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Public Law 92-412
92nd Congress, S. 3726
August 29, 1972

An Act

86 STAT. 644

To extend and amend the Export Administration Act of 1969 to afford more equal export opportunity, to establish a Council on International Economic Policy, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO THE EXPORT ADMINISTRATION ACT OF 1969

Equal export opportunity; international economic policy.

SEC. 101. This title may be cited as the "Equal Export Opportunity Act".

Citation of title.
83 Stat. 841.
50 USC app. 2401.

SEC. 102. Section 2(3) of the Export Administration Act of 1969 is amended by inserting before the period at the end thereof a comma and the following: "particularly when export restrictions applied by the United States are more extensive than export restrictions imposed by countries with which the United States has defense treaty commitments".

SEC. 103. Section 3 of the Export Administration Act of 1969 is amended by adding at the end thereof the following:

50 USC app. 2402.

"(6) It is the policy of the United States that the desirability of subjecting, or continuing to subject, particular articles, materials, or supplies, including technical data or other information, to United States export controls should be subjected to review by and consultation with representatives of appropriate United States Government agencies and qualified experts from private industry."

SEC. 104. (a) Section 4(b) of the Export Administration Act of 1969 is amended—

50 USC app. 2403.

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end thereof the following new paragraphs:

"(2) The Secretary of Commerce, in cooperation with appropriate United States Government departments and agencies and the appropriate technical advisory committees established under section 5(c), shall undertake an investigation to determine which articles, materials, and supplies, including technical data and other information, should no longer be subject to export controls because of their significance to the national security of the United States. Notwithstanding the provisions of paragraph (1), the President shall remove unilateral export controls on the export from the United States of articles, materials, or supplies, including technical data or other information, which he determines are available without restriction from sources outside the United States in significant quantities and comparable in quality to those produced in the United States, except that any such control may remain in effect if the President determines that adequate evidence has been presented to him demonstrating that the absence of such a control would prove detrimental to the national security of the United States. The nature of such evidence shall be included in the special report required by paragraph (4).

Export decontrol, investigation.

Post, p. 645.

"(3) In conducting the investigation referred to in paragraph (2) and in taking the action required under such paragraph, the Secretary of Commerce shall give priority to those controls which apply to articles, materials, and supplies, including technical data and other information, for which there are significant potential export markets.

"(4) Not later than nine months after the date of enactment of the Equal Export Opportunity Act, the Secretary of Commerce shall submit to the President and to the Congress a special report of actions taken under paragraphs (2) and (3). Such report shall contain—

Report to President and Congress.



"(A) a list of any articles, materials, and supplies, including technical data and other information, which are subject under this Act to export controls greater than those imposed by nations with which the United States has defense treaty commitments, and the reasons for such greater controls; and

"(B) a list of any procedures applicable to export licensing in the United States which may be or are claimed to be more burdensome than similar procedures utilized in nations with which the United States has defense treaty commitments, and the reasons for retaining such procedures in their present form."

(b)(1) Section 4(e) of such Act is amended to read as follows:

"(e) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils or animal hides or skins, without the approval of the Secretary of Agriculture. The Secretary of Agriculture shall not approve the exercise of such authority with respect to any such commodity during any period for which the supply of such commodity is determined by him to be in excess of the requirements of the domestic economy, except to the extent the President determines that such exercise of authority is required to effectuate the policies set forth in clause (B) or (C) of paragraph (2) of section 3 of this Act."

(2) Any rule, regulation, proclamation, or order issued after July 1, 1972, under section 4 of the Export Administration Act of 1969, exercising any authority conferred by such section with respect to any agricultural commodity, including fats and oils or animal hides or skins, shall cease to be effective upon the date of enactment of this Act.

SEC. 105. Section 5 of the Export Administration Act of 1969 is amended by adding at the end thereof the following:

"(c)(1) Upon written request by representatives of a substantial segment of any industry which produces articles, materials and supplies, including technical data and other information, which are subject to export controls or are being considered for such controls because of their significance to the national security of the United States, the Secretary of Commerce shall appoint a technical advisory committee for any grouping of such articles, materials, and supplies, including technical data and other information, which he determines is difficult to evaluate because of questions concerning technical matters, worldwide availability and actual utilization of production and technology, or licensing procedures. Each such committee shall consist of representatives of United States industry and government. No person serving on any such committee who is representative of industry shall serve on such committee for more than two consecutive years.

"(2) It shall be the duty and function of the technical advisory committees established under paragraph (1) to advise and assist the Secretary of Commerce and any other department, agency, or official of the Government of the United States to which the President has delegated power, authority, and discretion under section 4(d) with respect to actions designed to carry out the policy set forth in section 3 of this Act. Such committees shall be consulted with respect to questions involving technical matters, worldwide availability and actual utilization of production and technology, and licensing procedures which may affect the level of export controls applicable to any articles, materials, or supplies, including technical data or other information, and including those whose export is subject to multilateral controls undertaken with nations with which the United States has defense treaty commitments, for which the committees have expertise. Such committees shall also be consulted and kept fully informed of

83 Stat. 842.
50 USC app. 2403.
Agricultural
commodities,
exception.

50 USC app. 2402.
Effective date.

50 USC app.
2404.
Technical ad-
visory commit-
tees, appoint-
ment.

Duty and
function.

progress with respect to the investigation required by section 4(b)(2) of this Act. Nothing in this subsection shall prevent the Secretary from consulting, at any time, with any person representing industry or the general public regardless of whether such person is a member of a technical advisory committee. Members of the public shall be given a reasonable opportunity, pursuant to regulations prescribed by the Secretary of Commerce, to present evidence to such committees.

"(3) Upon request of any member of any such committee, the Secretary may, if he determines it appropriate, reimburse such member for travel, subsistence, and other necessary expenses incurred by him in connection with his duties as a member. Expenses, re-
imbursement.

"(4) Each such committee shall elect a chairman, and shall meet at least every three months at the call of the Chairman, unless the Chairman determines, in consultation with the other members of the committee, that such a meeting is not necessary to achieve the purposes of this Act. Each such committee shall be terminated after a period of two years, unless extended by the Secretary for additional periods of two years. The Secretary shall consult each such committee with regard to such termination or extension of that committee. Meetings.
Committee
termination.

SEC. 106. Section 14 of the Export Administration Act of 1969 is amended by striking out "August 1, 1972" and inserting in lieu thereof "June 30, 1974". Ante, p. 133.

SEC. 107. Nothing in this title shall be construed to require the release or publication of information which is classified pursuant to Executive order or to affect the confidentiality safeguards provided in section 7(c) of the Export Administration Act of 1969. Confidential
information.

SEC. 108. The provisions of this title take effect as of the close of July 31, 1972. 83 Stat. 845.
50 USC app.
2406.
Effective date.

TITLE II—COUNCIL ON INTERNATIONAL ECONOMIC POLICY

SHORT TITLE

SEC. 201. This title may be cited as the "International Economic Policy Act of 1972". Citation of
title.

STATEMENT OF PURPOSES

SEC. 202. It is the purpose of this title to provide for closer Federal interagency coordination in the development of a more rational and orderly international economic policy for the United States.

FINDINGS AND POLICY

SEC. 203. The Congress finds that there are many activities undertaken by various departments, agencies, and instrumentalities of the Federal Government which, in the aggregate, constitute the domestic and international economic policy of the United States. The Congress further finds that the objectives of the United States with respect to a sound and purposeful international economic policy can be better accomplished through the closer coordination of (1) domestic and foreign economic activity, and (2) in particular, that economic behavior which, taken together, constitutes United States international economic policy. Therefore this Act establishes a Council on International Economic Policy which will provide for—

(A) a clear top level focus for the full range of international economic issues; deal with international economic policies including trade, investment, balance of payments, and finance as a coherent whole; Council on
International
Economic Pol-
icy, establish-
ment.

(B) consistency between domestic and foreign economic policy; and

(C) close coordination with basic foreign policy objectives.

The Congress intends that the Council shall be provided with the opportunity to (i) investigate problems with respect to the coordination, implementation, and long-range development of international economic policy, and (ii) make appropriate findings and recommendations for the purpose of assisting in the development of a rational and orderly international economic policy for the United States.

CREATION OF COUNCIL ON INTERNATIONAL ECONOMIC POLICY

SEC. 204. There is created in the Executive Office of the President a Council on International Economic Policy (hereinafter referred to in this title as the "Council").

MEMBERSHIP

SEC. 205. The Council shall be composed of the following members and such additional members as the President may designate:

- (1) The President.
- (2) The Secretary of State.
- (3) The Secretary of the Treasury.
- (4) The Secretary of Defense.
- (5) The Secretary of Agriculture.
- (6) The Secretary of Commerce.
- (7) The Secretary of Labor.
- (8) The Director of the Office of Management and Budget.
- (9) The Chairman of the Council of Economic Advisers.
- (10) The Special Representative for Trade Negotiations.

The President shall be the Chairman of the Council and shall preside over the meetings of the Council; in his absence he may designate a member of the Council to preside in his place.

DUTIES OF THE COUNCIL

SEC. 206. Subject to the direction of the President, and in addition to performing such other functions as he may direct, the Council shall—

(1) Assist and advise the President in the preparation of the International Economic Report required under section 207.

(2) Review the activities and the policies of the United States Government which indirectly or directly relate to international economics and, for the purpose of making recommendations to the President in connection therewith, consider with some degree of specificity the substance and scope of the international economic policy of the United States, which consideration shall include examination of the economic activities of (A) the various agencies, departments, and instrumentalities of the Federal Government, (B) the several States, and (C) private industry.

(3) Collect, analyze, and evaluate authoritative information, current and prospective, concerning international economic matters. Such evaluations shall include but not be limited to the impact of international trade on the level, stability, and financial rewards for domestic labor and the impact of the transnational corporation on international trade flows.

(4) Consider policies and programs for coordinating the activities of all the departments and agencies of the United States with one another for the purpose of accomplishing a more con-

sistent international economic policy, and make recommendations to the President in connection therewith.

(5) Continually assess the progress and effectiveness of Federal efforts to carry out a consistent international economic policy.

(6) Make recommendations to the President for domestic and foreign programs which will promote a more consistent international economic policy on the part of the United States and private industry. Recommendations under this paragraph shall include, but shall not be limited to, policy proposals relating to monetary mechanisms, foreign investment, trade, the balance of payments, foreign aid, taxes, international tourism and aviation, and international treaties and agreements relating to all such matters. In addition to other appropriate objectives, such policy proposals should be developed with a view toward—

(A) strengthening the United States competitive position in world trade;

(B) achieving equilibrium in international payment accounts of the United States;

(C) increasing exports of goods and services;

(D) protecting and improving the earnings of foreign investments consonant with the concepts of tax equity and the need for domestic investment;

(E) achieving freedom of movement of people, goods, capital, information, and technology on a reciprocal and world-wide basis;

(F) increasing the real employment and income of workers and consumers on the basis of international economic activity; and

(G) preserving the diversified industrial base of the United States.

REPORT

SEC. 207. (a) The President shall transmit to the Congress an annual report on the international economic position of the United States. Such report (hereinafter referred to as the "International Economic Report") shall be submitted not later than sixty days after the beginning of each regular session of the Congress, and shall include—

(1) information and statistics describing characteristics of international economic activity and identifying significant current and foreseeable trends and developments;

(2) a review of the international economic program of the Federal Government and a review of domestic and foreign economic conditions and other significant matters affecting the balance of international payments of the United States and of their effect on the international trade, investment, financial, and monetary position of the United States;

(3) a review of the impact of international voluntary standards, the foreign investments of United States based transnational firms, and the level of foreign wage rates on the level, stability, and financial reward for domestic employment; and

(4) a program for carrying out the policy objectives of this title, together with such recommendations for legislation as he may deem necessary or desirable.

(b) The President may transmit from time to time to the Congress reports supplementary to the International Economic Report, each of which may include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the purposes and policy objectives set forth in this title.

International Economic Report, submittal to Congress.

Supplementary reports to Congress.

EXECUTIVE DIRECTOR AND STAFF OF THE COUNCIL

SEC. 208. (a) The staff of the Council shall be headed by an Executive Director who shall be appointed by the President, and he shall be compensated at the rate now or hereafter provided for level II of the Executive Schedule (5 U.S.C. 5313). He shall keep the Committee on Banking, Housing and Urban Affairs of the Senate, the Committee on Banking and Currency of the House of Representatives, the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Joint Economic Committee fully and currently informed regarding the activities of the Council.

(b) (1) With the approval of the Council, the Executive Director may appoint and fix the compensation of such staff personnel as he deems necessary. Except as provided in paragraph (2), the staff of the Council shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(2) With the approval of the Council, the Executive Director may appoint and fix the compensation of one officer at a rate of basic compensation not to exceed the rate provided for level IV of the Federal Executive Salary Schedule, and appoint and fix the compensation of two officers at rates of basic compensation not to exceed the rate provided for level V of the Federal Executive Salary Schedule.

(c) With the approval of the Council, the Executive Director may procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, at rates not to exceed the daily equivalent of the rate provided for GS-18.

(d) Upon request of the Executive Director, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to the Council to assist it in carrying out its duties under this title.

Expiration date. SEC. 209. The provisions of this title shall expire on June 30, 1973, unless extended by legislation enacted by the Congress.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 210. For the purpose of carrying out the provisions of this title, there are authorized to be appropriated not to exceed \$1,400,000 for fiscal year 1973.

Approved August 29, 1972.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 92-1260 (Comm. on Banking and Currency) accompanying H. R. 15989 and No. 92-1342 (Comm. of Conference).

SENATE REPORTS: No. 92-890 (Comm. on Banking, Housing and Urban Affairs) and No. 92-981 (Comm. on Foreign Relations).

CONGRESSIONAL RECORD, Vol. 118 (1972):

June 21, 22, July 31, Aug. 1, considered and passed Senate.

Aug. 3, considered and passed House, amended, in lieu of H. R. 15989.

Aug. 15, Senate agreed to conference report.

Aug. 18, House agreed to conference report.

83 Stat. 863.
Information to
congressional
committees.

80 Stat. 378.
5 USC 101 et
seq.
5 USC 5101,
5331.

5 USC 5315.

5 USC 5316.

80 Stat. 416.
5 USC 5332
note.

AMENDING THE INTERNATIONAL ECONOMIC
POLICY ACT OF 1972

Ordered to be printed

Mr. PATMAN, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 1636]

The committee of conference on the disagreeing votes of the two Houses on the amendemnts of the House to the bill (S. 1636) to amend the International Economic Policy Act of 1972, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That section 205 of the International Economic Policy Act of 1972 is amended—

- (1) by striking out “(1) The President.”;*
- (2) by redesignating clauses (2) through (7) as clauses (1) through (6);*
- (3) by inserting after clause (6), as redesignated, the following:*
“(7) The Secretary of Transportation.”; and
- (4) by striking out the last sentence and inserting in lieu thereof the following: “The President shall designate the Chairman of the Council from among the members of the Council.”*

SEC. 2. Section 209 of the International Economic Policy Act of 1972 is amended by striking out “1973” and inserting in lieu thereof “1977”.

SEC. 3. Section 210 of the International Economic Policy Act of “1974”.

SEC. 4. Section 207(a) of the International Economic Policy Act of 1972 is amended by redesignating paragraph (4) as paragraph (6), by striking out “and” at the end of paragraph (3), and by inserting immediately after paragraph (3) the following new paragraphs:

“(4) a comparative description and analysis of the following subject matter, with respect to the United States, the European Community and principal countries within the European Com-

munity, Japan, and whenever applicable, the Union of Soviet Socialist Republics—

“(A) research and development expenditures, and productivity and technological trends in major industrial and agricultural sectors;

“(B) investment patterns in new plant and equipment;

“(C) industrial manpower and training practices;

“(D) tax incentives and other governmental financial assistance;

“(E) export promotion practices;

“(F) share of the export market, by area and industrial and agricultural sectors;

“(G) environmental practices;

“(H) antitrust practices; and

“(I) long-range governmental economic planning programs, targets, and objectives;

“(5) a review of the relationship between the United States Government and American private business with respect to the categories of subject matter listed in subparagraphs (A) through (I) of paragraph (4) and any other appropriate areas of information, together with recommendations for appropriate policies and programs in order to insure that American business is competitive in international commerce; and”.

Sec. 5. Notwithstanding the provisions of section 208(a) of the International Economic Policy Act of 1972, any future Executive Director of the Council on International Economic Policy appointed after the date of the enactment of this bill shall be appointed by the President, by and with the advice and consent of the Senate.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the Senate bill and agree to the same.

WRIGHT PATMAN,
THOMAS L. ASHLEY,
THOMAS M. REES,
PARREN J. MITCHELL,
FERNAND J. ST GERMAIN,
RICHARD T. HANNA,
EDWARD I. KOCH,
ANDREW YOUNG,
JOHN JOSEPH MOAKLEY,
WILLIAM B. WIDNALL,
BEN BLACKBURN,
GARRY BROWN,
ALBERT W. JOHNSON,
STEWART B. MCKINNEY,
BILL FRENZEL,

Managers on the Part of the House.

JOHN SPARKMAN,
WILLIAM PROXMIRE,
HARRISON A. WILLIAMS,
ADLAI STEVENSON,
JOHN TOWER,
WALLACE F. BENNETT,
BOB PACKWOOD,

Managers on the Part of the Senate.

H.R. 93-389

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1636) to amend the International Economic Policy Act of 1972, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment.

The committee of conference has agreed to a substitute for both the Senate bill and the House amendment. Except for clarifying, clerical, and conforming changes, the differences are noted below:

The Senate bill allowed the President to appoint the Chairman of the Council on International Economic Policy from among the statutory members of the Council or any other person the President named as a member of the Council. The House amendment allowed the President to appoint a Chairman of the Council from among the statutory members. The conferees accepted the Senate provision.

The Senate bill provided, with certain exceptions, that employees of the Council may be appointed without regard to civil service provisions governing appointment in competitive service. There was no comparable provision in the House amendment. The Senate receded to the House.

The Senate bill repealed the provision of the International Economic Policy Act of 1972 providing for an expiration date. The House amendment changed the present expiration date from June 30, 1973, to June 30, 1975. The conferees accepted the compromise date of June 30, 1977.

The Senate bill made appointment of the Executive Director of the Council subject to Senate confirmation, including the incumbent. The House amendment made appointment of any Executive Director other than the incumbent subject to Senate confirmation. The conferees accepted the House provision.

The Senate bill authorized \$3,000,000 to be appropriated for fiscal year 1974 and the same amount for fiscal year 1975. The House authorized \$1,400,000 to be appropriated for fiscal year 1974. The conferees accepted the House provision.

The House amendment added the Secretary of Transportation to the Council. No comparable provision was included in the Senate bill. The conferees accepted the House provision.

The House amendment required the annual report transmitted by the President to Congress under section 207 of the International Economic Policy Act of 1972 to include comparative description and

analysis of certain specific activities, policies, and programs of the United States, the European Community and its principal members, Japan, and whenever applicable, the U.S.S.R. The amendment also required that the report include analysis concerning the relationship between the United States Government and American business and recommendations for programs and policies to insure that American business is competitive in international commerce. No comparable provision was included in the Senate bill. The conferees accepted the House position.

WRIGHT PATMAN,
THOMAS L. ASHLEY,
THOMAS M. REES,
PARKEN J. MITCHELL,
FERNAND J. ST GERMAIN,
RICHARD T. HANNA,
EDWARD I. KOCH,
ANDREW YOUNG,

JOHN JOSEPH MOAKLEY,
WILLIAM B. WIDNALL,
BEN BLACKBURN,
GARRY BROWN,
ALBERT W. JOHNSON,
STEWART B. MCKINNEY,
BILL FRENZEL,

Managers on the Part of the House.

JOHN SPARKMAN,
WILLIAM PROXMIRE,
HARRISON WILLIAMS,
ADLAI STEVENSON,
JOHN TOWER,
WALLACE F. BENNETT,
BOB PACKWOOD,

Managers on the Part of the Senate.



AUTHORIZING APPROPRIATIONS FOR CARRYING OUT
THE PROVISIONS OF THE INTERNATIONAL ECONOMIC
POLICY ACT OF 1972

MAY 29, 1974.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. PATMAN, from the Committee on Banking and Currency,
submitted the following

REPORT
together with
DISSENTING VIEWS

[To accompany H.R. 13839]



The Committee on Banking and Currency, to whom was referred the bill (H.R. 13839) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

On the first page, line 7, strike out "are" and insert in lieu thereof "is".

On the first page, beginning in line 8, strike out "such sums as may be necessary until the expiration of the provisions of this title" and insert in lieu thereof "\$1,800,000 for the fiscal year ending June 30, 1975".

NEED FOR THE LEGISLATION

For economic policy formation in the international field, the President relies upon a specialized cabinet level group, the Council on International Economic Policy (CIEP). The President and the Council are served by a staff under an executive director who is also an assistant to the President.

CIEP was created by Presidential memorandum in January 1971, on the recommendation of the Advisory Council on Executive Organization, to improve the coordination of U.S. Government agencies with responsibilities in the field of foreign economic affairs. The Congress first authorized the CIEP in the International Economic Policy Act of 1972 in P.L. 92-412 of August 29, 1972, and granted further authorization in P.L. 93-121.

The Council and its staff are formed to achieve a clear, top-level focus on the broad range of international economic policy issues. It is the function of CIEP to help assure that all factors affecting international economic policy are more fully considered and that policy decisions are based on realistic assessments of U.S. foreign economic interests. Another objective of CIEP is consideration of these policy choices in the context of both domestic economic development and our broad foreign policy objectives.

The CIEP staff is used by the Council and its executive director to coordinate the efforts of individual agencies and to synthesize the sometimes divergent policy recommendations forwarded by them.

While full Council meetings are held when necessary and appropriate, most of the Council's work is necessarily conducted by subcommittees. The subcommittees of the CIEP are: the Executive Committee, at Cabinet level, chaired by Secretary of the Treasury; the Senior Review Group, at sub-Cabinet level, chaired by the Executive Director; and the Operations Group, chaired by the Under Secretary of State for Economic Affairs. Attendance at meetings of these subcommittees is determined by the topics to be considered. In addition, the CIEP uses ad hoc interagency groups to handle specific problems and issues.

Among the important issues in which the Council was involved during 1973 were:

- Negotiations on trade and monetary reform;
- New international agreements on the treatment of foreign investment;
- The impact of U.S. banking and securities regulations on international investment patterns;
- U.S. policy on expropriations of U.S. investments by foreign governments;
- Problems associated with the transfer of U.S. technology abroad;
- Export controls on agricultural and industrial commodities in short supply, and
- East-West trade policy.

At the end of 1973, there were 23 members of the Council's professional staff. Several are on detail from other government agencies. The remainder provide special skills stemming from previous academic, research, or business experience.

H.R. 13839, as introduced, would authorize to be appropriated such sums as may be necessary until the expiration of the provisions of the International Economic Policy Act of 1972, as amended, to June 30, 1977. The Committee adopted an amendment to the bill which would limit the authorization of appropriations to the Fiscal Year 1975, and in an amount not to exceed \$1.8 million. The amendment was adopted by voice vote. It was the view of the Committee that authorization of the appropriations for one year would aid the Committee in its review of the activities of the Council for the coming Fiscal Year.

By a roll call vote of 21 ayes and 5 nays, the Committee voted to adopt H.R. 13839 with an amendment.

The estimated cost of the legislation, if enacted, would be \$1,800,000 for Fiscal Year 1975.

INTERNATIONAL ECONOMIC POLICY ACT AMENDMENTS (H.R. 13839)

DISSENTING VIEWS

As has been the case from the inception of statutory authority for the operation of the Council on International Economic Policy, the organization and function of this body is almost completely duplicative of the functions of other offices in the Executive Branch.

Basically, CIEP is a research and reporting agency which has been in existence, initially under Executive Order, during 1971 to 1972, and with legislative authority for nearly two years since August 1972. During that time the Council has produced substantial presentations both in the form of Annual International Economic Reports of the President and in the form of personal appearances by the Executive Director before various committees of the Congress.

We find no fault with the performance of the Council on International Economic Policy. However, the duplication of the CIEP functions by other Executive Branch agencies represents an inefficient devotion of our resources to these activities.

The subject matter covered by the CIEP report is basically that of defining and evaluating the U.S. position in the world economy, its policies on trade, investment, and the international monetary system, and a selection of specific issues such as the energy crisis, banking and securities regulation, and economic aspects of our relationship with the Communist countries.

Among the other Executive Branch organizations which evaluate and report on these same issues are the Council of Economic Advisers, the Bureau of International Commerce in the Department of Commerce, the Office of the Special Representative for Trade Negotiations, the East-West Trade Policy Committee, the Treasury Department, and the Federal Reserve System. While each of these particular offices has its own slant on the matters within the jurisdiction of the CIEP and indeed the CIEP includes in its numbers the heads of most of these other agencies, we do not feel that it is necessary to institutionalize this meeting ground for all of these individual offices, especially when the Treasury Department or the Council of Economic Advisers could easily perform this function.

On one hand it does not even seem necessary that there be any more than a request by the President that those individuals presently members of the CIEP meet jointly in order to make their own particular concerns and desires known on the matters which come before the Council; and staff could easily be recruited as it was in the first place from among the various departments and agencies represented on the Council.

On the other hand, we feel that a further coordinating function might well be served if specific staff were devoted to these pursuits as

a part of the operation of the Council of Economic Advisers. It is interesting to note that the entirety of Chapter 6 of the President's Economic Report of February 1974 is devoted to the international economy in 1973. The completeness of this treatment of monetary affairs, trade and investment position of the United States, our balance of payments, relationships with our trading and monetary partners, and the problems of planning for future trade and monetary goals of the Nation is remarkable not so much for its thoroughness which, of course, is to be expected, but for the high incidence of duplication of the efforts of the CIEP.

The cost of this duplication is not inconsiderable. In 1972 and 1973, the annual cost of operation for the CIEP was approximately \$1.4 million. Although H.R. 13839, as introduced, would have provided an open-ended authorization, the Committee wisely acted to limit the authorization to \$1.8 million for one additional year. However, we must evaluate this amount of expenditures of taxpayers' money not only as an increase of nearly one-third, but in concrete terms of \$1.8 million proposed to be spent for work which could best be accomplished elsewhere and at considerably lower cost.

We propose that the function heretofore carried out by the Council on International Economic Policy be undertaken as an integral part of the Council of Economic Advisers' activities and that the present members of CIEP be consulted as to their particular concerns on international economic policy. The only practical and acceptable means by which to redirect this important function into the proper, efficient, and logically integrated channel is for the House to reject the extension of the Council on International Economic Policy in favor of the Council on Economic Advisers approach.

BEN B. BLACKBURN,
CHALMERS P. WYLIE,
PHILIP M. CRANE,
JOHN H. ROUSSELOT,
CLAIR W. BURGNER.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

SECTION 210 OF THE INTERNATIONAL ECONOMIC POLICY ACT OF 1972

AUTHORIZATION FOR APPROPRIATIONS

SEC. 210. For the purpose of carrying out the provisions of this title, there **[are]** *is* authorized to be appropriated **[not to exceed \$1,400,000 for fiscal year 1974]** *\$1,800,000 for the fiscal year ending June 30, 1975.*



October 1, 1974

Office of the White House Press Secretary

THE WHITE HOUSE

EXECUTIVE ORDER

ESTABLISHING THE PRESIDENT'S ECONOMIC POLICY BOARD, AND FOR OTHER PURPOSES

By virtue of the authority vested in me by the Constitution and laws of the United States, it is hereby ordered as follows:

Section 1. There is hereby established the President's Economic Policy Board (hereinafter referred to as the Board).

Sec. 2. The Board shall consist of the Secretary of the Treasury, who shall be its Chairman, the Assistant to the President for Economic Affairs, the Secretary of State, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, the Secretary of Transportation, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, and the Executive Director of the Council on International Economic Policy. The Chairman of the Board of Governors of the Federal Reserve System is invited to attend meetings of the Board.

Pres.
Defense
Asst. to
Pres. Econ.
Affairs
Interior
HEW
HUD
Trans.
CIEP
STR
Ch. of FEO

Sec. 3. The Economic Policy Board shall provide advice to the President concerning all aspects of national and international economic policy, will oversee the formulation, coordination, and implementation of all economic policy of the United States, and will serve as the focal point for economic policy decision-making. The Chairman of the Board shall act as the principal spokesman for the Executive Branch on matters of economic policy.

Sec. 4. (a) There is hereby established the Executive Committee of the Board. The Executive Committee shall consist of the Secretary of the Treasury, who shall be its Chairman, the Assistant to the President for Economic Affairs, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, and the Executive Director of the Council on International Economic Policy. The Chairman of the Board of Governors of the Federal Reserve System is invited to attend meetings of the Executive Committee.

(b) The Executive Committee shall meet daily to consider matters involving responsibilities of the Board.

Sec. 5. The Assistant to the President for Economic Affairs shall be the Executive Director of the Board and of the Executive Committee, and, as such, shall be responsible for coordinating the implementation of economic policy and providing liaison with the Presidential staff and with other Governmental activities.

more

(OVER)

Sec. 6. (a) The Secretary of the Treasury shall be a member of the Council on Wage and Price Stability and be its Chairman. The Assistant to the President for Economic Affairs shall be a member of the Council and be its Deputy Chairman.

(b) The Secretary of the Treasury shall be the Chairman of the Council on International Economic Policy. The Assistant to the President for Economic Affairs shall be a member of that Council and be its Deputy Chairman.

(c) Section 1(b) of Executive Order No. 11269, as amended (prescribing the composition of the National Advisory Council on International Monetary and Financial Policies), is further amended by inserting after "the Secretary of the Treasury, who shall be Chairman of the Council," the following "the Assistant to the President for Economic Affairs, who shall be Deputy Chairman of the Council,".

(d) (1) Section 1 of Executive Order No. 11789 (prescribing the composition of the President's Committee on East-West Trade Policy) is amended to read as follows:

"(1) The Assistant to the President for Economic Affairs."

(2) Section 2 of that Order is amended to read as follows:

"Sec. 2. The Secretary of the Treasury shall be the Chairman of the Committee, and the Assistant to the President for Economic Affairs shall be its Deputy Chairman."

Sec. 7. All departments and agencies shall cooperate with the Board, including the Executive Committee thereof, and shall, to the extent permitted by law, provide it with such assistance and information as the Chairman or the Executive Director of the Board may request.

GERALD R. FORD

THE WHITE HOUSE,
September 30, 1974

#

Office of the White House Press Secretary

THE WHITE HOUSE

The President announced today the formation of a new Economic Policy Board which will oversee the formulation, coordination and implementation of all economic policy, and named Secretary of the Treasury, William E. Simon, as chairman.

Secretary Simon will act as the principal spokesman for the Executive Branch on matters of economic policy. The new Board will be the focal point for economic policy decision-making, both domestic and international. Secretary Simon will also chair an Executive Committee of the Board which will meet daily.

The President also announced the appointment of L. William Seidman as Assistant to the President for Economic Affairs. In addition to a wide range of other duties, Mr. Seidman will serve as a member and Executive Director of the Economic Policy Board and its Executive Committee. In his new roles, Mr. Seidman will be responsible for coordinating the implementation of economic policy and providing liaison with the Presidential staff and with other governmental activities.

Secretary Simon and Mr. Seidman will have responsibility for ensuring that there is adequate coordination among existing and proposed committees relating to economic policy. Secretary Simon will serve as Chairman, and Mr. Seidman as Deputy Chairman, of the Council on Wage and Price Stability as well as the Council on International Economic Policy, the National Advisory Council on International Economic Policy, the National Advisory Council on International Monetary and Financial Policies, and the President's Committee on East-West Trade Policy.

The other members of the Economic Policy Board will be:

Secretary of State Henry A. Kissinger
Secretary of the Interior Rogers C. B. Morton
Secretary of Agriculture Earl L. Butz
Secretary of Commerce Frederick B. Dent
Secretary of Labor Peter J. Brennan
Secretary of Health, Education, and Welfare Caspar W. Weinberger
Secretary of Housing and Urban Development James T. Lynn
Secretary of Transportation Claude S. Brinegar
Director of the Office of Management and Budget Roy L. Ash
Chairman of the Council of Economic Advisers Alan Greenspan
Executive Director of the Council on International Economic Policy
William D. Eberle

Mr. Greenspan, Mr. Eberle, and a senior member of the Office of Management and Budget, will serve as member of the Executive Committee. Dr. Arthur F. Burns, Chairman of the Federal Reserve Board, will attend both Board and Executive Committee meetings when appropriate.

#

FOR IMMEDIATE RELEASE

DECEMBER 18, 1974

Office of the White House Press Secretary

THE WHITE HOUSE

L. WILLIAM SEIDMAN
Biographical Data

L. William Seidman has been Assistant to the President for Economic Affairs, Executive Director of the Economic Policy Board and a member of the Energy Resources Council since September 28, 1974.

Prior to these appointments, Mr. Seidman was Assistant to the Vice President for Administration in the Office of Vice President Gerald R. Ford. Before entering government service, he was National Managing Partner of Seidman & Seidman, Certified Public Accountants in Grand Rapids, Michigan. From 1963 to 1968, he was Special Assistant on Financial Affairs to the Governor of Michigan. He was a member of the Federal Reserve Bank of Chicago (Detroit Branch) and its Chairman in 1970.

Mr. Seidman was born on April 29, 1921, in Grand Rapids, Michigan. He received his A.B. degree (Phi Beta Kappa) in 1943 and his LL.B. degree in 1948 from Harvard Law School. He received an M.B.A. degree from the University of Michigan in 1949. He served in the United States Naval Reserve as a Lieutenant from 1942 to 1946.

He is married to the former Sarah Berry and they have six children. They reside in McLean, Virginia.

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MEMORANDUM FOR THE PRESIDENT

FROM: DIRECTOR, OMB

SUBJECT: Feasibility of Seeking a Statutory
Economic Policy Board (EPB)

I. BACKGROUND

At present, the Economic Policy Board (EPB) is enabled by Executive Order 11808 (September 30, 1974). This does not provide a statutory basis for the appropriation of funds to maintain a staff to serve the EPB. There are also concerns over the respective roles of EPB and the Council on International Economic Policy (CIEP) mandated by the International Economic Policy Act of 1972. It has been proposed that the Administration submit legislation which creates EPB in statute, transfers CIEP functions and staff to it, and repeals the International Economic Policy Act.

II. OPTIONS

Option A -- Submit legislation to create EPB.

PROS

1. Would provide appropriation basis for an adequate staff.
2. In spirit of cooperation, gives Congress opportunity to define EPB role and make it accountable to Congress.
3. Rationalizes EPB/CIEP roles and staffs -- some staff economics can be realized.

CONS

1. Reduces President's flexibility to change EPB role in future if needed.
2. Lets Congress define role of a White House office.

3. Provides opportunity for "Christmas-treeing" of undesirable provisions (e.g., demands for documents; keeping Congress "fully and currently informed"; extensive report).
4. If the Assistant to the President for Economic Affairs were to serve either as Chairman or as Executive Director, his confirmation can be mandated.
5. Precipitates complicated issue of Congressional jurisdiction over EPB and CIEP as well.

Option B -- Resolves EPB staffing and relationship to CIEP administratively

PROS

1. Retains Presidential flexibility over roles and priorities of EPB.
2. Avoids opportunity for Congressional mandating of undesirable provisions.
3. Avoids jurisdictional dispute in Congress.

Cons

1. Does not solve staffing problem. Other less satisfactory means would have to be used (staff detailed from other agencies, greater use of staff work prepared by other agencies).
2. Not a clear resolution of possible EPB/CIEP overlap of roles.
3. Does not offer cooperation with Congress on defining EPB role -- may cause Congress to initiate its own legislation.

III. RECOMMENDATION

The need for this legislation depends on how large a staff is required to support EPB, which in turn is a function of what role EPB is to play. The current Executive Order describes essentially a role of advice to the President and coordination of policy emanating from the many Federal agencies having important responsibilities in the arena of economic affairs. A large EPB staff would not be needed or indeed desirable to support this role, if the full cooperation and assistance of involved agencies can be assured.

Legislation opens the risk of Congressional removal of Presidential flexibility on the use of EPB at a time when such flexibility is still needed. It means further risk over undesirable provisions forcing EPB preoccupation with Congressional rather than Presidential concerns.

OMB therefore recommends that legislation creating EPB in statute not be submitted.

☐ Implement Option A

☐ Implement Option B

☐ See me

OPTION I -- Formal Definition of EPB/CIEP Role and Resources

Legislation would be submitted to the Congress to create EPB by statute and bring the CIEP role and resources into the new organization. Such statutory authorization would provide the basis for appropriating funds for whatever EPB staff is needed but subject to the will of the authorization and appropriation process. The advantages of this approach are that the President and the Congress would visibly join in establishing a "capstone" economic affairs organization, a fairly explicit mission for such an office would be agreed to, its formal charter would add to its credibility and leverage, and it would have access to a more certain source of funds to maintain its staff.

The disadvantages of this approach lie in the fact that legislation requires a high degree of "locking-in" to a specific EPB in terms of defined role, membership, staffing and responsibility, and that these specifics will be dictated in large part by the Congress rather than the President. A number of specific concerns are at risk:

1. The defined role of EPB -- The Congress can insist that an explicit definition of EPB responsibilities, authorities, priorities and even procedures be locked in statute, thus reducing the President's flexibility to accommodate his use of EPB to meet changing circumstances.

2. Confirmation -- Any Chairman, Executive Director, or other official (excluding the President or an already confirmed official) will undoubtedly be made subject to confirmation, and the collateral requirement that such officials testify before all appropriate Congressional committees. This is assumed to be the case even where the Assistant to the President for Economic Affairs serves either as Chairman or Executive Director. This is an undesirable precedent for top ranking Presidential Assistants and would probably result in heavy pre-occupation with Congressional demands.
3. Congressional demands for information -- Legislation creating EPB by statute would give the Congress the opportunity to mandate several forms of information demand:
 - a. They have a stronger basis for demanding testimony relating to the business of EPB itself, as distinct from the activities of the departments and agencies as described by their heads.
 - b. They can mandate that the Congress be kept "fully and currently informed." Because there are so many committees and subcommittees

with jurisdiction in both domestic and international economic matters, both EPB leadership and staff might find themselves responding to such extensive Congressional demands that their capacity to meet Presidential and Executive Branch need would be impaired.

- c. Congress might also demand access to studies, options, analyses, projections, or other data even of a preliminary nature intended for the President, including access, before the President or others in the Executive Branch have themselves had an opportunity to use such material. The CIEP legislation when enacted, mandated an extremely broad-ranging annual report; there is the real prospect that such a requirement could be extrapolated into the domestic economic area as well, where the conflict with CEA's annual report would be even more pronounced.

- 4. Congressional Committee jurisdiction -- Because there are so many committees and subcommittees dealing with economic affairs, legislation for creating an EPB would precipitate further infighting over jurisdiction both on the enabling bill itself and over continuing substantive jurisdiction. If the enabling legislation is clearly cast as an "organization" bill,

it might be steered to the more neutral Government Operations Committee where the Administration could attempt to address the organizational intent rather than policy issues. There is, however, no guarantee of safety in this route, and it would not resolve the intense jurisdictional competition for continuing oversight. Using the reasoning that we are proposing an "organization" bill, we would propose to draft minimal legislation seeking only the statutory basis for an EPB chaired by the President who is free to designate additional members as he chooses and to appoint such staff officials as he deems necessary. We would then seek to hold the line against Christmas-treeing, including reintroduction of provisions in the current CIEP statute which we can do without.

5. EPB budget and staff -- Enabling legislation would undoubtedly furnish the necessary statutory basis for the direct appropriation of the necessary funds to provide whatever staff resources (and consultant services) are considered necessary. These resource needs would obviously have to be justified to Congress, but, given the importance of the subject matter,

reasonable Congressional reaction seems likely.

How important this advantage is, is a function of the urgency for staff resources which cannot be obtained except by this route.

6. Combining EPB and CIEP -- It is understood that EPB and CIEP are, at least in part, motivated by the possibility of using current CIEP staff capability to meet the needs for staff in the domestic economic arena. Statutory enablement for EPB would solve that need directly and thus reduces at least that reason for combination.

OPTION II - Non-statutory Approaches for Improving
EPB/CIEP Roles and Resources

An alternative to formal statutory creation of EPB and combination with CIEP lies in the potential to solve perceived problems within the present arrangements -- that is, a statutory CIEP and an EPB established and defined by the President by Executive Order. The specific concerns discussed in Option I appear as follows:

1. The defined role of EPB -- The President would retain his present latitude in accommodating his use of EPB as he sees fit to meet changing circumstances. This means he is free to make changes in membership, the chairman, the executive director, the stated definition of EPB's role or priorities or any other aspect of the Board's functioning. Formal combination with CIEP, however, is not possible because CIEP is locked in statute. We would therefore have to continue to explain the relationship between the two and to integrate their efforts without organizational combination.
2. Confirmation -- If the Congress seeks to require confirmation of the Executive Director of EPB, they would have to introduce separate legislation to do so and could not ride a bill which is a Presidential initiative. Such legislation could be more effectively opposed by the Administration.



3. Congressional demands for information -- In the absence of a statute which mandates EPB responsibilities to the Congress, EPB can be freer in retaining control of material intended as confidential advice to the President and avoiding premature release of preliminary work. Requirements for EPB to testify could continue to be met by any member already confirmed.
4. Congressional committee jurisdiction -- The absence of legislation would avoid putting EPB in the middle of the Congressional jurisdiction conflict and would also leave the jurisdictional issues surrounding CIEP alone. The Executive Director of CIEP would obviously continue to testify on international economic matters and careful coordination would still be needed to assure a consistent Administration posture before the many Congressional committees involved.
5. EPB budget and staff -- In the absence of an authorizing statute, the EPB and the Assistant to the President for Economic Affairs would continue to face the problem of finding staff resources to undertake both the substantive



analysis and the administrative work required to support the Board. It is also recognized that resources available through the White House budget will continue to be limited. A number of avenues for tapping staff capability would have to be pursued:

- a. Some continuing use of CIEP staff is warranted in areas of common concern. CIEP staff assistance should not however be asked to work in areas of purely domestic economic concern, since that might be seen as being outside of the purposes for which CIEP funds are authorized.
- b. The National Security Council has successfully employed a system by which it defines specific studies or analyses it wants undertaken, and then places requirements on departments and agencies having the appropriate staff resources to prepare reports for the Council. This approach might include longer term assignments such as reassessment of the adequacy of statistical information or providing computerized information service to the Board.
- c. Some use can be made of people borrowed from other government organizations for a fixed period of time, either for administrative or analytical duties.



THE WHITE HOUSE
WASHINGTON

DATE: 2-10-75

TO: _____

Dang

FROM: Max L. Friedersdorf

Please handle _____



Please see me _____

For your information _____

Other

THE WHITE HOUSE

WASHINGTON

February 8, 1975

MEMORANDUM TO: MAX FRIEDERSDORF

FROM: JACK MARSH

A handwritten signature in black ink, appearing to read "Jack Marsh", is written over the printed name "JACK MARSH". The signature is fluid and cursive, with a large loop at the end.

Please have Doug Bennett touch base with Phil Buchen in reference to certain statutory authorities involving the Council of Economic Advisors and related efforts here in the White House.

COUNCIL ON INTERNATIONAL ECONOMIC POLICY

February 11, 1975

FOR: DOUG BENNETT

Per our telephone conversation.

Skip
SKIP HARTQUIST



COUNCIL ON INTERNATIONAL ECONOMIC POLICY
WASHINGTON, D.C. 20500

February 4, 1975

MEMORANDUM FOR

PHILIP W. BUCHEN

SUBJECT: Legislation Regarding Economic Policy Board

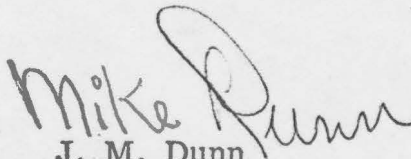
Attached for your review is a version of the Economic Policy Board legislation which has been revised in accordance with your suggestions as follows:

(1) Section 3 - Optional paragraph inserted.

(2) Section 5 - Head of staff is designated as Executive Director, who will be appointed by the President. The reference to leases (subparagraph (e)) has been deleted.

Our instructions are that the Assistant to the President for Economic Affairs is to be a member of the Board, so we have left Section 4 as is.

The President's message to Congress has also been revised accordingly.


J. M. Dunn
Acting
Executive Director

Attachments

CC:

Jay T. French - Rm 110

Roger Porter - Rm 200

Robert Walthieus - EW 112

Charles Bingman - Rm 10236 - New EOB



**PRESIDENTIAL MESSAGE TO CONGRESS TO ACCOMPANY THE
ECONOMIC POLICY BOARD ACT OF 1975**

Dear Mr. Speaker (Mr. President):

I am submitting herewith proposed legislation to the Congress to establish the President's Economic Policy Board, which will oversee the formulation, coordination and implementation of economic policy.

The Economic Policy Board was originally established by Executive Order 11808 on October 1, 1974 and over the past four months, I have found it extremely useful in focusing attention throughout the Executive Branch on critical economic issues and at the same time providing a workable forum for the consideration of solutions to our economic problems.

The purpose of this legislation is to establish the Economic Policy Board by law and to provide the Board with a staff. I feel this legislation will greatly strengthen what I have found to be a very effective organization for ensuring coordination among the many executive departments and agencies presently supporting the decision-making process on economic policy matters.

The proposed legislation provides that the Board will oversee the formulation, coordination, and implementation of all economic policy of the United States, serve as the focal point for economic policy decision-making, and make such reports and give such advice to the President as it deems appropriate or as the President may require.

The Board will consist of the President; the Vice President; the Assistant to the President for Economic Affairs; the Secretary of State; the Secretary of the Treasury; the Secretary of Defense; the Secretary of the Interior; the Secretary of Agriculture; the Secretary of Commerce; the Secretary of Labor; the Secretary of Health, Education, and Welfare; the Secretary of Housing and Urban Development; the Secretary of Transportation; the Director of the Office of Management and Budget; the Chairman of the Council of Economic Advisers; and the Special Representative for Trade Negotiations.



The staff of the Board will be headed by an Executive Director appointed by the President. The role of the staff will be to assist the Board in coordinating and implementing economic policy. There are many departments and agencies within the Executive Branch which are directly or indirectly concerned with economic policies. Since these departments and agencies represent a wide range of economic interests, it is important that the staff responsible for coordinating the inputs to and outputs from the Economic Policy Board be independent from any single agency. In this way, all views regarding both domestic and international issues will be incorporated into the decision-making process in an orderly manner.

The Board will be responsible for ensuring adequate coordination among existing and proposed committees relating to economic policy. This includes the Council on Wage and Price Stability, the National Commission on Productivity and Work Quality, the National Advisory Council on International Monetary and Financial Policies, and the East-West Foreign Trade Board.

Since the Economic Policy Board will be responsible for providing advice to the President concerning both national and international economic policy, the Council on International Economic Policy will be abolished. This action should not be considered to be a deemphasis of international economic policy. On the contrary, changing economic conditions and the greater internationalization of our economy require a closer coordination between our domestic and international economic policies. The Council's staff and resources will be transferred to the Economic Policy Board effective on the date of enactment of this legislation. It is anticipated that the total White House resources allocated to the Board will be about the same as are presently devoted to economic policy matters.

I urge the Congress to act promptly in passing this legislation. No greater problems face this nation today than those involving economic policy. It is vitally important that the resources of the Federal Government be channeled in the most efficient way possible, and this legislation will help to accomplish that goal.

A BILL

To establish the President's Economic Policy Board, and for other purposes.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Policy Board Act of 1975."

Sec. 2. There is hereby established the President's Economic Policy Board (hereinafter in this chapter referred to as the "Board").

Sec. 3. Subject to the direction of the President, and in addition to performing such other functions as he may direct, the Board shall oversee the formulation, coordination, and implementation of all economic policy of the United States, serve as the focal point for economic policy decision-making, and make such reports and give such advice to the President as it deems appropriate or as the President may require.

Sec. 4. The Board shall be composed of the following members and such additional members as the President may designate:

- (1) The President.
- (2) The Vice President.
- (3) The Assistant to the President for Economic Affairs.
- (4) The Secretary of State.
- (5) The Secretary of the Treasury.
- (6) The Secretary of Defense.
- (7) The Secretary of the Interior.
- (8) The Secretary of Agriculture.
- (9) The Secretary of Commerce.
- (10) The Secretary of Labor.
- (11) The Secretary of Health, Education, and Welfare.
- (12) The Secretary of Housing and Urban Development.
- (13) The Secretary of Transportation.
- (14) The Director of the Office of Management and Budget.
- (15) The Chairman of the Council of Economic Advisers.
- (16) The Special Representative for Trade Negotiations.

The President shall preside over meetings of the Board: Provided, That in his absence he may designate a member of the Board to preside in his place.

Sec. 5. (a) The staff of the Board shall be headed by an Executive Director who shall be appointed by the President. The Executive Director shall be compensated at the rate now or hereafter provided for level II of the Executive Schedule (5 U. S. C. 5313).

(b)(1) The Executive Director may appoint and fix the compensation of such staff personnel as he deems necessary. The staff of the Board shall be appointed and compensated without regard to the provisions of law regulating the employment and compensation of persons in the Government service: Provided, That, except for the officers provided for in paragraph (2) and for not to exceed 10 persons who may receive compensation not in excess of the rate now or hereafter provided for GS-18, no staff personnel shall receive compensation in excess of the rate now or hereafter provided for GS-15.

(2) The Executive Director may appoint and fix the compensation of two officers at a rate of basic compensation not to exceed the rate provided for level III of the Federal Executive Salary Schedule, and appoint and fix the compensation of four officers at rates of basic compensation not to exceed the rate provided for level V of the Federal Executive Salary Schedule.

(c) The Executive Director may procure temporary and intermittent service to the same extent as is authorized by section 3100 of title 5, United States Code, at rates not to exceed the daily equivalent of the rate provided for GS-18.

(d) Upon request of the Executive Director, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to the Board to assist it in carrying out its duties under this title.

(e) The Executive Director may enter into and perform contracts, cooperative agreements, or other similar transactions with any public agency or instrumentality or with any person, firm, association, corporation, or institution.

Sec. 6. The Council on International Economic Policy is hereby abolished. The International Economic Policy Act of 1972, as amended (22 U.S.C. 2841-2849), is hereby repealed.

Sec. 7. The records, property, personnel, and unexpended balances of appropriations, authorizations, allocations and other funds held, used, arising from, available to, or to be made available to the Council on International Economic Policy, are hereby transferred to the Economic Policy Board.

Sec. 8. For the purpose of carrying out the provisions of this title, there are authorized to be appropriated such sums as may be necessary.

COUNCIL ON INTERNATIONAL ECONOMIC POLICY
WASHINGTON, D.C. 20500

MEMORANDUM FOR

PHILIP W. BUCHEN

SUBJECT: Legislation Regarding Economic Policy Board

Attached are three items for your review. Items (1) and (2) represent optional approaches in drafting the EPB bill:

(1) Draft legislation to establish the Economic Policy Board by amending the International Policy Act of 1972 (TAB A).

(a) A version of (1) showing changes in existing law (TAB B).

(2) Draft legislation establishing the Economic Policy Board and repealing the International Economic Policy Act of 1972 (TAB C).

I recommend we submit to Congress the draft legislation establishing the EPB and repealing the International Economic Policy Act of 1972 (Tab C above). It seems to me that this legislation should be presented to the Congress as an additional effort by the President to solve the difficult economic problems facing the nation, rather than as an "upgrading" of CIEP. Legislation amending the CIEP statute (Tab A) would tend to understate the importance of the EPB itself while emphasizing the broadening of CIEP's responsibilities.

The basic arguments for establishing the EPB by legislation are as follows:

(1) The President is reinforcing his determination to cooperate with the Congress in solving our economic problems by establishing the EPB by statute, making it accountable to Congress.

(2) In order to support the decision-making process within the EPB, and assure coordination among Federal departments and agencies on economic matters, the President has decided to provide the EPB with a small, highly qualified staff.

While I agree with your assessment that it is important to retain the support of CIEP's constituency on the Hill, I believe our supporters will favor giving the EPB a legislative mandate, particularly if they are assured that CIEP's functions regarding international economic policy will be continued under the umbrella of the EPB setup. With respect to Congressional leaders, key Committee chairmen and the membership at large who may not be intimately familiar with CIEP, however, I think it is important to submit the proposal as a new law rather than as an amendment to an existing statute which deals with international economic matters. This is even more important with respect to the presentation of the proposal to the press and the general public.

OMB also recommends following the approach taken in Tab C, for the following reasons:

(1) If the legislation is drafted in the form of a reorganization of the Executive Office, it is more likely to be referred to the Government Operations Committees than the Banking Committees. This is desirable, because the testimony of the Administration witness would then be focused on organizational matters rather than a detailed examination of economic policy. This is particularly important because Senator Proxmire and Congressman Reuss, vocal critics of the Administration's economic program, chair the Banking Committees.

(2) If the legislation is referred to the Government Operations Committees, we have more flexibility in deciding who the Administration witness will be. It may be desirable to have the Director of the Office of Management and Budget testify, rather than Mr. Seidman. This would avoid the complication of having an Assistant to the President testify (though the Assistant to the President would be testifying in his capacity as the President's nominee for Executive Director of the Board).

(3) As a reorganization proposal, the draft legislation is less likely to be encumbered with detailed amendments requiring an annual report, reports to various congressional committees and so forth.

(4) This method of establishing the EPB is in accord with the President's desire to set up an "NSC-type" organization for economic policy.

J. M. Dunn
Acting
Executive Director

Attachments



A BILL

To establish the President's Economic Policy Board, to amend the International Economic Policy Act of 1972, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Policy Act of 1975."

Sec. 2. Section 202 of the International Economic Policy Act of 1972 (22 U.S.C. 2841) is amended by striking out "a more rational and orderly international economic policy for", and inserting in lieu thereof "the domestic and international economic policy of".

Sec. 3. Section 203 of the International Economic Policy Act of 1972 (22 U.S.C. 2842) is amended -

- (1) by inserting immediately after "purposeful" in the second sentence thereof "domestic and";
- (2) by striking out "(1)" in the second sentence thereof;
- (3) by striking out everything following "activity" in the second sentence thereof and placing a period after "activity";

- (4) by striking out "a Council on International Economic Policy" in the third sentence and inserting in lieu thereof "an Economic Policy Board";
- (5) by amending the first clause of subparagraph (A) by inserting immediately after "of" the following:
"domestic and"; and by amending the second clause thereof by striking out "international" and by striking out "including trade, investment, balance of payments, and finance";
- (6) by amending subparagraph (C) by inserting immediately after "coordination" the following: "of international economic policy"; and
- (7) by amending the last sentence by striking out "Council" and inserting in lieu thereof "Board", by inserting immediately after "long-range development of" the following: "domestic and", and by striking out "a rational and orderly international economic policy for" and inserting in lieu thereof "the domestic and international economic policy of".

Sec. 4. Section 204 of the International Economic Policy Act of 1972 (22 U.S.C. 2843) is amended by striking out "a Council on International Economic Policy (hereinafter referred to in this title as the "Council"))" and inserting in lieu thereof "an Economic Policy Board (hereinafter referred to as the "Board"))".

Sec. 5. Section 205 of the International Economic Policy Act of 1972 (22 U.S.C. 2844) is amended -

- (1) by striking out "Council" in the first sentence and inserting in lieu thereof "Board";
- (2) by adding the following new subparagraphs -
 - "(1) The President. "
 - "(2) The Vice President. "
 - "(6) The Secretary of the Interior. "
 - "(10) The Secretary of Health, Education, and Welfare. "
 - "(11) The Secretary of Housing and Urban Development. "
 - "(13) The Assistant to the President for Economic Affairs. ";
- (3) by redesignating subparagraphs (1), (2), (3), (4), (5), (6), (7), (8), (9) and (10) as subparagraphs (3), (4), (5), (7), (8), (9), (12), (14), (15), and (16), respectively; and
- (4) by striking out "Council" both times it appears in the last sentence and inserting in lieu thereof "Board".

Sec. 6. There shall be an Executive Committee of the Board which shall be composed of such members as the President may designate. The President shall designate the Chairman of the Executive Committee from among its members. The Executive Committee shall meet from time to time to consider matters involving responsibilities of the Board.

Sec. 7. Section 206 of the International Economic Policy Act of 1972 (U.S.C. 2845) is hereby repealed.

Sec. 8. Subject to the direction of the President, and in addition to performing such other functions as he may direct, the Board shall -

- (1) Advise the President concerning all aspects of national and international economic policy.
- (2) Oversee the formulation, coordination, and implementation of all economic policy of the United States.
- (3) Serve as the focal point for economic policy decision-making.
- (4) Coordinate the activities of all the departments and agencies of the United States with one another for the purpose of accomplishing a more consistent domestic and international economic policy.
- (5) Make such recommendations and reports to the President as it deems appropriate or as the President may require.

(6) Assist and advise the President in the preparation of the Economic Policy Report required under Section 10 of this title.

Sec. 9. Section 207 of the International Economic Policy Act of 1972 (22 U. S. C. 2846) is hereby repealed.

Sec. 10. The President shall transmit to the Congress an annual Economic Policy Report on the activities of the Board, setting forth a program for carrying out the policy objectives of this title, together with such recommendations for legislation as he may deem necessary or advisable.

The President may transmit from time to time reports supplementary to the Economic Policy Report, each of which may include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the purposes and policy objectives set forth in this title.

Sec. 11. Section 208 of the International Economic Policy Act of 1972 (22 U. S. C. 2847) is amended -

- (1) by striking out "Council" in both places it appears in paragraph (a) and inserting in lieu thereof "Board", and by inserting immediately after "President" in the first sentence thereof "by and with the advice and consent of the Senate,";



- (2) by striking out "Council, " in the first sentence of subparagraph (b)(1) and inserting in lieu thereof "Board,";
- (3) by striking out the second sentence of subparagraph (b)(1) and inserting in lieu thereof "The staff of the Board shall be appointed and compensated without regard to the provisions of law regulating the employment and compensation of persons in the Government service: Provided, That, except for the officers provided for in paragraph (2) and for not to exceed ____ persons who may receive compensation not in excess of the rate now or hereafter provided for GS-18, no staff personnel shall receive compensation in excess of the rate now or hereafter provided for GS-15. ";
- (4) by striking out "Council" in subparagraph (b)(2) and inserting in lieu thereof "Board", and by striking out "one", "IV", "two", and "V" and inserting in lieu thereof "____", "____", "____", and "____", respectively; and
- (5) by striking out "Council" in paragraph (d) and inserting in lieu thereof "Board".

Sec. 12. Section 5 of (Public Law 93-121) (22 U.S.C. 2847a) is hereby repealed.

Sec. 13. Section 209 of the International Economic Policy Act of 1972 (22 U.S.C. 2848) is hereby repealed.

Sec. 14. Section 210 of the International Economic Policy Act of 1972, as amended (22 U.S.C. 2849) is amended by striking out "not to exceed \$1,800,000 for fiscal year 1975.", and inserting in lieu thereof "such sums as may be necessary."

TAB B



A BILL

To establish the President's Economic Policy Board, and for other purposes.

(SHOWING CHANGES IN EXISTING LAW MADE BY THE BILL. EXISTING LAW PROPOSED TO BE OMITTED IS LINED THROUGH, NEW MATTER IS UNDERLINED, AND EXISTING LAW IN WHICH NO CHANGE IS PROPOSED IS SHOWN IN REGULAR TYPE.)

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Policy Act of 1975".

Sec. 202. It is the purpose of this title to provide for closer Federal interagency coordination in the development of ~~a more rational and orderly~~ the domestic and international economic policy ~~for~~ of the United States.

Sec. 203. The Congress finds that there are many activities undertaken by various departments, agencies, and instrumentalities of the Federal Government which, in the aggregate, constitute the domestic and international economic policy of the United States. The Congress

further finds that the objectives of the United States with respect to a sound and purposeful domestic and international economic policy can be better accomplished through the closer coordination of (1)- domestic and foreign economic activity, and (2)- in particular, -that economic behavior which, -taken together, - constitutes United States international economic policy. Therefore this Act establishes a Council on International Economic Policy an Economic Policy Board which will provide for -

(A) a clear top level focus for the full range of domestic and international economic issues; deal with international economic policies including trade, -investment, -balance-of-payments, -and finance - as a coherent whole;

(B) consistency between domestic and foreign economic policy; and

(C) close coordination of international economic policy with basic foreign policy objectives.

The Congress intends that the Council Board shall be provided with the opportunity to (i) investigate problems with respect to the coordination, implementation, and long-range development of domestic and international economic policy, and (ii) make appropriate findings

and recommendations for the purpose of assisting in the development of ~~a-rational-and-orderly-international~~ the domestic and international economic policy ~~for~~ of the United States.

Sec. 204. There is created in the Executive Office of the President ~~a-Council-on-International-Economic-Policy-(hereinafter-referred-to-~~
~~in-this-title-as-the-"Council")-~~ an Economic Policy Board (hereinafter
referred to as the "Board").

Sec. 205. The ~~Council~~ Board shall be composed of the following members and such additional members as the President may designate:

- (1) The President.
- (2) The Vice President.
- ~~(1)~~ (3) The Secretary of State.
- ~~(2)~~ (4) The Secretary of the Treasury.
- ~~(3)~~ (5) The Secretary of Defense.
- (6) The Secretary of the Interior.
- ~~(4)~~ (7) The Secretary of Agriculture.
- ~~(5)~~ (8) The Secretary of Commerce.
- ~~(6)~~ (9) The Secretary of Labor.
- (10) The Secretary of Health, Education, and Welfare.

(11) The Secretary of Housing and Urban Development.

(7)-(12) The Secretary of Transportation.

(13) The Assistant to the President for Economic Affairs.

(8)-(14) The Director of the Office of Management and Budget.

(9)-(15) The Chairman of the Council of Economic Advisers.

(10) (16) The Special Representative for Trade Negotiations.

The President shall designate the Chairman of the Council Board from among the members of the Council Board.

stubs
Sec. ____ There shall be an Executive Committee of the Board which shall be composed of such members as the President may designate.

The President shall designate the Chairman of the Executive Committee from among its members. The Executive Committee shall meet from time to time to consider matters involving responsibilities of the Board.

~~Sec. 206.--Subject to the direction of the President, and in addition to performing such other functions as he may direct, the Council shall--~~

~~(1)--Assist and advise the President in the preparation of the International Economic Report required under section 207.~~

(2) ~~Review the activities and the policies of the United States Government which indirectly or directly relate to international economies and, for the purpose of making recommendations to the President in connection therewith, consider with some degree of specificity the substance and scope of the international economic policy of the United States, which consideration all include examination of the economic activities of (A) the various agencies, departments, and instrumentalities of the Federal Government, (B) the several States, and (C) private industry.~~

(3) ~~Collect, analyze, and evaluate authoritative information, current and prospective, concerning international economic matters. Such evaluations shall include but not be limited to the impact of international trade on the level, stability, and financial rewards for domestic labor and the impact of the transnational corporation on international trade flows.~~

(4) ~~Consider policies and programs for coordinating the activities of all the departments and agencies of the United States with one another for the purpose of accomplishing a more consistent international economic policy, and make recommendations to the President in connection therewith.~~

(5) - Continually assess the progress and effectiveness of Federal -- efforts to carry out a consistent international economic policy. -

(6) - Make recommendations to the President for domestic and foreign programs which will promote a more consistent international economic policy on the part of the United States and private industry. - Recommendations under this paragraph shall include, - but shall not be limited to, - policy proposals relating to monetary mechanisms, - foreign investment, - trade, - the balance of payments, - foreign aid, - taxes, - international tourism and aviation, - and international treaties and agreements relating to all such matters. - In addition to other appropriate objectives, - such policy proposals should be developed with a view toward ---

(A) - strengthening the United States competitive position in world -- trade;

(B) - achieving equilibrium in international payment accounts of the United States;

(C) - increasing exports of goods and services;

(D) - protecting and improving the earnings of foreign investments - consonant with the concepts of tax equity and the need for domestic investment;

(E) - achieving freedom of movement of people, - goods, - capital, - information, - and technology on a reciprocal and worldwide basis; -

~~(F) - increasing the real employment and income of workers and consumers on the basis of international economic activity; and~~

~~(G) - preserving the diversified industrial base of the United States.~~

Sec. _____ Subject to the direction of the President, and in addition to performing such other functions as he may direct, the Board shall -

- (1) Advise the President concerning all aspects of national and international economic policy.
- (2) Oversee the formulation, coordination, and implementation of all economic policy of the United States.
- (3) Serve as the focal point for economic policy decision-making.
- (4) Coordinate the activities of all the departments and agencies of the United States with one another for the purpose of accomplishing a more consistent domestic and international economic policy.
- (5) Make such recommendations and reports to the President as it deems appropriate or as the President may require.
- (6) Assist and advise the President in the preparation of the Economic Policy Report required under Section 8 of this title.

Sec. 207. -- (a) -- The President shall transmit to the Congress an annual report on the international economic position of the United States. --- Such report (hereinafter referred to as the "International Economic Report") shall be submitted not later than sixty days after the beginning of each regular session of the Congress, and shall include --

(1) -- information and statistics describing characteristics of international economic activity and identifying significant current and foreseeable trends and developments;

(2) -- a review of the international economic program of the Federal Government and a review of domestic and foreign economic conditions and other significant matters affecting the balance of international payments of the United States and of their effect on the international trade, investment, financial, and monetary position of the United States; --

(3) -- a review of the impact of international voluntary standards, the foreign investments of United States based transnational firms, and the level of foreign wage rates on the level, stability, and financial reward for domestic employment;

(4) -- a comparative description and analysis of the following subject matter, with respect to the United States, the European Community and principal countries within the European Community, Japan, and whenever applicable, the Union of Soviet Socialist Republics --

~~(A) - research and development expenditures, - and productivity and technological trends in major industrial and agricultural sectors;~~

~~(B) - investment patterns in new plant and equipment;~~

~~(C) - industrial manpower and training practices;~~

~~(D) - tax incentives and other governmental financial assistance;~~

~~(E) - export promotion practices;~~

~~(F) - share of the export market, by area and industrial and agricultural sectors;~~

~~(G) - environmental practices;~~

~~(H) - antitrust practices; and~~

~~(I) - long-range governmental economic planning programs, targets, - and objectives;~~

~~(5) - a review of the relationship between the United States Government and American private business with respect to the categories of subject matter listed in subparagraphs (A) through (I) of paragraph (4) and any other appropriate areas of information, together with recommendations for appropriate policies and programs in order to insure that American business is competitive in international commerce; and~~

~~(6) a program for carrying out the policy objectives of this title, together with such recommendations for legislation as he may deem necessary or desirable. -~~

~~-(b) The President may transmit from time to time to the Congress reports supplementary to the International Economic Report, each of which may include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the purposes and policy objectives set forth in this title.~~

Sec. ____ The President shall transmit to the Congress an annual Economic Policy Report on the activities of the Board, setting forth a program for carrying out the policy objectives of this title, together with such recommendations for legislation as he may deem necessary or advisable.

The President may transmit from time to time reports supplementary to the Economic Policy Report, each of which may include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the purposes and policy objectives set forth in this title.



~~Section 5 of Public Law 93-121 (87 Stat. 448), stated:-~~

~~"Sec. 5.- Notwithstanding the provisions of section 208(a) of the International Economic Policy Act of 1972, any future Executive Director of the Council on International Economic Policy appointed after the date of the enactment of this bill shall be appointed by the President, by and with the advice and consent of the Senate."~~

Sec. 208. (a) The staff of the Council Board shall be headed by an Executive Director who shall be appointed by the President, by and with the consent of the Senate, and he shall be compensated at the rate now or hereafter provided for level II of the Executive Schedule (5 U. S. C. 5313). He shall keep the Committee on Banking, Housing and Urban Affairs of the Senate, the Committee on Banking and Currency of the House of Representatives, the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Joint Economic Committee fully and currently informed regarding the activities of the Council Board.

(b)(1) With the approval of the Council Board, the Executive Director may appoint and fix the compensation of such staff personnel as he deems necessary. ~~Except as provided in paragraph (2), the staff of the Council shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.~~



The staff of the Board shall be appointed and compensated without
regard to the provisions of law regulating the employment and compensation
of persons in the Government service: Provided. That, except for the
officers provided for in paragraph (2) and for not to exceed ____ persons
who may receive compensation not in excess of the rate now or hereafter
provided for GS-18, no staff personnel shall receive compensation in
excess of the rate now or hereafter provided for GS-15.

(2) With the approval of the ~~Council~~ Board, the Executive Director may appoint and fix the compensation of one ____ officer(s) at a rate of basic compensation not to exceed the rate provided for level IV-____ of the Federal Executive Salary Schedule, and appoint and fix the compensation of ~~two~~ ____ officers at rates of basic compensation not to exceed the rate provided for level V-____ of the Federal Executive Salary Schedule.

(c) With the approval of the Council, the Executive Director may procure temporary and intermittent service to the same extent as is authorized by section 3100 of title 5, United States Code, at rates not to exceed the daily equivalent of the rate provided for GS-18.

(d) Upon request of the Executive Director, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to the ~~Council~~ Board to assist it in carrying out its duties under this title.



~~Sec. 209.--The provisions of this title shall expire on June 30, 1977, unless extended by legislation enacted by the Congress.~~

Sec. 210. For the purpose of carrying out the provisions of this title, there are authorized to be appropriated ~~not to exceed~~ \$1,800,000 ~~for fiscal year 1975.~~ such sums as may be necessary.

Sec. The International Economic Policy Act of 1972, as amended, (22 U.S.C. 2841-2849), is hereby repealed.



TAB C



A BILL

To establish the President's Economic Policy Board, and for other purposes.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Policy Board Act of 1975."

Sec. 2. There is hereby established the President's Economic Policy Board (hereinafter in this chapter referred to as the "Board").

Sec. 3. Subject to the direction of the President, and in addition to performing such other functions as he may direct, the Board shall -

- (1) Advise the President concerning all aspects of national and international economic policy.
- (2) Oversee the formulation, coordination, and implementation of all economic policy of the United States.
- (3) Serve as the focal point for economic policy decision-making.
- (4) Make such recommendations and reports to the President as it deems appropriate or as the President may require.



Sec. 4. The Board shall be composed of the following members and such additional members as the President may designate:

- (1) The President.
- (2) The Vice President.
- (3) The Secretary of State.
- (4) The Secretary of the Treasury.
- (5) The Secretary of Defense.
- (6) The Secretary of the Interior.
- (7) The Secretary of Agriculture.
- (8) The Secretary of Commerce.
- (9) The Secretary of Labor.
- (10) The Secretary of Health, Education, and Welfare.
- (11) The Secretary of Housing and Urban Development.
- (12) The Secretary of Transportation.
- (13) The Assistant to the President for Economic Affairs.
- (14) The Director of the Office of Management and Budget.
- (15) The Chairman of the Council of Economic Advisers.
- (16) The Special Representative for Trade Negotiations.

The President shall preside over meetings of the Board: Provided, That in his absence he may designate a member of the Board to preside in his place.



Sec. 5. (a) The staff of the Board shall be headed by an Executive Director who shall be appointed by the President. The Executive Director shall be compensated at the rate now or hereafter provided for level II of the Executive Schedule (5 U.S.C. 5313).

(b)(1) With the approval of the Board, the Executive Director may appoint and fix the compensation of such staff personnel as he deems necessary. The staff of the Board shall be appointed and compensated without regard to the provisions of law regulating the employment and compensation of persons in the Government service: Provided, That, except for the officers provided for in paragraph (2) and for not to exceed ____ persons who may receive compensation not in excess of the rate now or hereafter provided for GS-18, no staff personnel shall receive compensation in excess of the rate now or hereafter provided for GS-15.

(2) With the approval of the Board, the Executive Director may appoint and fix the compensation of ____ officer(s) at a rate of basic compensation not to exceed the rate provided for level ____ of the Federal Executive Salary Schedule, and appoint and fix the compensation of ____ officer(s) at rates of basic compensation not to exceed the rate provided for level ____ of the Federal Executive Salary Schedule.



(c) With the approval of the Council, the Executive Director may procure temporary and intermittent service to the same extent as is authorized by section 3100 of title 5, United States Code, at rates not to exceed the daily equivalent of the rate provided for GS-18.

(d) Upon request of the Executive Director, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of its personnel to the Board to assist it in carrying out its duties under this title.

Sec. 6. The Council on International Economic Policy is hereby abolished. The International Economic Policy Act of 1972, as amended (22 U. S. C. 2841-2849), is hereby repealed.

Sec. 7. The records, property, personnel, and unexpended balances of appropriations, authorizations, allocations and other funds held, used, arising from, available to, or to be made available to the Council on International Economic Policy, are hereby transferred to the Economic Policy Board.

Sec. 8. For the purpose of carrying out the provisions of this title, there are authorized to be appropriated such sums as may be necessary.



THE WHITE HOUSE

WASHINGTON

February 12, 1975

MEMORANDUM FOR:

PHILIP W. BUCHEN
L. WILLIAM SEIDMAN

THRU:

JOHN O. MARSH
MAX L. FRIEDERSDORF *M. 6.*
VERN LOEN *VL*

FROM:

DOUGLAS P. BENNETT *DPB*

SUBJECT:

Feasibility of Seeking a Statutory
Economic Policy Board (EPB)

This memorandum is not intended to analyze the merits or demerits of such a policy decision but to shed some light on possible congressional reaction should the decision be made to seek statutory authority for the Economic Policy Board (EPB) in conjunction with a merger of the Council on International Economic Policy (CIEP).

Legislative History

The EPB was created by Executive Order on October 1, 1974. CIEP was established by Executive Order in 1971 with statutory authority provided August 29, 1972 under the International Economic Policy Act of 1972. The original legislation was jointly considered by the Senate Banking, Housing and Urban Affairs Committee and the Senate Foreign Relations Committee and by the House Banking and Currency Committee. It should be noted that the committee chairmen involved were Senator Sparkman (Banking), Senator Fulbright (Foreign Relations) and Representative Patman (Banking). Both House and Senate conferees were appointed from the respective Banking Committees.

In addition to creating this Council by statute and delineating its functions, the Congress required an annual report to be transmitted to the Congress at approximately the same time as the report of the Council of Economic Advisors (CEA) and required "keeping fully and currently informed the banking committees and the foreign policy committees of the Senate and the House of Representatives, as well as the Joint Economic Committee". The move to require Senate confirmation of the Council's Executive Director was defeated in the Senate Banking Committee by a vote of 9 to 5. Statutory authority for the CIEP was to expire June 30, 1973 subject to extension by the Congress.



Apparently, enactment of this statute was not inspired by strong Congressional motivation but was rather the fruit of untiring and diligent efforts on the part of Peter Flannigan and was agreed to by the Congress at the Administration's request. Confirmation of the Executive Director was not included primarily as a favor to Mr. Flannigan although Senator Mondale was most anxious to include this provision in the basic law.

In 1973 the Congress adopted various amendments to the International Economic Policy Act of 1972. The two major provisions were as follows:

- (1) Extended the expiration date of the Council from June 30, 1973 to June 30, 1977; and
- (2) Appointment of the Executive Director of the Council other than the incumbent (Peter Flannigan) was made subject to Senate confirmation.

Anticipated Congressional Response

To accomplish merger of the CIEP into a statutorily authorized EPB requires two legislative steps:

- (1) Abolition of the CIEP statutory authority; and
- (2) Statutory creation of the EPB with transfer of CIEP functions to the EPB.

Congressional approval of this merger proposal will not be without difficulty and, in this regard, I believe we should be cognizant of the following:

(1) Repeal of the statute authorizing the CIEP will probably be jointly considered by banking and foreign policy committees of both Houses and, additionally, would be carefully scrutinized by the Joint Economic Committee. Particular attention should be given to the fact that the banking committees have new chairmen. Chairman Reuss of the House Banking and Currency Committee is generally considered to be a reasonably able economist with his greatest interest and expertise in the field of international economics. As a result, we could expect substantial opposition from him. On the other hand, Chairman Proxmire has greater interest in domestic economics and might favor such a merger and the "elevation" of the domestic side (although he understands the interrelation of domestic and international economic policy). Nevertheless, I suspect both committees would perceive this as a downgrading of accent on international economic policy. This would clearly be the view of the House and Senate Foreign Policy committees. Considerable opposition could emanate as a result of this perception.



(2) The role of the Special Trade Representative with respect to the newly created EPB/CIEP would need to be carefully distinguished in light of the recent elevation of the STR to cabinet rank. Chairman Long of the Senate Finance Committee would be particularly disturbed if in any way the STR's responsibilities were diluted. This could prompt jurisdictional involvement of the Senate Finance and House Ways and Means Committees.

(3) Most assuredly Senate confirmation would be required of the Executive Director thereby exacting a promise from the nominee that he will freely and willingly testify before the Congress. Given the state of the world economy and the problems here at home and the extensive politicizing of this issue, the Executive Director would be resolved to extensive congressional testimony and a deluge of written inquiries from the Hill. The congressional demands on his time would be substantial thus possibly diluting his ability to directly serve the President.

(4) In all likelihood the Congress would mandate frequent receipt of information both of a confidential nature as well as formal reports. This would impede the sensitive nature of his responsibilities with respect to the President.

(5) The Congress during consideration of the legislation may redefine responsibilities and purposes of the EPB in such a manner that the President's intent is substantially changed.

Conclusion

Congressional approval of the statutory authority sought could, I am confident, be obtained but there would be a price in the form of exacting numerous promises which may be unacceptable or have the effect of overburdening the Executive Director and impairing his ability to serve the President. I also caution against the extensive use of personnel "on loan" from other congressional appropriated organizations. There is the risk of attracting the attention of Congress thereby subjecting the President to criticism and overzealous scrutiny of the White House budget.



THE WHITE HOUSE
WASHINGTON

February 14, 1975

Doug,

You did a great job on the
EPB memo for Mr. Buchen.

Many thanks.

Jack

MEMORANDUM
OF CALL

TO:

Doug

☐ YOU WERE CALLED BY— ☐ YOU WERE VISITED BY—

Carl Bell

OF (Organization)

CIAP

☐ PLEASE CALL —→ PHONE NO. — *2-7-77*
CODE/EXT. —

☒ WILL CALL AGAIN ☐ IS WAITING TO SEE YOU

☐ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT

MESSAGE

on Mon

Room 213

EOB



*Sent copy of
memo to
him 2/17*

RECEIVED BY

B

DATE

2/14

TIME

5:45

STANDARD FORM 63

REVISED AUGUST 1967

GSA FPMR (41 CFR) 101-11.6

GPO : 1969-048-16-80341-1 382-339

63-108

THE WHITE HOUSE

WASHINGTON

February 12, 1975

MEMORANDUM FOR:

PHILIP W. BUCHEN
L. WILLIAM SEIDMAN

THRU:

JOHN O. MARSH
MAX L. FRIEDERSDORF *M. 6.*
VERN LOEN *VL*

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Congressional approval of this merger proposal will not be without difficulty and, in this regard, I believe we should be cognizant of the following:

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(4) In all likelihood the Congress would mandate frequent receipt of information both of a confidential nature as well as formal reports. This would impede the sensitive nature of his responsibilities with respect to the President.

(5) The Congress during consideration of the legislation may redefine responsibilities and purposes of the EPB in such a manner that the President's intent is substantially changed.

Conclusion

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THE WHITE HOUSE
WASHINGTON

February 12, 1975

MEMORANDUM FOR:

PHILIP W. BUCHEN
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Feasibility of Seeking a Statutory
Economic Policy Board (EPB)

This memorandum is not intended to analyze the merits or demerits of such a policy decision but to shed some light on possible congressional reaction should the decision be made to seek statutory authority for the Economic Policy Board (EPB) in conjunction with a merger of the Council on International Economic Policy (CIEP).

Legislative History

The EPB was created by Executive Order on October 1, 1974. CIEP was established by Executive Order in 1971 with statutory authority provided August 29, 1972 under the International Economic Policy Act of 1972. The original legislation was jointly considered by the Senate Banking, Housing and Urban Affairs Committee and the Senate Foreign Relations Committee and by the House Banking and Currency Committee. It should be noted that the committee chairmen involved were Senator Sparkman (Banking), Senator Fulbright (Foreign Relations) and Representative Patman (Banking). Both House and Senate conferees were appointed from the respective Banking Committees.

In addition to creating this Council by statute and delineating its functions, the Congress required an annual report to be transmitted to the Congress at approximately the same time as the report of the Council of Economic Advisors (CEA) and required "keeping fully and currently informed the banking committees and the foreign policy committees of the Senate and the House of Representatives, as well as the Joint Economic Committee". The move to require Senate confirmation of the Council's Executive Director was defeated in the Senate Banking Committee by a vote of 9 to 5. Statutory authority for the CIEP was to expire June 30, 1973 subject to extension by the Congress.

Apparently, enactment of this statute was not inspired by strong Congressional motivation but was rather the fruit of untiring and diligent efforts on the part of Peter Flannigan and was agreed to by the Congress at the Administration's request. Confirmation of the Executive Director was not included primarily as a favor to Mr. Flannigan although Senator Mondale was most anxious to include this provision in the basic law.

In 1973 the Congress adopted various amendments to the International Economic Policy Act of 1972. The two major provisions were as follows:

(1) Extended the expiration date of the Council from June 30, 1973 to June 30, 1977; and

(2) Appointment of the Executive Director of the Council other than the incumbent (Peter Flannigan) was made subject to Senate confirmation.

Anticipated Congressional Response

To accomplish merger of the CIEP into a statutorily authorized EPB requires two legislative steps:

(1) Abolition of the CIEP statutory authority; and

(2) Statutory creation of the EPB with transfer of CIEP functions to the EPB.

Congressional approval of this merger proposal will not be without difficulty and, in this regard, I believe we should be cognizant of the following:

(1) Repeal of the statute authorizing the CIEP will probably be jointly considered by banking and foreign policy committees of both Houses and, additionally, would be carefully scrutinized by the Joint Economic Committee. Particular attention should be given to the fact that the banking committees have new chairmen. Chairman Reuss of the House Banking and Currency Committee is generally considered to be a reasonably able economist with his greatest interest and expertise in the field of international economics. As a result, we could expect substantial opposition from him. On the other hand, Chairman Proxmire has greater interest in domestic economics and might favor such a merger and the "elevation" of the domestic side (although he understands the interrelation of domestic and international economic policy). Nevertheless, I suspect both committees would perceive this as a downgrading of accent on international economic policy. This would clearly be the view of the House and Senate Foreign Policy committees. Considerable opposition could emanate as a result of this perception.

(2) The role of the Special Trade Representative with respect to the newly created EPB/CIEP would need to be carefully distinguished in light of the recent elevation of the STR to cabinet rank. Chairman Long of the Senate Finance Committee would be particularly disturbed if in any way the STR's responsibilities were diluted. This could prompt jurisdictional involvement of the Senate Finance and House Ways and Means Committees.


(3) Most assuredly Senate confirmation would be required of the Executive Director thereby exacting a promise from the nominee that he will freely and willingly testify before the Congress. Given the state of the world economy and the problems here at home and the extensive politicizing of this issue, the Executive Director would be resolved to extensive congressional testimony and a deluge of written inquiries from the Hill. The congressional demands on his time would be substantial thus possibly diluting his ability to directly serve the President.

(4) In all likelihood the Congress would mandate frequent receipt of information both of a confidential nature as well as formal reports. This would impede the sensitive nature of his responsibilities with respect to the President.

(5) The Congress during consideration of the legislation may redefine responsibilities and purposes of the EPB in such a manner that the President's intent is substantially changed.

Conclusion

Congressional approval of the statutory authority sought could, I am confident, be obtained but there would be a price in the form of exacting numerous promises which may be unacceptable or have the effect of overburdening the Executive Director and impairing his ability to serve the President. I also caution against the extensive use of personnel "on loan" from other congressional appropriated organizations. There is the risk of attracting the attention of Congress thereby subjecting the President to criticism and overzealous scrutiny of the White House budget.



THE WHITE HOUSE
WASHINGTON

February 12, 1975

MEMORANDUM FOR:

PHILIP W. BUCHEN
L. WILLIAM SEIDMAN

THRU:

JOHN O. MARSH
MAX L. FRIEDERSDORF *M. 6.*
VERN LOEN *VL*

FROM:

DOUGLAS P. BENNETT *DPB*

SUBJECT:

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THE WHITE HOUSE

WASHINGTON

March 13, 1975

MEMORANDUM FOR: DOUG BENNETT

FROM: MAX FRIEDERSDORF

M.F.

The Economic Policy Board will hold a meeting from 9 A.M. to 5 P.M. on Saturday, March 15, Room 208, Executive Office Building. It will be attended by Secretary Simon, Bill Seidman, Frank Zarb, Alan Greenspan, Sid Jones and representatives from CIEP and other interested offices.

The topic will be the general economic outlook and budget prospects. This will be the first meeting of this group since back in January prior to the State of the Union. I would like for you to represent our office in this session and be prepared to give our staff a report on Monday morning at our own staff meeting.

I will be attending part of the sessions on Saturday but would like for you to plan to attend the full day if possible.

cc: Jack Marsh
Bob Wolthuis

*Bob will cover plane
10:45 - 2:15*