Urban Affairs

Ruth J. Hinerfeld

League of Women Voters in the U.S.

Benjamin L. Hooks

National Association for the

Advancement of Colored People

Vernon Jordan

National Urban League

Judith Lichtman

Women's Equity Action League

S. Garry Oniki

United Church of Christ—

Office for Church In Society

Reese Robrahn

American Coalition of Citizens

with Disabilities

John Ryor

National Education Association

Albert Shanker

American Federation of Teachers

Lynette Taylor

Delta Sigma Theta Sorority, Inc.

Raul Yzaguirre

National Council of La Raza

COMPLIANCE/ENFORCEMENT COMMITTEE

William Taylor, *Chairman*

Center for National Policy Review

STAFF

DIRECTOR

Marvin Caplan

EXECUTIVE ASSISTANT

Yvonne Price

SPECIAL CONSULTANT

J. Francis Pohlhaus

PUBLIC AFFAIRS DIRECTOR

Natalie P. Shear

September 19, 1978

Honorable Jimmy Carter
The White House
Washington, D.C.

Dear President Carter:

The Leadership Conference on Civil Rights joined with thousands of minority groups and female federal employees in support of your Reorganization Plan #1 of 1978. We hailed the acceptance of your plan by Congress as a significant step in civil rights progress.

It is with dismay therefore that we view the possible beginning of dismantling of your plan by Congress before it becomes operative. The Javits-Ribicoff amendment to S.2640 would scuttle what to us was one of the most important features of the plan--the transfer of ultimate jurisdiction over resolution of complaints of discrimination in federal employment from the Civil Service Commission to Equal Employment Opportunity Commission. This was one provision of the plan on which all member organizations of the Leadership Conference were agreed. Now to render it inoperative would be a great setback for them as well as for the affected employees. The Javits-Ribicoff amendment would so render it. It would in effect reduce Equal Employment Opportunity Commission to a minor role in the processing of federal employment cases.

29th ANNUAL MEETING • JANUARY 22, 1979 • WASHINGTON, D. C.

"Full Equality In A Free, Plural, Democratic Society"

PARTICIPATING ORGANIZATIONS

Actors Equity
African Methodist Episcopal Church
African Methodist Episcopal Zion Church
Alpha Kappa Alpha Sorority, Inc.
Alpha Phi Alpha Fraternity, Inc.
Amalgamated Clothing and Textile Workers Union of America
Amalgamated Meat Cutters & Butcher Workmen
American Baptist Churches, U.S.A.—National Ministries
American Civil Liberties Union
American Coalition of Citizens with Disabilities, Inc.
American Council for the Blind
American Ethical Union
American Federation of Government Employees
American Federation of Labor—Congress of Industrial Organizations
American Federation of State County & Municipal Employees
American Federation of Teachers
American Jewish Committee
American Jewish Congress
American Postal Workers Union
American Veterans Committee
Americans for Democratic Action
Anti-Defamation League of B'nai B'rith
A. Philip Randolph Institute
Asociacion Nacional Pro Personas Mayores
B'nai B'rith Women
Center for Community Change
Center for National Policy Review
Church of the Brethren—World Ministries Commission
Church Women United
Citizens Lobby for Freedom & Fair Play
Communication Workers of America
Congress of Italian-American Organizations, Inc.
Delta Sigma Theta Sorority
Division of Homeland Ministries—Christian Church (Disciples of Christ)
Episcopal Church—Public Affairs Office
Federation of Organizations for Professional Women
Friends Committee on National Legislation
Frontiers International Inc.
Frontlash
Hadassah
Hotel and Restaurant Employees and Bartenders International Union
Improved Benevolent & Protective Order of Elks of the World
Industrial Union Department—AFL-CIO
International Ladies Garment Workers' Union of America
International Molders & Allied Workers Union
International Union of Electrical, Radio & Machine Workers
International Union of Operating Engineers
Iota Phi Lambda Sorority, Inc.
Japanese American Citizens League
Jewish Labor Committee
Jewish War Veterans
Kappa Alpha Psi Fraternity
Labor Zionist Alliance
League for Industrial Democracy
League of Women Voters of the United States
Lutheran Church in America—Division for Mission in North America
National Alliance of Postal & Federal Employees
National Alliance of Postal & Federal Employees—National Women's Auxiliary
National Association for the Advancement of Colored People
National Association of Colored Women's Clubs, Inc.
National Association of Community Health Centers
National Association of Human Rights Workers
National Association of Market Developers
National Association of Negro Business & Professional Women's Clubs, Inc.
National Association of Real Estate Brokers, Inc.
National Association of Social Workers
National Association of University Women
National Baptist Convention, U.S.A.
National Bar Association
National Beauty Culturists' League, Inc.
National Business League
National Catholic Conference for Interracial Justice
National Coalition of American Nuns
National Coalition of Cuban Americans
National Conference of Catholic Charities
National Conference of Christians and Jews, Inc.
National Congress of Hispanic American Citizens
National Council of Catholic Men
National Council of Catholic Women
National Council of Churches—Department of Social Justice
National Council of Jewish Women
National Council of La Raza
National Council of Negro Women
National Council of Senior Citizens, Inc.
National Dental Association
National Education Association
National Farmers Union
National Federation of Settlements & Neighborhood Centers
National Federation of Temple Sisterhoods
National Funeral Directors and Morticians Association
National Jewish Community Relations Advisory Council
National Jewish Welfare Board
National Legal Aid & Defender Association
National Neighbors
National Newspaper Publishers Association
National Office for Black Catholics
National Organization for Women
National Post Office Mail Handlers, Watchmen, Messengers & Group Leaders
National Rural Housing Coalition
National Sorority of Phi Delta Kappa, Inc.
National Student Lobby
National Urban League
Newspaper Guild
Oil, Chemical & Atomic Workers International Union
Omega Psi Phi Fraternity, Inc.
Opportunities Industrialization Center—Government Relations Services (OIC)
Organization of Chinese Americans, Inc.
Phi Beta Sigma Fraternity, Inc.
Pioneer Women, American Affairs
Potomac Institute
Presbyterian Interracial Council
Recruitment and Training Program
Retail Clerks International Association
Retail, Wholesale & Department Store Union
Scholarship, Education & Defense Fund for Racial Equality, Inc.
Sigma Gamma Rho Sorority, Inc.
Southern Christian Leadership Conference
Transport Workers Union of America
Union of American Hebrew Congregations
Unitarian Universalist Association
Unitarian Universalists for Black and White Action
United Automobile, Aerospace & Agricultural Implement Workers of America
United Church of Christ—Committee for Racial Justice Now
United Church of Christ—Office for Church in Society
United Farm Workers of America
United Hebrew Trades
United Methodist Church—Board of Church and Society
United Methodist Church—Board of Global Ministries Women's Division
United Mine Workers of America
United Presbyterian Church—Unit on Church & Race
United Rubber, Cork, Linoleum & Plastic Workers of America
U.S. Catholic Conference—Division of Urban Affairs
United States Youth Council
United Steelworkers of America
United Synagogue of America
Voter Education Project, Inc.
Washington Research Project
Women's Equity Action League
Workers Defense League
Workmen's Circle
Young Men's Christian Association of the USA, National Board
Young Women's Christian Association of the USA, National Board
Zeta Phi Beta Sorority, Inc.

Honorable Jimmy Carter
Page 2
September 19, 1978

We hope that you can find the time, despite your many responsibilities arising from other pressing problems, to instruct your staff to work to their fullest to ward off the danger in which Reorganization Plan #1 has been placed by the Javits-Ribicoff amendment.

Sincerely yours,

A handwritten signature in cursive script that reads "Clarence Mitchell". The signature is written in dark ink and is positioned above the typed name.

Clarence Mitchell
Chairman

CMM:glc

THE WHITE HOUSE

WASHINGTON

September 25, 1978

MEMORANDUM FOR FRANK MOORE

FROM: JIM GAMMILL *Jim G*

SUBJECT: Black Appointments

1. Overall record - Presidential Appointments:

As of September 25, 1978, 139 of the 1,317 (11%) individuals the President has appointed to office are Black.

2. Black Appointments by Department:

The last time that the Cabinet agencies were surveyed as to their affirmative action record was March 1978. By department, the percentage of Blacks in full-time non-career appointments were as follows:

<u>Department</u>	<u>% of Blacks in Full-Time Non-Career Appointments</u>
CSA	25.0
HUD	20.2
Justice - U.S. Marshals	18.0
SBA	16.1
ACTION	11.8
Treasury	11.4
Labor	9.7
Defense	9.6
Commerce	8.3

HEW	7.7
Justice - U.S. Attorneys	6.9
Justice - All Others	6.2
AID	4.4
Transportation	4.3
Energy	4.0
Interior	3.7
EPA	3.5
GSA	3.5
State	Did not report
<hr/>	
TOTAL	9.3%

3. Unsuccessful candidates with extremely strong recommendations:

Ralph Metcalfe and Louis Stokes jointly endorsed William B. Morrison to be GSA Regional Director in Chicago. The position was filled by Clarence Sochowski, who was strongly backed by Dan Rostenkowski.

Harold Ford and Parren Mitchell jointly endorsed Frank Banks for the TVA Board of Directors. Banks, who is from Memphis, was interviewed by the Personnel Office. The President nominated Dick Freeman, of Chicago, for the second seat; however, the third seat on the Board is vacant, and Ford and Mitchell are very interested in seeing a Black appointed to it. Because of the number of strong candidates for the third seat, we do not think that any commitment can be made at this time.

Charles Rangel endorsed June Christmas for a position in HEW. Dr. Christmas did serve on the Transition staff but Secretary Califano did not offer her a position.

Charles Rangel also endorsed Goldie Watkins to be a member of the Nuclear Regulatory Commission. The President interviewed Ms. Watkins for the seat, but decided to nominate John Ahearne.

Shirley Chisolm recommended Peggy Cooper, Ossie Davis, and Arthur Coppedge for appointment to the National Council on the Arts. Last week, the President decided to nominate Cicely Tyson, a nationally respected Black actress, and Jesse Woods, a Black from Chicago who is well known for her work in developing urban arts programs.

(Caution: Neither Tyson nor Woods have been notified of their appointments yet.)

MCINTYRE'S ATTACHMENT



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

SEP 25 1978

MEMORANDUM FOR: THE PRESIDENT
FROM : Jim McIntyre *Jim*
SUBJECT : Equal Employment Aspects of the Civil Service Reform Bill - Talking Points for Your Meeting with the Black Caucus

As you know, during Senate hearings on Reorganization Plan No. 1 of 1978, Senators Ribicoff, Javits and Percy objected to the dominant position provided to the Equal Employment Opportunity Commission (EEOC) in handling mixed cases in the Federal sector, i.e., those cases involving both merit system and discrimination issues. Accordingly, it was agreed to let the Senate attempt to develop an alternative proposal during its deliberations on the Civil Service Reform Bill.

The House adopted the procedure contained in the Reorganization Plan in its version of the Civil Service Reform Bill. This procedure would permit the EEOC to delegate authority to the Merit Systems Protection Board (MSPB) to make preliminary determinations in mixed cases. The EEOC, however, would retain the function of making a final determination concerning the discrimination issues in these cases.

The Senate, however, developed a different procedure. The MSPB would hear all mixed cases. The EEOC would have the right to intervene in proceedings before the Board. The EEOC could review the MSPB's decision and issue its own ruling on the discrimination aspects of the case. If the two agencies could not reach agreement on a case, the matter would be certified to the U. S. Court of Appeals for the District of Columbia.

Civil rights groups are strongly opposed to the Senate version. They believe that the proposal seriously undermines the goal of the Reorganization Plan to make the EEOC the principal agency in equal employment enforcement. They

are convinced that the MSPB, like the Civil Service Commission, will lack the equal employment expertise necessary to implement an effective program. In addition, they are concerned that the Senate version will be difficult to administer, will place a heavy burden on the courts, and will result in excessive delays in adjudicating complaints. Furthermore, these groups feel that they have already made a major concession by agreeing that the MSPB should have a preliminary role in the adjudication of mixed cases as contained in the Reorganization Plan.

Senator Ribicoff is aware of the position of the civil rights groups but continues to hold fast to his proposal. He believes that the EEOC, an Executive agency, should not be permitted to overturn decisions of the MSPB, an independent regulatory agency. In order to avoid possible duplication, inconsistent decisions, and forum shopping, he proposes that disputes between the agencies be settled in the courts.

The House conferees, led by Congressman Bill Clay and Congresswoman Pat Schroeder, do not concur with Senator Ribicoff and believe that the problems he has cited are not significant. They contend that the EEOC should have final authority in all equal employment matters due to the agency's expertise in this area and the enormous improvements made in the EEOC during your Administration.

The Administration's position has been to support Reorganization Plan No. 1 and to allow the Senate and House to reconcile their differences in conference. If necessary, the Administration could accept a compromise which would consist of (1) giving the EEOC authority to order the MSPB to reopen a case and to perfect the record, (2) permitting the EEOC to make final administrative decisions, and (3) allowing the MSPB to appeal EEOC decisions to an appeals court, which would give deference to the EEOC during its review. Civil rights groups, however, may well view the compromise with hostility. It is also not definite that Senator Ribicoff will accept it.

THE WHITE HOUSE
WASHINGTON

9/25/78

Jerry Rafshoon

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

Rick Hutcheson

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

ACTION

FYI

ADMIN CONFIDENTIAL
CONFIDENTIAL
SECRET
EYES ONLY

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARAGON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FALLOWS

FIRST LADY

GAMMILL

HARDEN

HUTCHESON

LINDER

MARTIN

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

VOORDE

WARREN

WISE

ok
J

THE WHITE HOUSE
WASHINGTON

September 26, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Jerry Rafshoon *Jerry*
SUBJECT: Passage of the Energy Bill

The final vote on the Energy Bill is scheduled for 1:00 p. m. tomorrow, Wednesday, September 27.

We have received requests from the networks and PBS to film your reaction to the call you receive from the Hill saying the bill has been passed.

We do not intend for you to make any kind of formal statement.

Good

cc: Jody

THE WHITE HOUSE
WASHINGTON

9/25/78

Jerry Rafshoon

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

Rick Hutcheson

cc: Fran Voorde
Phil Wise

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

ACTION
FYI

ADMIN CONFIDENTIAL
CONFIDENTIAL
SECRET
EYES ONLY

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARAGON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FALLOWS

FIRST LADY

GAMMILL

HARDEN

HUTCHESON

LINDER

MARTIN

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

VOORDE

WARREN

WISE

THE WHITE HOUSE
WASHINGTON

9/26/78

Mr. President:

Monday is an easy day
but you will have gotten to
bed after midnight on Sunday.

Phil

THE WHITE HOUSE
WASHINGTON

9/25/78

Frank Moore

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

Rick Hutcheson

AD. CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

Frank

September 25, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M.*

This is just a reminder about our earlier conversation about finding a suitable position for Dolph Briscoe.

I would suggest that Hamilton talk to Ben Reid and Warren Christopher and do some creative thinking on this.

I think it would be better for you to take the initiative in making an offer to Dolph rather than having Bentsen, Jack Brooks, Robert Strauss, John White, etc. coming to you with suggestions.

cc: Hamilton Jordan

*Explore options
very confidentially*

J

THE WHITE HOUSE
WASHINGTON

9/26/78

Frank Moore

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

Rick Hutcheson

cc: Zbig Brzezinski

THE WHITE HOUSE

WASHINGTON

September 26, 1978

MEMORANDUM TO: THE PRESIDENT

FROM: FRANK MOORE *F.M. Moore*
BOB BECKEL *BB*

SUBJECT: FOREIGN ASSISTANCE APPROPRIATION
CONFERENCE

At this morning's leadership breakfast Senator Inouye requested a letter from you to Doc Long and Senator Inouye indicating your strong support for full funding of assistance programs to Syria, and full funding for the Witteveen facility. We have drafted the attached letter with advice and consent of State, Treasury, NSC, and Henry Owen. The conference convenes tomorrow at 10:00 A.M. and we would like to deliver the letter today.

Recommendation:

That you sign the attached letter.

TWO SIGNATURES REQUESTED

THE WHITE HOUSE

WASHINGTON

September 26, 1978

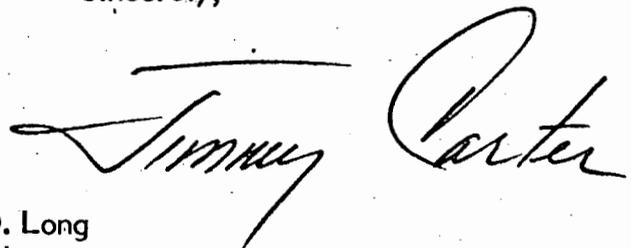
To Congressman Clarence Long

The foreign assistance bill, which I understand will go to Conference tomorrow, is a good bill, and a responsible effort by the Congress and the Executive Branch, working together, to achieve essential U.S. foreign policy objectives and to assist poor people in developing countries. I am writing to you to discuss three issues of particular importance:

1. Assistance to Syria is critical to our continuing relations with that country's government. The aid that I have requested will provide tangible evidence of our firm desire to engage Syria in peace negotiations. I cannot emphasize too strongly, therefore, the importance of Congressional approval of the full Administration request for \$90 million.
2. I urge you to support full funding of the U.S. contribution to the Supplementary Financing Facility of the International Monetary Fund. This action is essential to defend the dollar and to maintain the international monetary leadership of the United States. The U.S. share of this Facility will be only 17 per cent. Full funding is essential to bring the Facility into effect and allow it to make its essential contribution to global monetary stability.
3. I strongly support the Senate appropriation of an additional \$80 million for the International Development Association. This institution, as you know, directs all of its lending toward poor countries, and its operations are highly effective. I attach the highest importance, therefore, to continued substantial U.S. support for its activities.

I hope I will have your support in these crucial areas.

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 typed name.

The Honorable Clarence D. Long
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

September 26, 1978

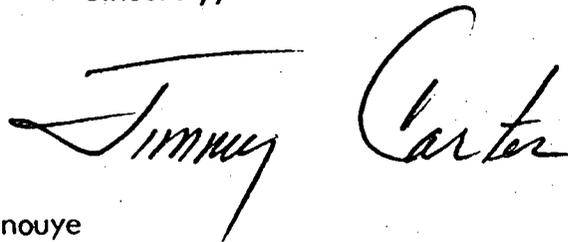
To Senator Daniel Inouye

The foreign assistance bill, which I understand will go to Conference tomorrow, is a good bill, and a responsible effort by the Congress and the Executive Branch, working together, to achieve essential U.S. foreign policy objectives and to assist poor people in developing countries. I am writing to you to discuss three issues of particular importance:

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I hope I will have your support in these crucial areas.

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 typed name.

The Honorable Daniel K. Inouye
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE
WASHINGTON

September 25, 1978

MEETING ON HOSPITAL COST CONTAINMENT LEGISLATION

Tuesday, September 26, 1978
3:00 p.m. (15 minutes)
East Room

From: Anne Wexler *AW*
Stu Eizenstat *Stu*
Frank Moore *F.M./ar*

I. PURPOSE

To discuss the importance of enactment of hospital cost containment legislation with approximately 300 people representing a variety of organizations and interests from about 40 key States.

II. BACKGROUND, PARTICIPANTS AND PRESS PLANS

- A. Background: The meeting is timely because the legislation is expected to be considered on the Senate floor late this week. The Senate vote on the Nelson cost containment amendment is shaping up to be about evenly divided, with a large number of Senators still uncommitted.

When you arrive, the meeting will have been going for 45 minutes. The Vice President will have made welcoming and opening remarks. Charlie Schultze will have discussed how this issue relates to inflation, taxes, and the federal budget. Hale Champion, Under Secretary of HEW, will have presented an overview on the original Administration/Kennedy proposal, the Talmadge legislation, the Nelson compromise and the timing of the legislation. An agenda is attached.

- B. Participants: Anne Wexler's staff targeted the list to States whose Senators were undecided, leaning, or opposed to the hospital cost containment

legislation. The largest number of participants are from organizations strongly supportive of the Administration, who will be ready to contact their Congressional representatives while in Washington this week. For example, representatives have been suggested by the National Association of Counties, the American Public Health Association, the National Conference of State Legislatures, the National Governors' Association, and the Health Insurance Association of America as well as smaller organizations like the Epilepsy Foundation of America and larger ones like the AFL-CIO. Consumer and elderly representatives recommended by Esther Peterson and Nelson Cruikshank will also be present. You should publicly recognize the efforts of these supporters.

A crucial group in the audience will be local representatives of Blue Cross and Blue Shield plans from States whose Senators are not yet with us. We understand that the national organization has agreed "to sit this one out" in return for AHA and AMA support for Blue Cross and Blue Shield under any national health insurance plan. Another important group in the audience is representatives of some businesses with large health plans. As employers paying rising health insurance premiums, they have a real stake but have not been involved to date. Some see containment as a precursor to wage and price controls.

Also in the audience are some individuals suggested by Senators who do not yet support the legislation and have felt strong constituent pressure to oppose enactment. For the most part, these are representatives of local medical societies or hospital organizations whose national associations have generally oppose hospital cost containment.

- C. Press Plan: White House photo and press pool will be present for your remarks. In addition, several press representatives will remain in the room for the entire briefing. They are health trade correspondents, and representatives of newspapers in the hometowns of some of the participants.

III. TALKING POINTS

Talking points prepared by the Domestic Policy Staff are contained in Attachment A.

HOSPITAL COST CONTAINMENT BRIEFING
East Room
The White House
September 26, 1978

AGENDA

2:00 p.m.	Welcoming Remarks and Opening Comments	The Vice President
2:10 p.m.	Inflation and Hospital Cost Containment	Charles L. Schultze Chairman, Council of Economic Advisors
2:25 p.m.	Hospital Cost Containment Legislation	Hale Champion, Under Secretary of Health, Education and Welfare
2:40 p.m.	Questions and Answers	
3:00 p.m.	Comments	The President
3:15 p.m.	Reception in State Dining Room	

THE WHITE HOUSE

WASHINGTON

September 25, 1978

White House Briefing on Hospital Cost Containment

Talking Points

- Inflation is the # 1 domestic problem facing Americans today. And the most important action the Congress can take to fight inflation is to pass a hospital cost containment bill this year.
- Over the past decade hospital costs have been rising 2 1/2 times faster than the overall rate of inflation. The average stay in a hospital cost \$400 in 1968. In 1977 it cost \$1500. And if we do nothing it will double to \$3,000 in just five years. All of us pay for these staggering increases -- through higher insurance premiums, higher taxes, or reduced wage increases.
- I proposed hospital cost containment legislation a year and a half ago. This legislation would slow the rise in hospital costs without reducing quality. We know that cost containment can work because several states -- Connecticut, Maryland, Massachusetts, New Jersey, New York, Rhode Island, and Wisconsin -- have enacted successful programs. All these states continue to deliver high quality care and have also reduced costs.
- After we proposed our bill, the hospitals mounted an effort to press a voluntary cost containment program. We don't believe that a completely voluntary program can do the job. The hospitals on the other hand have opposed even those bills which allow mandatory controls only when the hospitals fail to meet the goals of the voluntary effort.

- Two major approaches to cost containment will be before the Senate within the next few weeks. The Kennedy amendment, which is close to the original Administration bill, would save \$60 billion in total hospital expenditures over the next five years and would save \$19 billion in federal government expenditures. The Nelson amendment would save \$34 billion in total hospital expenditures and almost \$12 billion in federal expenditures. The major difference between the two bills is that the Nelson amendment does not impose federal controls unless the hospitals' voluntary effort fail to meet its own goals.
- We favor the approach in the Kennedy amendment, but we are perfectly willing to accept the Nelson approach. What we cannot accept is no bill at all. We cannot simply wait for the voluntary effort to fail and then pass legislation. That would mean a further delay of at least a year and a waste of billions of dollars.
- Unless we have your help, neither the Kennedy nor the Nelson Amendment will pass. Your help over the remainder of the Congressional session is essential. You should contact your Senators and let them know of your support for restraining hospital costs and passing sound containment legislation this year.

PARTICIPANTS

THE WHITE HOUSE
WASHINGTON

9/26/78

Tim Kraft

Bob Lipshutz

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

THE WHITE HOUSE

WASHINGTON

September 25, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ *RL*

RE: Proposed Executive Order: Judicial
Nominating Commission for the District
of Puerto Rico

Justice and we have agreed that a special nominating commission should be established for Puerto Rico, which will have four new judgeships under the Omnibus Judgeship Act. The attached Executive Order establishes a seven member commission similar to those already established for circuit judges. We will coordinate closely with Tim Kraft before recommending members of the commission.

We recommend that you sign the attached Order.

Approve

Disapprove

EXECUTIVE ORDER

JUDICIAL NOMINATING COMMISSION FOR THE
DISTRICT OF PUERTO RICO

By the authority vested in me as President by the Constitution and statutes of the United States of America, and in order to create in accord with the Federal Advisory Committee Act (5 U.S.C. App. I) an advisory committee on judicial nominations for the District of Puerto Rico, it is hereby ordered as follows:

1-1. Establishment of the Commission.

1-101. There is established the Judicial Nominating Commission for the District of Puerto Rico.

1-102. The Commission shall have seven members appointed by the President. The President shall designate a Chairman from among the members.

1-2. Functions of the Commission.

1-201. The Commission shall begin functioning when the President or his designee notifies the Chairman that the President desires the Commission's assistance in identifying persons qualified to fill a vacancy on the United States District Court for the District of Puerto Rico.

1-202. Upon receiving such notification, the Commission shall:

- (a) give public notice of the vacancy, inviting suggestions as to potential nominees;
- (b) conduct inquiries to identify potential nominees;
- (c) conduct inquiries to identify, among the potential nominees, persons who are well qualified to serve as a United States District Judge; and
- (d) report to the President, within the time specified in the notification, the results of its activities, including a list of the persons whom the Commission considers to be best qualified to fill the vacancy.

1-203. In evaluating potential nominees, the Commission shall use standards provided by the Attorney General.

1-3. Administrative Provisions.

1-301. Members of the Commission shall serve without compensation. While engaged in the work of the Commission, members may receive travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5702 and 5703).

1-302. The Attorney General shall furnish to the Commission necessary administrative support.

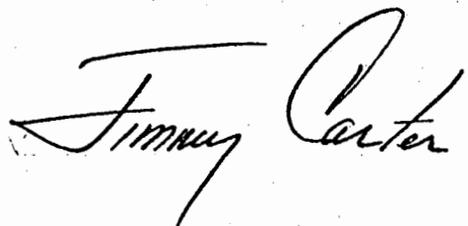
1-303. All necessary expenses incurred in connection with the work of the Commission, to the extent permitted by law, shall be paid from funds available to the Attorney General.

1-4. General Provisions.

1-401. A person who is a member of the Commission shall not, during the period of membership and for one year after that period, be considered by the Commission as a potential nominee.

1-402. Notwithstanding the provisions of any other Executive order, the functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. I), except that of reporting annually to the Congress, which are applicable to the Commission, shall be performed by the Attorney General in accordance with the guidelines and procedures established by the Administrator of General Services.

1-403. The Commission shall terminate on December 31, 1978, unless sooner extended by the President.



I AM ANNOUNCING TODAY A NEW EFFORT BY MY ADMINISTRATION TO INCREASE AMERICAN EXPORTS AND THEREBY TO HELP REDUCE OUR TRADE DEFICIT AND STRENGTHEN OUR ECONOMY.

IN THE LAST FEW YEARS, LARGE TRADE DEFICITS HAVE WEAKENED THE DOLLAR AND AGGRAVATED OUR PROBLEMS WITH INFLATION.

WE ARE ALREADY ACTING TO EASE ONE OF THE MAJOR FACTORS BEHIND THESE TRADE DEFICITS -- OUR EXCESSIVE RELIANCE ON IMPORTED OIL.

(=OVER=) (TOMORROW'S VOTE IN THE.....)

2

TOMORROW'S VOTE IN THE SENATE ON NATURAL GAS IS A CRITICAL STEP TOWARD ENACTMENT OF A STRONG NATIONAL ENERGY POLICY.

ANOTHER MAJOR FACTOR HAS BEEN OUR FAILURE TO EXPAND EXPORT MARKETS FOR AMERICAN PRODUCTS.

BECAUSE OF OUR GREAT SIZE AND RICH NATURAL RESOURCES, WE HAVE NEVER HAD TO PLACE AS MUCH EMPHASIS ON EXPORTING AS OUR MAJOR TRADING PARTNERS.

EXPORTS HAVE BEEN GIVEN A RELATIVELY LOW PRIORITY IN THE COUNCILS OF BOTH BUSINESS AND GOVERNMENT.

(=NEW CARD=) (BUT THESE PRIORITIES.....)

3

BUT THESE PRIORITIES MUST NOW BE CHANGED.

THE ACTIONS I AM ANNOUNCING TODAY DEMONSTRATE MY ADMINISTRATION'S COMMITMENT TO TAKING CONTROL OF A PROBLEM ALLOWED TO DRIFT FOR TOO LONG.

-- WE WILL PROVIDE SIGNIFICANT NEW FINANCIAL AND TECHNICAL ASSISTANCE TO AMERICAN EXPORTERS.

-- WE WILL REDUCE GOVERNMENT-IMPOSED BARRIERS WHICH UNNECESSARILY INHIBIT OUR FIRMS FROM SELLING IN FOREIGN MARKETS.

I HAVE NO INTENTION OF DOWN-GRADING OUR NATION'S COMMITMENTS IN SUCH AREAS AS THE ENVIRONMENT, SAFETY, AND HUMAN RIGHTS.

(=OVER=) (WE WILL CONTINUE TO.....)

WE WILL CONTINUE TO ADMINISTER THE LAWS WHICH AFFECT INTERNATIONAL BUSINESS FIRMLY AND FAIRLY, BUT WE WILL DISCHARGE THAT RESPONSIBILITY WITH A GREATER SENSITIVITY TO THE IMPORTANCE OF EXPORTS.

-- WE WILL ALSO CONTINUE TO NEGOTIATE STRONGLY FOR A REDUCTION IN FOREIGN TRADE BARRIERS TO U.S. EXPORTS AND FOR A REDUCTION IN EXCESSIVE EXPORT SUBSIDIES BY SOME FOREIGN GOVERNMENTS.

OUR NEW EXPORT POLICY MARKS THE IMPORTANT AND LONG-OVERDUE BEGINNING OF A GREATER NATIONAL EMPHASIS ON EXPORTING.

(-NEW CARD-) (THERE ARE NO SHORT-TERM,...)

THERE ARE NO SHORT-TERM, EASY SOLUTIONS.
THERE WILL BE NO DRAMATIC, OVERNIGHT INCREASE IN OUR EXPORTS.
IT WILL TAKE TIME AND A SUSTAINED EFFORT.

THE FEDERAL GOVERNMENT CANNOT CARRY OUT THAT EFFORT ALONE.
IN THE END, IMPROVED EXPORTS AND A REDUCED TRADE DEFICIT WILL DEPEND ON THE PERFORMANCE OF AMERICAN FIRMS AND AMERICAN WORKERS.

FOR THAT REASON, I HAVE JUST MET WITH REPRESENTATIVES OF BUSINESS, LABOR, AND CONGRESS TO ENLIST THEIR ACTIVE COOPERATION IN THIS EFFORT.

I WOULD LIKE NOW TO LET SECRETARY KREPS DESCRIBE THE SPECIFICS OF THIS POLICY.

(=OVER=) (SECRETARY KREPS DIRECTED.....)

SECRETARY KREPS DIRECTED THE TASK FORCE WHICH DEVELOPED THE POLICY,...AND SHE WILL SOON BE HEADING A TRADE MISSION TO JAPAN DESIGNED TO PROMOTE AMERICAN EXPORTS TO THAT COUNTRY.

#

Electrostatic Copy Made
for Preservation Purposes

STATEMENT BY THE PRESIDENT ON EXPORT POLICY

I am announcing today a new effort by my Administration to increase American exports and thereby to help reduce our trade deficit and strengthen our economy.

In the last few years, large trade deficits have weakened the dollar and aggravated our problems with inflation.

We are already acting to ease one of the major factors behind these trade deficits -- our excessive reliance on imported oil. Tomorrow's vote in the Senate on natural gas is a critical step toward enactment of a strong national energy policy.

Another major factor has been our failure to expand export markets for American products.

Because of our great size and rich natural resources, we have never had to place as much emphasis on exporting as

our major trading partners. Exports have been given a relatively low priority in the councils of both business and government. But these priorities must now be changed.

The actions I am announcing today demonstrate my Administration's commitment to taking control of a problem allowed to drift for too long.

- We will provide significant new financial and technical assistance to American exporters.
- We will reduce Government-imposed barriers which unnecessarily inhibit our firms from selling in foreign markets. I have no intention of downgrading our Nation's commitments in such areas as the environment, safety, and human rights. We will continue to administer the laws which affect international business firmly and fairly, but we will discharge that responsibility with a greater sensitivity to the importance of exports.

-- We will also continue to negotiate strongly for a reduction in foreign trade barriers to U.S. exports and for a reduction in excessive export subsidies by some foreign governments.

Our new export policy marks the important and long-overdue beginning of a greater national emphasis on exporting. There are no short-term, easy solutions. There will be no dramatic, overnight increase in our exports. It will take time and a sustained effort.

The Federal Government cannot carry out that effort alone. In the end, improved exports and a reduced trade deficit will depend on the performance of American firms and American workers. For that reason, I have just met with representatives of business, labor, and Congress to enlist their active cooperation in this effort.

I would like now to let Secretary Kreps describe the specifics of this policy. Secretary Kreps directed the task

force which developed the policy, and she will soon be heading a trade mission to Japan designed to promote American exports to that country.

#

THE WHITE HOUSE
WASHINGTON

9/26/78

Jim McIntyre Bob Lipshutz
Stu Eizenstat Zbig Brzezinski

The attached was returned in
the President's outbox today
and is forwarded to you for
your information. The signed
original has been given to
Bob Linder for appropriate
handling.

Rick Hutcheson

cc: Bob Linder

*T. Jones will start cc to
See Schlesinger*

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

ACTION

FYI

Pls draft both - memo JS & JM

ADMIN CONFIDENTIAL
 CONFIDENTIAL
 SECRET
 EYES ONLY

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARAGON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FALLOWS

FIRST LADY

GAMMILL

HARDEN

HUTCHESON

LINDER

MARTIN

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

VOORDE

WARREN

WISE

THE WHITE HOUSE
WASHINGTON

Mr. President:

Eizenstat and Lipshutz
concur; Schultze has no
comment.

NSC is not convinced
that an Executive Order
is necessary to establish
such a coordinating body,
but would not object to
such an order.

Rick/Bill



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

1 4 AUG 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM McINTYRE
JIM SCHLESINGER

SUBJECT: Energy Coordinating Committee

In response to a memorandum of June 28 from Jim McIntyre recommending establishment of an Energy Coordinating Committee, you indicated that you would prefer not to establish a committee by Executive Order, but would rather prefer an attempt at an informal mechanism to be worked out by Jim Schlesinger and Jack Watson.

We believe strongly that it would be advisable to establish such a body formally by Executive Order. Establishment of this Committee would indicate clearly to the Congress and others that the Administration is intent upon ensuring that energy-related issues of concern to more than one department can be discussed within a structure that will complement the existing Executive Office of the President policy review systems. Without formal establishment of such a body, we believe that the usefulness of any interagency process will be substantially lessened. The Administration should have a mechanism that is visible and can deal effectively with broader energy-related problems, under an explicit Presidential mandate.

This body would not be a decision-making forum, but rather one to develop and consider issues and bring to bear the resources of the executive branch to deal most effectively with those issues.

We would like to discuss this with you if you remain disinclined to approve formal establishment of the committee.

Establish Committee (Executive Order Attached)

Do Not Establish Committee

Discuss

THE WHITE HOUSE
WASHINGTON

Mr. President:

Brzezinski, Lipshutz and
Schultze concur.

Eizenstat also concurs
and notes that it is of
"critical importance that
this Committee not substi-
tute for regular and estab-
lished Executive Office
review and decision making
procedures. This is pro-
vided for in the Executive
Order and under no circum-
stances should it be changed."

Rick/Bill



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

JUN 28 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM MCINTYRE *Jim*
SUBJECT: Proposed Executive Order Establishing
the Energy Coordinating Committee

Jim - I doubt the need for this. Let Schlesinger & Watson try this without a formal E.O. address. 9/11 address them

At the time your Department of Energy proposal was transmitted to Congress you made a public commitment to establish an interdepartmental Energy Coordinating Committee. Enclosed for your signature is a proposed Executive order that would establish the committee.

As you recognized a year ago, even with a Department of Energy, the pervasive nature of the energy problem dictates that energy policies be subject to thorough coordination among affected Federal agencies before final decisions are made. The proposed Energy Coordinating Committee has been designed to ensure that such coordination is accomplished. The Committee would be chaired by Jim Schlesinger and would have 23 agency members. The committee would serve as a mechanism to coordinate both energy policy formulation and implementation issues where such issues affect most of the members.

Because of the size of the full committee and the expectation that many energy issues will affect only a few of the agencies, there would be an Executive Council comprised of the Secretary of Energy, and the following members of the EOP: the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, Zbigniew Brzezinski and Stu Eizenstat. This ensures that broad energy issues are coordinated within the EOP. It also avoids choosing just one or two non-EOP agencies for the Council when several have strong energy interests. Including all significant line agencies would make the permanent Council unwieldy. Specific agencies can be invited by any member to participate in Council meetings on issues concerning them. Also, any member of the Council would be able to call a meeting or have an issue placed on the Council agenda.

The Energy Coordinating Committee and the Council would not replace existing decision-making mechanisms. These mechanisms, including the Domestic Policy Review process, the National Security Council's Presidential Review Memorandum process, the Office of Management and Budget's Executive order, legislative and budget clearance processes, and the Economic Policy Group procedures would be continued. The coordinating committee process would enhance these mechanisms in the energy area by ensuring wide coordination of issues prior to processing to you for decision via the above mechanisms.

Originally, I had some concern about establishing a committee within the EOP in view of the recent reorganization and streamlining; however, I am convinced that interagency coordination in the energy area is needed and can be implemented by establishing the committee. More thorough coordination should provide you with better information on policy issues which you must decide.

If you agree, I recommend that you sign the proposed Executive order. If you have any questions please advise.

Enclosure

EXECUTIVE ORDER

- - - - -

ENERGY COORDINATING COMMITTEE

By the authority vested in me as President by the Constitution of the United States of America, and in order to provide for the coordination of Federal energy policies, it is hereby ordered as follows:

1-1. Establishment of the Committee.

1-101. There is established an Energy Coordinating Committee, hereinafter referred to as the Committee.

1-102. The Committee shall be composed of the following, and such other members as the President may, from time to time, designate.

- (a) The Secretary of Energy, who shall be the Chairman.
- (b) The Secretary of State.
- (c) The Secretary of the Treasury.
- (d) The Secretary of Defense.
- (e) The Attorney General.
- (f) The Secretary of the Interior.
- (g) The Secretary of Agriculture.
- (h) The Secretary of Commerce.
- (i) The Secretary of Labor.
- (j) The Secretary of Health, Education, and Welfare.
- (k) The Secretary of Housing and Urban Development.
- (l) The Secretary of Transportation.
- (m) The Special Representative for Trade Negotiations.
- (n) The Director of the Office of Management and Budget.
- (o) The Chairman of the Council of Economic Advisers.
- (p) The Chairman of the Council on Environmental Quality.
- (q) The Administrator of the Environmental Protection Agency.
- (r) The Director of the Office of Science and Technology Policy.

(s) The Administrator of General Services.

(t) The Director of the National Science Foundation.

(u) The Assistant to the President for National Security Affairs.

(v) The Assistant to the President for Domestic Affairs and Policy.

(w) The Chairman of the Nuclear Regulatory Commission, who is invited to be a member.

1-2. Functions of the Committee.

1-201. The Committee shall ensure that there is communication and coordination among Executive agencies concerning energy policy and the management of energy resources.

1-202. The Committee shall, from time to time, develop and consider recommendations for improvements in the implementation of Federal energy policies or the management of energy resources that involve two or more Executive agencies.

1-203. The functions of the Committee shall neither substitute for nor replace Executive Office of the President clearance, review, and decision-making procedures. Those procedures shall also be used for submitting to the President any of the conclusions or recommendations developed through the Committee's energy coordinating functions.

1-204. The Committee shall meet at the call of the Chairman.

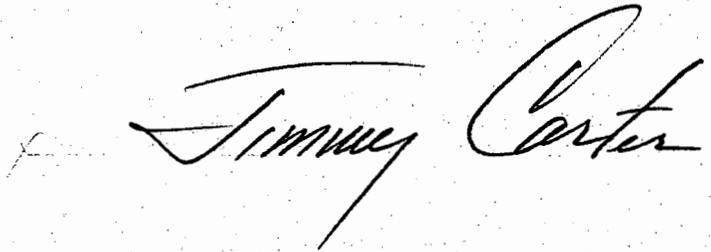
1-3. Executive Council.

1-301. During periods when the Committee is not meeting, the functions of the Committee are delegated to an Executive Council. Meetings may be called by any regular member of the Council.

1-302. The Executive Council shall be composed of the following, and such others as may be appropriate due to the specific matters to be considered.

- (a) The Chairman of the Committee, who shall be Chairman of the Executive Council.
- (b) The Director of the Office of Management and Budget.
- (c) The Chairman of the Council of Economic Advisers.
- (d) The Assistant to the President for National Security Affairs.
- (e) The Assistant to the President for Domestic Affairs and Policy.

1-4. Revocation of a Prior Order. Executive Order No. 11814, as amended, which provided for an Energy Resources Council, is revoked.

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 main text of the document.

THE WHITE HOUSE,