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THE WHITE HOUSE

WASHINGTON

June 15, 1976

MEMORANDUM FOR: L. WILLIAM SEIDMAN .
FROM: PHIL BUCHEN *P.*
SUBJECT: Administration Policy on
Minimum Wage Legislation

I suggest Option 2 among the six options presented by
Bill Usery.



THE WHITE HOUSE

WASHINGTON

June 14, 1976

MEMORANDUM FOR JOHN O. MARSH
PHILIP BUCHEN ✓
JAMES M. CANNON
MAX FRIEDERSDORF

FROM: L. WILLIAM SEIDMAN *LWS*

SUBJECT: Administration Policy on Minimum Wage Legislation

A draft memorandum from Secretary Usery on "Administration Policy on Minimum Wage Legislation" is attached. EPB Executive Committee members were requested to provide their comments at this morning's meeting.

Secretary Usery is very anxious for some guidance on this issue. I would appreciate your comments and recommendations on the memorandum by Noon, Tuesday, June 15, 1976.

Thank you very much.

Attachment



MEMORANDUM FOR THE PRESIDENT

DRAFT

FROM: W. J. USERY, JR.

SUBJECT: Administration Policy on
Minimum Wage Legislation

Last October, Congressman Dent introduced legislation which would increase the basic minimum wage (now \$2.30) to \$2.65 on July 1, 1976 and \$3.00 on January 1, 1977. Thereafter the bill would index the minimum wage upward twice yearly by percentage increases in the CPI plus a 1 percent add-on at each adjustment.

Currently, however, Congressman Dent and the AFL-CIO are giving greater attention to an informal proposal which would increase the minimum wage to \$2.65 on January 1, 1977 with annual increases thereafter so as to maintain the minimum as a fixed percentage of gross average hourly earnings of non-agricultural workers. This method would "index" the minimum wage to average wages. A number of other wage indexing models have also been discussed informally.

As you know, Congressman Dent delayed action on minimum wage legislation during May so that the Administration could come forward with a "positive" proposal in June. "Positive" was not defined. There was no commitment to present a positive proposal, but if the Administration opposes any increase Congressman Dent may feel that an understanding was broken.

Proposals to increase the minimum wage and especially proposals to index it will be controversial. The minimum wage has always been an emotional issue and is supported by rank and file workers. On the other hand, the economics profession, by-and-large, believes that increases in the minimum wage tend to decrease employment opportunities, especially for certain groups like the elderly, the handicapped, youth, and those seeking part-time employment.* Generally, the business community accepts periodic increases reluctantly and would prefer no increase.

* The Council of Economic Advisers estimates that an increase in the minimum wage to \$2.65 would increase the unemployment rate by ___%.



I am scheduled to meet with Congressman Dent and Andrew Biemiller of the AFL-CIO on June 16 to sound them out on various approaches. It would be desirable to have general guidance from you before that meeting, but you do not need to select a specific proposal yet.

The following are a set of options for minimum wage policy.

OPTION 1: Oppose an increase in the minimum wage at the present time.

This option represents the most conservative approach and is likely to anger Congressman Dent who is expecting a positive proposal in June. An increase could be opposed on the grounds that another increase so soon would hamper the recovery, by reducing employment opportunities and stimulating inflation. On the other hand the most recent increase to \$2.30 on January 1 of this year has already been eaten up by inflation. (The CPI had increased 15.4% since the effective date of the 1974 amendments but the \$2.30 figure represents an increase of only 15 percent in the minimum wage since that time. Increases in the CPI since January have resulted in further erosion.) Opposing any increase will put the Administration in a position to be attacked as opposing the interests of the rank-and-file worker.

OPTION 2: Take no position at this time.

Under this option the Administration would "wait and see" what develops in Congress. It is possible that those in Congress seeking to raise the minimum wage would find relatively little support for major initiatives in this area now. More likely is the possibility of a full-fledged debate on the issue with a fair probability of the passage of legislation both increasing the minimum wage and indexing it to the growth in average wages. While the Administration will come under increasing pressure to take a position it probably will be two or three months before we must comment ourselves.

OPTION 3: Propose a study of the minimum wage including its effects on inflation and unemployment.

This option would pose the dilemma between desirable increases in the minimum wage to compensate for inflation and employment effects of such increases. The study would seek to address this problem and propose solutions.



OPTION 4: Favor a legislated increase but oppose indexing.

This would permit the President to recognize the erosion of the minimum wage due to inflation while avoiding the relatively controversial step of endorsing indexation. However, a somewhat larger increase is likely if indexation is not adopted.

The most frequent figure mentioned in discussions on raising the minimum wage is \$2.65 from the current \$2.30--a 15% increase. It would appear that the "minimum" increase that could be offered for January, 1977 under this option would be \$.15, raising the level to \$2.45. This would just make up for the expected 6% increase in consumer prices between January, 1976 and January, 1977.

The impact of such an increase on inflation and employment opportunities would of course depend on the size of the increase.

OPTION 5: Propose a modest increase in January, 1977, and statutorily mandate for a study to determine the best method for increasing the minimum wage in January 1978. The study might result in a proposal for another simple increase, or some method of indexation.

This option would permit the President to favor an increase in the minimum wage without committing himself on the subject of indexation. It recognizes the complexity of designing a satisfactory indexation formula and provides a method whereby the issue must be addressed in roughly the same time frame as the Dent proposal would address it. While the indexing concept is relatively simple, previous experience with indexing in the case of social security has demonstrated the importance of correct technical design. The two stage approach permits both the Congress and the President flexibility to monitor events, to do further analysis on the appropriateness of indexing, and the effect of various indexing methods, and to exercise judgment in early 1977 as to the best course of action in 1978.



OPTION 6: Favor indexation.

This option probably would be considered the most "positive" by those favoring an increase in the minimum wage. Historical comparisons show that after allowing for the irregular pattern of legislated increases, the minimum wage has, on average, followed the rate of increase for average wages. In particular, the minimum wage has averaged 48 percent of average hourly earnings. Indexing the minimum wage to the historically observed increases in average hourly earnings would have resulted in a minimum wage very close to the current level. Indexing to prices--such as the CPI--would have resulted in a much lower minimum wage level.

In taking this option, there is some risk of future legislated increases on top of the indexed minimum, particularly if it is indexed to the CPI. Wage indexation, however, probably would undercut political support for such increases.

If the Administration adopted this option, it could propose a particular procedure or try to work with Congress to assure a mutually satisfactory method.

RECOMMENDATIONS:



THE WHITE HOUSE

WASHINGTON

July 26, 1976

MEMORANDUM FOR PHILIP BUCHEN ✓
JAMES M. CANNON
JOHN O. MARSH
MAX FRIEDERSDORF

FROM: L. WILLIAM SEIDMAN *LWS*
SUBJECT: U.S. Maritime Policy

The EPB Executive Committee has reviewed the situation in the U.S. maritime industry in light of recent developments and pending legislation. The attached memorandum seeks the President's guidance on the Administration position regarding the most immediate pending legislation directly affecting the maritime industry, S. 2422, a bill to require that oil shipments between the Virgin Islands and the U.S. mainland be carried in U.S. flag ships.

I would appreciate your comments and recommendations on this issue by 2:00 p.m. Tuesday, July 27, 1976.

Thank you very much.

Support Option 3. In additional support of this option, it is our understanding that this measure has not been cleared with the leadership for floor action this year and therefore the prospects for any Senate floor action, regardless of our position, are very remote.

P.W.B.

Philip W. Buchen
Counsel to the President



THE WHITE HOUSE

WASHINGTON

July 27, 1976

MEMO FOR: ED SCHMULTS

FROM: KEN LAZARUS *K*

SUBJECT: Seidman Memo re: U. S.
Maritime Policy

Suggested response:

Support Option 3. In additional support of this option, it is our understanding that this measure has not been cleared with the leadership for floor action this year and therefore the prospects for any Senate floor action, regardless of our position, are very remote.

Approve _____

Disapprove _____



THE WHITE HOUSE

WASHINGTON

July 26, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: L. WILLIAM SEIDMAN
SUBJECT: U. S. Maritime Policy

The EPB Executive Committee has reviewed the situation in the U.S. maritime industry in light of recent developments and pending legislation. This memorandum outlines developments in maritime policy, describes the situation in the U.S. maritime industry, and seeks your guidance on the Administration position regarding the most immediate pending legislation, S. 2422, a bill to require that oil shipments between the Virgin Islands and the U.S. mainland be carried in U.S. flag ships.

Developments in Maritime Policy

Since early 1975 an interagency committee of the Economic Policy Board has monitored the developing tanker situation and considered alternative approaches for providing relief to the industry.

The alternatives most actively considered include a number of forms of oil cargo preference for U.S. flag ships, and the manning of some military cargo vessels by non-government seamen. A meeting on March 7, 1975, with you was arranged for representatives of the industry, including maritime labor spokesmen. The industry representatives indicated that an oil cargo preference measure limited to existing and on-order ships would provide the relief they deemed necessary. An options memorandum on "U.S. Tanker Industry Problems" was sent to you on May 9, 1975. Your decision approving the trial substitution of non-government for government crews on four tankers under long-term charter to the Military Sealift Command is being implemented. However, the maritime industry continues to feel the Administration has not been fully responsive to their needs.

At the April 14, 1976 EPB Executive Committee meeting the Secretary of Commerce was asked to explore again alternative



actions that might help relieve the maritime industry situation. Five options were developed:

- o Limited Oil Cargo Preference
- o Extension of the Jones Act to the Virgin Islands Oil Trade
- o Increased Military Use of Commercial Tankers with Non-government Crews for Underway Replenishment
- o Amendment of "Buy American" Provisions of the Merchant Marine Act
- o A Shipping Agreement for the Movement of Soviet Oil

These options were considered at the May 26 EPB Executive Committee meeting. At that time it was concluded that extension of the Jones Act to the Virgin Islands represented the least objectionable measure that would provide significant relief to the U.S. maritime industry, if it were decided to provide any additional assistance. The Executive Committee directed that this option be further refined for your consideration.

A number of further issues affecting the maritime industry have arisen in the meantime. They are reviewed before turning to a discussion of legislation extending the Jones Act to the Virgin Islands, since they impact on the prospects for the U.S. maritime industry.

Third Flag Issue

On July 19, Federal Maritime Commission Chairman Karl Bakke announced that he had signed a "memorandum agreement" with the Soviet Union regarding Soviet participation in U.S. foreign trade. The "agreement" contains two principles:

1. Soviet-flag carriers will maintain freight rates at levels not lower than rates used for the same commodity by non-Soviet carriers in the particular trades involved.
2. Soviet-flag carriers will pursue membership in ocean shipping conferences covering the U.S. North Atlantic and Pacific routes.

Simultaneously, Chairman Bakke sent a letter to you indicating that "a legislated solution now appears to be unnecessary so long as the carriers involved move forward in good faith to implement the objectives of the agreement." A copy of his



letter is attached at Tab A. Chairman Bakke has similarly briefed key members of the appropriate Congressional committees.

U.S.-U.S.S.R. Maritime Agreement

On September 17, 1975 the U.S. and the U.S.S.R. agreed upon a rate formula for the carriage of grain to the Soviet Union by American-flag ships, effective through December 31, 1976, providing for a minimum charter rate of \$16.00 a ton. This rate is sufficiently favorable under current market conditions to attract a substantial portion of the American tanker fleet to this trade. However, the Soviets have adopted tactics contrary to the principles of the U.S./U.S.S.R. Maritime Agreement assuring U.S.-flag vessels the opportunity to carry one-third of the grain cargoes. These tactics include: (1) offering future cargoes to U.S.-flag ships that are currently on Russian grain voyages and then cancelling the charters when the ships cannot meet the loading dates due to delays in Russian ports, (2) excluding tankers from discharging at Nakhodka, and (3) computing the U.S. share based on monthly Soviet projections, which tend to be lower than the amount of grain actually shipped. As a result, since September 1975 U.S.-flag vessels have carried only 25.6% of the grain shipments (19.2% have been carried by Soviet ships and 55.2% by third-flag vessels). The volume of cargo carried by U.S. ships is approximately 1 million tons less than a one-third share. These actions which in most cases are contrary to the specific provisions of the Maritime Agreement and, in all cases contrary to its spirit and intent, have been repeatedly and strongly objected to by the Maritime Administration. These tactics were the principal subject of discussions held between U.S. and Soviet maritime officials in a meeting in Moscow on June 17-24, 1976. To date the Soviets have refused to acknowledge their obligation under the Agreement to increase future grain cargo allocations to provide U.S. carriers their entitlement to a full one-third share of the shipments. This matter will also be the major topic of discussion at a meeting scheduled to be held in Washington in October 1976.

Even if U.S.-flag ships were provided a full one-third of the Soviet grain cargoes, this would not fully employ available U.S.-flag tankers seeking employment. Exclusive of those ships that are in actual lay-up status, each month approximately one million tons of U.S.-flag tankers are offered to the Soviet charterers as compared to the 300,000 to 400,000 tons of grain which constitute one-third of the monthly Soviet grain shipment program. Further, it appears that future program levels may be significantly decreased. Only one ship is scheduled for employment in this trade in August 1976 and the Soviets have advised that there will be no shipments in September.

Situation in the U.S. Maritime Industry

There are presently 22 U.S.-flag tankers of 1.2 million dwt in lay-up, representing about 10% of the U.S. tanker tonnage. About 16% of the worldwide tanker tonnage is in lay-up. The prospect for employment of many of these tankers is dim.

The world shipbuilding market is also deeply depressed, and the scramble for shipbuilding contracts has resulted in foreign price quotations so low as to impose strong upward pressures on U.S. construction subsidy rates for all types of ships. The Administration is currently supporting a bill which would assist U.S. shipyards by increasing the allowable Federal ship construction ceiling from the current 35% to 45% for negotiated contracts. The Congress is likely to further increase the ceiling to 50%.

The full impact of the worldwide tanker depression was first apparent in the United States early in 1975. It lead directly to cancellations of orders for nine tankers in U.S. yards. Substantial relief was afforded by Soviet grain purchases in 1975 and the U.S./U.S.S.R. transportation rate agreement for grain.

As a result of these factors, the number of U.S. tankers in layup declined from 33 in September 1975 to the range of approximately 20. There are currently 22 tankers in lay-up.

The opening of the Alaskan oil pipeline next year will provide substantial employment opportunities for U.S. tankers, although most of this employment will be provided to new, more efficient tankers currently being built in U.S. shipyards. Of course, employment prospects will also be dependent upon the levels of grain exports to the Soviet Union under the U.S./U.S.S.R. Maritime Agreement.

Extension of the Jones Act to the Virgin Islands

U.S. cabotage laws (the Jones Act) require that all U.S. domestic ocean shipping be reserved for vessels built and registered in the U.S. and owned, operated and manned by U.S. citizens. Traditionally, U.S.-flag ship operators have been high cost carriers. It is estimated that the exclusion of lower cost foreign-flag ship operators from the domestic ocean trades increases U.S. shipping costs by about \$150-200 million annually.

The cabotage laws do not currently encompass the U.S. Virgin Islands/mainland trade, which has enjoyed an exemption since our purchase of the Virgin Islands from Denmark in 1917. This exemption has been based historically on insufficient U.S. flag

vessel capacity to serve the trade -- a situation which is no longer valid since sufficient capacity to transport oil is now available.

S. 2422, currently under consideration by the Senate Commerce Committee, would extend the cabotage laws to the Virgin Islands for the transportation of oil products only. The legislation has generated considerable interest since the Amerada Hess oil refinery, the world's largest refinery, is located in the Virgin Islands. This refinery produces residual fuel oil (used for industrial power and generation of commercial electric power) which represents a high proportion of consumption in the U.S. East coast. There is considerable support for S. 2422 within the U.S. maritime industry.

In the near term, the measure would involve a transportation cost increase of about 40¢/barrel. This is the present differential between U.S. tanker rates and currently depressed foreign rates. However, the additional demand for U.S.-flag tankers caused by enactment of S. 2422 would result in further rate increases, at least in the short-run. This would not only increase the differential in the Virgin Islands trade, but would also affect the rates for all other U.S.-flag tankers placed on new charters in domestic trade. Over the long term, however, as the worldwide surplus is gradually reduced, world tanker rates can be expected to rise and the differential would be reduced. The Commerce Department has hypothetically estimated a long term (post-1983) differential between U.S. and foreign tankers of 25¢/barrel.

Presently there are about 255 U.S. flag tankers. Of these about 125 are company owned, 50 are under long term charter and 50 are on single voyages or short term charters.

Extension of the Jones Act to the Virgin Islands would very likely cause increases in the rates charged for the 50 tankers under short term charter and, as longer term charters expire, also cause increases in rates for the tankers under long term charter. Thus, consumers on the East coast would experience price increases not only from Hess increased prices, but because oil products moving by tanker from the Gulf to the East coast would incur higher shipping costs.

In short, there is a substantial probability that enactment of this legislation would increase the cost of delivering residual fuel oil from both the Virgin Islands and the Gulf Coast to the East coast and lead to increases in all other markets where petroleum is moved by U.S. flag ship. The CEA



estimates that the total cost could be as much as \$1.0 billion, 4 times the \$240 million impact estimated for Hess.

It is argued that there may be offsets to the higher transportation costs. In particular, it is suggested that larger entitlement allocations, now in effect for Hess, would offset additional transportation costs. However, such entitlements are now reflected in present prices under price controls and any increases in transportation costs would eventually be reflected in higher prices as well. In short, extension of the Jones Act to the Virgin Islands will lead to increased petroleum costs on average.

The impact of higher charter rates may be reduced in the long run as more tankers are constructed. However, the cost of constructing these tankers in U.S. yards will be much greater than the cost of constructing them in foreign yards. Further, to the extent that there is an excess supply of tankers this is a misallocation of resources.

Congressional Status

The Merchant Marine Subcommittee of the Senate Commerce Committee held hearings on S. 2422 on February 18 and March 30. The Governor and the Congressional delegate from the Virgin Islands opposed the bill and the maritime and oil industries supported it. The Department of Commerce, in its maritime promotional role, favored the bill, while Interior, in its Virgin Islands stewardship role, opposed it.

Only two Senators, both from Louisiana, attended the March 30 hearings -- Senator Long, the Subcommittee Chairman, and Senator Johnston, who introduced S. 2422 but who is not a member of the Committee. Both Senators indicated strong support for the bill. Reportedly, the active interest of the two Senators is prompted by support of the bill by the Energy Corporation of Louisiana which is building a large refinery operation in the Gulf area that is intended to compete with Amerada Hess.

Chairman Long is presently devoting the bulk of his attention to the tax reform bill. Upon the conclusion of the Senate deliberations of the tax bill, it is anticipated that he will seek a favorable report on S. 2422 by the Senate Commerce Committee. However, because of potential opposition to the bill by East coast Senators, Senate floor action is uncertain.



In short, with or without Administration support, action in the Senate on this legislation is uncertain, and action by the full Congress is unlikely. No House action has yet been scheduled on a similar bill (H.R. 13251), and none is anticipated until Senate action is complete.

Options

Option 1: Announce Administration Support for Legislation Extending the Jones Act to the Virgin Islands for the Transportation of Oil Products. (S.2422)

Advantages:

- o Extension of the Jones Act to the Virgin Islands would provide employment to some 25 tankers (app. 30,000 dwt) or about 750,000 cargo deadweight tons.
- o Reserving this trade to U.S.-flag tankers would mean about 2,000 jobs for U.S. seamen. Employment of tankers currently in layup would account for 1,800 of this total.
- o Jones Act application to the Virgin Islands oil export trade would represent a logical extension of U.S. cabotage laws.
- o The balance of payments savings from using U.S.-flag tankers are about \$15 million.
- o Considering the several marketing advantages enjoyed by Amerada Hess, the Virgin Islands refinery will continue to have a considerable advantage over other domestic refineries, who employ 3.5 to 4.0 million deadweight tons of U.S.-flag tankers, unless the requirement to use U.S.-flag vessels is extended to the Virgin Islands through the Jones Act.

Option 2: Announce Administration Opposition to Legislation Extending the Jones Act to the Virgin Islands for the Transportation of Oil Products. (S.2422)

Advantages:

- o Extension of the Jones Act to the Virgin Islands would entail increased prices to consumers due to higher tanker rates.



- o It is possible that higher tanker rates may make it more profitable to import oil products from foreign resources than to ship domestic products from the Gulf. This increases import vulnerability and is contrary to the goal of reducing import requirements.
- o This legislation is almost certain to be perceived as detrimental to the interests of East coast consumers. The price increases would come at a time when distillate price decontrols were put into place, thereby endangering that program to reduce controls in the oil industry.
- o Hess has threatened to shut down the refinery if this measure is enacted. This appears doubtful but is conceivable. The Virgin Islands would suffer increased unemployment if Hess' operation were terminated or curtailed, and tanker employment would also be affected.
- o Any reduction in economic activity in the Virgin Islands could lead to requests for increased Federal assistance. The Virgin Islands Refinery Corporation has already invested in real estate in preparation for construction of a small refinery. Enactment of S. 2422, with its attendant higher shipping costs, would discourage this construction.
- o This measure might lead to some U.S. tanker construction at a time when there are about 50 million dead-weight tons of tanker capacity laid up worldwide, (1 million in U.S.).

Option 3: Do nothing at this time. Withhold a decision until after further Congressional action on S. 2422.

Advantages:

- o Withholding a decision at this time would preserve your options while awaiting the outcome of Senate action. The Senate Commerce Committee is expected to report the legislation, but it may be slowed by the Rules Committee and opposed on the Senate floor. It is understood that the House does not intend to move until the Senate acts. Congressional pressure for an Administration position is unlikely until House hearings are held.



- o Taking a position now would likely be viewed unfavorably either by Gulf Coast oil interests and maritime interests on one hand, or by the Virgin Islands, consumer groups (especially East coast), and Amerada Hess interests on the other.

Decision

Option 1 _____ Announce Administration support for legislation extending the Jones Act to the Virgin Islands for the transportation of oil products (S. 2422).

Supported by:

Option 2 _____ Announce Administration opposition to legislation extending the Jones Act to the Virgin Islands for the transportation of oil products (S. 2422).

Supported by: Treasury, CEA, State

Option 3 _____ Do nothing at this time. Withhold a decision until further Congressional action on S. 2422.

Supported by: Commerce, OMB



THE WHITE HOUSE

WASHINGTON

August 7, 1976

MEMORANDUM FOR: BILL SEIDMAN
FROM: PHIL BUCHEN *P.*
SUBJECT: Proposal from National Alliance
of Businessmen

Bob Wilson brought in the attached proposal and personally urged that it be given thorough consideration. If you concur, you may want to make a scheduling proposal for the President. If Bob's suggestion does not appeal to you, I would like your advice on how to respond to him.



August 5, 1976

TO THE PRESIDENT
THE WHITE HOUSE

The National Alliance of Businessmen was established as a result of the riots of 1968. At the time, President Johnson called the top leaders of the business community to the White House where he very forcefully and dramatically outlined the serious problems of unemployment in the hard-core disadvantaged sector of the nation. He challenged the business community to furnish jobs as a first preference to welfare and public service jobs. The business community accepted that challenge with our major corporations assuming leadership working throughout industry--small and big.

Although even during good times business could not absorb all in this category, it made a large dent in the problem and hundreds of thousands were "hired, trained and retained" in jobs secured through the Alliance's efforts.

Most of those hired gained seniority rights and when laid off, had recall rights to a job when the particular company such as auto, steel, etc. recalled with the economic recovery. They became permanent private sector job holders.

With the depression of the last two years, securing jobs for disadvantaged persons and persons on welfare was much more difficult and in many large companies with lay-offs it was very small.

Likewise with EEOC and all its ramifications, there was a lessening of interest and understanding on the part of business as to the continued need for hiring the hard-core type individual through the Alliance. EEOC provides equal



opportunity for blacks, whites, chicanos, women, men, aged, etc. but nowhere is there any provision for the hiring of hard-core disadvantaged--principally those on welfare and minority youth.

Employment among minority youth of our inner cities is even higher today than in 1968 and the same is true of those on welfare. Basically, we are back where we started in 1968 and there is the same urgency there was then for business to provide jobs in the private sector for these people.

There have been no riots, but these young people become restless because they cannot get jobs. They have become more sophisticated and are now forming small gangs systematically participating in various types of crime.

Faced with the Humphrey-Hawkins bill and other types of legislation providing large outlays for public service jobs, the business community must furnish jobs in the private sector if we are to prevent this trend with its costly dead-end results.

Therefore, with unemployment being perhaps a major issue in this campaign, we feel it could well be an excellent chance for the President to attack the problem in a very intelligent, forceful and timely manner, putting it up to the business community to do its share in providing more jobs for those in this high unemployed and most needy group.

We would suggest inviting Alliance chairmen and past chairmen and the 100 top business leaders of the country to the White House to give this challenge to the business leaders. If this is done right, we feel The President can gain some initiative right off the bat by attacking the problem before we are challenged to



answer it. There may be other ways to meet the issue which might be explored at such a meeting.

Respectfully submitted,

Robert J. Wilson



THE WHITE HOUSE

WASHINGTON

September 14, 1976

MEMORANDUM FOR: L. WILLIAM SEIDMAN
FROM: PHILIP BUCHEN *P.*
SUBJECT: Conference Committee Action on Extension
of Public Service Employment Program

From the limited information available in the attached memorandum, I would lean towards recommending that the President sign H.R. 12987. However, before making a firm recommendation, I would want to see the OMB report on the enrolled bill.

As to the question of how the President should make his intentions known, I do not see a good reason for making a statement before the enrolled bill reaches the White House and the President takes action.

THE WHITE HOUSE

WASHINGTON

September 14, 1976

MEMORANDUM FOR PHILIP BUCHEN ✓
MAX FRIEDERSDORF
JOHN O. MARSH

FROM: L. WILLIAM SEIDMAN *LWS*

SUBJECT: Conference Committee Action on Extension
of Public Service Employment Program

Attached is a paper on the Conference Committee Action on
Extension of Public Service Employment Program.

I would appreciate having your comments and recommendations
on this paper no later than 5:00 p.m. today, September 14.

Thank you very much.

Attachment



U.S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

SEP 10 1976

MEMORANDUM FOR THE EPB EXECUTIVE COMMITTEE

FROM: W. J. USERY, JR. *WJU*

SUBJECT: Conference Committee Action on Extension
of Public Service Employment Program

The Conference Committee has completed action on H.R. 12987, the Emergency Jobs Program Extension Act of 1976. Before they began their deliberations, the conferees were informed that the President would sign a bill extending the program at its current size so long as language from the Senate version were included to limit new hires resulting from attrition to the long-term, low-income unemployed. The conference version gives about half that. It would limit 50% of the job openings resulting from attrition to the long-term unemployed and would limit all jobs resulting from an increase in the size of the program to the long-term unemployed. As expected, the size of the program has been left open for resolution at the appropriation stage.

This memorandum discusses whether you should sign the bill as it has emerged from conference and how your position should be explained to the public.

ISSUE 1

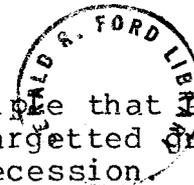
Should you sign the conference bill which limits only 50% of the positions to the long-term unemployed?

Option 1:

Sign the bill.

Pros:

- o The bill establishes the principle that PSE programs are appropriate only for targetted groups except perhaps in the depths of a recession.
- o Your position as conveyed to the conferees almost certainly was responsible for such limitations as are included in the conference version.



o Embracing a jobs bill now is appropriate given your announced high priority for jobs and the troublesome unemployment rate this summer.

o A major reason the Senate limitations were not applied across the board is the crime wave in Detroit where PSE funds were used to rehire laid off policemen; the conferees' unwillingness to adopt the Senate restrictions across the board is not entirely unreasonable.

Cons:

o The bill continues a 260,000-job emergency program after the emergency is over; and it represents precisely the kind of Congressional irresponsibility with direct job creation programs that you have been criticizing.

o If you sign the authorization bill, it may prove impractical to oppose an increase in size at the appropriation stage if the appropriation for this program is included in an omnibus package at the end of the session.

o Present estimates are that a veto would be overridden; however that is not the worst posture to be in. Moreover, there is enough confusion in the House because of AFL-CIO opposition to the Senate limitations that vote projections may not be reliable.

Option 2:

Veto the bill.

Pros and Cons--see above.



ISSUE 2

How should your intentions be made known?

Option 1:

Issue a statement as soon as the conference report is available. If you decide to sign the bill, such a statement could rely on three bases for your decision, with varying emphasis on each: (a) the importance of targetting PSE programs on the long-term unemployed now that the recovery is preceeding well; (b) the irresponsibility of the Congress in giving you less than you asked for; (c) the appropriateness of relaxing present restrictions somewhat as an emergency measure to permit rehire of law enforcement officers in urban areas confronted with unrest.

Pros:

o Puts you in the position of leading rather than reacting since you could call upon both Houses to pass or defeat the bill.

Cons:

o Might result in unfavorable House action by stirring up the AFL-CIO forces who oppose the Senate limitations.

o You could be in the position of making an open-ended commitment since the size of the program is not known.

o In light of previous opposition to Public Service Jobs programs such a statement might be interpreted as blatant political opportunism.



Option 2

Make a similar statement after the House acts but before the Senate acts.

Pros:

- o Avoids the risk of stimulating unfavorable House action.
- o Otherwise the same as Option 1.

Cons:

- o Same as Option 1.

Option 3

Make no statement until the bill reaches your desk. If you decide to sign it, the same lines of reasoning could be used as those presented in Option 1.

You could take the initiative on program size by announcing submission of a supplemental appropriation request in the signing ceremony.

Pros:

- o Permits withholding a commitment until it is clear what will be presented to you.
- o Particularly if you emphasize Congressional irresponsibility in failing to apply the Senate limitations, to all new hires a signing statement is a somewhat more appropriate place to make such criticism.

Cons:

- o Puts you in the position of reacting rather than leading.



THE WHITE HOUSE
WASHINGTON

August 5, 1976

MEMORANDUM FOR: PHIL BUCHEN

FROM: JACK MARSH *JM*

As you are aware, there are indications that there will be an anti-trust investigation of the auto manufacturers. This is more fully reported on in today's New York Times.

It is not unlikely that we are going to get some questions on this as to the President's view and position. Particularly, Ron Nessen can expect these inquiries.

I think it would be helpful if we could develop some guidance for Ron as to how to respond. It may be that he will want to refer the questions to Justice.

Many thanks.

ANTITRUST STUDY ON CARS PLANNED

N.Y. Times
8/4/76

Move by F.T.C. and Justice
Department Is Deplored by
General Motors and Ford

By The Associated Press

WASHINGTON, Aug. 3—An

Some items in this folder were not digitized because it contains copyrighted materials. Please contact the Gerald R. Ford Presidential Library for access to these materials.

THE WHITE HOUSE
WASHINGTON

October 20, 1976

MEMORANDUM FOR PHILIP BUCHEN ✓
JAMES M. CANNON
ROBERT T. HARTMANN
JOHN O. MARSH

FROM: L. WILLIAM SEIDMAN *LWS*
SUBJECT: National Alliance of Businessmen Program to
Create 500,000 Private Sector Jobs

A memorandum to the President on a National Alliance of Businessmen program to create 500,000 private sector jobs for disadvantaged young persons during the coming year is attached.

I would appreciate your comments and recommendations by Noon, October 21 so that this can be transmitted to the President before he leaves Washington.

Thank you very much.

I concur.

P.W.B.

Philip W. Buchen
Counsel to the President

Attachment



THE WHITE HOUSE

WASHINGTON

October 15, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: L. WILLIAM SEIDMAN *fwj*

SUBJECT: National Alliance of Businessmen Program to
Create 500,000 Private Sector Jobs

The Department of Labor, in coordination with the Department of Commerce, has been working with the National Alliance of Businessmen (NAB) on a program to develop 500,000 private sector jobs for disadvantaged young persons during the coming year.

Under the proposed program, the National Alliance would continue and build on its work at the local level with employers, CETA prime sponsors, and State employment security agencies. It would also begin working with major corporations to obtain specific commitments for hiring disadvantaged young people. Consideration was also given to the Labor Department funding up to \$140 million -- out of already appropriated funds -- to reimburse participating employers for training costs. However, more recently, the NAB has indicated a desire to proceed without government funding.

The Economic Policy Board, in its consideration of youth employment initiatives, has reviewed and supports the proposed National Alliance of Businessmen proposa. The NAB would prefer to launch the program in a highly public meeting with you. I am informed that pressures on your schedule between now and November 2 would not permit your participation in such a meeting.

The NAB is prepared to commence the program immediately and the Economic Policy Board recommends that you send a letter to the Chairman of the NAB commending their acceptance of a challenge to develop 500,000 private sector jobs for disadvantaged youth. A letter to the Chairman of the NAB, prepared in coordination with the Department of Labor, is attached at Tab A.



Recommendation: That you sign the letter to the Chairman of the National Alliance of Businessmen attached at Tab A.

Attachment



Dear Mr. Skutt:

The contribution of the National Alliance of Businessmen toward the economic and social well-being of the Nation continues to merit our appreciation. Through the efforts of the NAB, hundreds of thousands of disadvantaged Americans have gained a solid foothold in the work force.

I am extremely pleased that the National Alliance, not content to rest on past accomplishments, has accepted the challenge to develop 500,000 private sector jobs for economically disadvantaged young people this fiscal year. It is encouraging to know that you and the other members of the National Alliance have recognized the high incidence of unemployment among young persons as one of our most serious domestic problems. It is even more encouraging to know that you intend to help do something about it.

We agree that the basic solution to this problem is not the creation of more government-funded, make-work programs. Young people need lasting jobs in private industry, the kinds of jobs held by five out of every six workers in this country,



I am encouraged that the National Alliance will continue to build on the work it is doing with CETA prime sponsors, State employment security agencies, educational institutions, and employers at the local level in helping young people find jobs.

It is also essential that the National Alliance continue its concerted efforts with our Nation's major corporations to secure additional commitments for job opportunities for disadvantaged young Americans. The NAB has had a highly successful record in the past in its efforts to develop new private sector jobs, and I am hopeful that you can improve on this record in the future.

I am deeply grateful for the outstanding leadership you and other chairmen have given to the Alliance, and I look forward to your continued success in the coming year.

With best wishes,

Sincerely,

Gerald R. Ford

Mr. V. J. Skutt
Chairman
National Alliance of Businessmen
1730 K Street, N.W.
Washington, D.C. 20006



THE WHITE HOUSE
WASHINGTON

January 18, 1977

MEMORANDUM FOR PHILIP BUCHEN ✓
JAMES CANNON
MAX FRIEDERSDORF
JACK O. MARSH

FROM: L. WILLIAM SEIDMAN *LWS*

SUBJECT: Proposed Executive Order Regarding P.L. 480
Reporting Requirements

A memorandum to the President on a proposed Executive Order regarding P.L. 480 reporting requirements is attached. I would appreciate having your comments and recommendations as soon as possible and no later than 3:00 p.m. today.

Thank you very much.

January 18, 1977

Counsel's office has no objection.

Attachment

P.W.B.
Philip W. Buchen



THE WHITE HOUSE
WASHINGTON

January 18, 1977

MEMO FOR: PHIL BUCHEN
FROM: BOBBIE KILBERG *BK*
SUBJECT: Proposed Executive Order
Regarding P.L. 480 Reporting
Requirements

Suggested response:

No objection

*By response
on memo
T-*



THE WHITE HOUSE
WASHINGTON

January 18, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: L. WILLIAM SEIDMAN *LWS*

SUBJECT: Proposed Executive Order Regarding P.L. 480
Reporting Requirements

Public Law 480, the "Agricultural Trade Development and Assistance Act of 1954, as Amended," requires the President to report annually to the Congress on the activities carried out under the Act. A December 1975 amendment to P.L. 480 also requires the President to submit annually to the Congress a global assessment of food production and needs and other specified information.

Under the requirements of P.L. 480, the FY 1975 P.L. 480 Annual Report should have been submitted to the Congress by April 1, 1976. The report was not received by the White House, however, until late October. In addition, the annual report, as well as the global assessment, were found to contain a number of errors. In checking on the clearance process, it was discovered that most agencies cleared these reports at a relatively low staff level and, in some cases, the reports were approved without being read.

The fact that most agencies do not consider the reports important enough to be reviewed by policy level people suggests that the reports are not important enough to be transmitted by the President. Moreover, the reports deal with past activities and technical assessments and not with policy matters. After discussing this situation with the appropriate Departments and agencies it was agreed to recommend that authority for transmitting this report be transferred to the Secretary of Agriculture. The Department of Agriculture is responsible for the initial preparation of the reports.

The proposed Executive Order transfers responsibility for transmitting the reports to the Secretary of Agriculture, while retaining the requirement for approval by appropriate Departments and agencies before the reports are transmitted to the Congress.



The proposed Executive Order has been approved by the Departments of State, Treasury, and Agriculture, the Office of Management and Budget, the Agency for International Development, the Council of Economic Advisers, the National Security Council, and the Council on International Economic Policy. The order has been approved with respect to form and legality by the Department of Justice.

Recommendation: That you sign the proposed Executive Order regarding P.L. 480 reporting requirements attached at Tab A.



JAN 13 1977

The President,

The White House.

My dear Mr. President:

I am herewith transmitting a proposed Executive order entitled "Delegating Reporting Functions Under the Agricultural Trade Development and Assistance Act of 1954, as Amended."

This proposed order was submitted by the Department of Agriculture at the request of the Executive Secretary of the Economic Policy Board and has been forwarded for the consideration of this Department as to form and legality by the Office of Management and Budget with the approval of the Director, after revision in that agency.

The proposed Executive order is approved as to form and legality.

Respectfully,

Antonin Scalia
Assistant Attorney General
Office of Legal Counsel



JAN 13 1977
MEMORANDUM

Re: Proposed Executive order entitled
"Delegating Reporting Functions Under the Agricultural
Trade Development and Assistance Act of
1954, as Amended"

The attached proposed Executive order was submitted by the Department of Agriculture at the request of the Executive Secretary of the Economic Policy Board and has been forwarded for the consideration of this Department as to form and legality by the Office of Management and Budget with the approval of the Director, after revision in that agency.

Executive Order 10900 of January 5, 1961, as amended, assigned certain responsibilities for administering the Agricultural Trade Development and Assistance Act of 1954, as amended, to the heads of various Federal agencies. (7 U.S.C. 1691 note). Section 5 of that order reserved to the President the function of making reports to the Congress on activities carried out under the Act.

This proposed order would delegate the reporting function to the Secretary of Agriculture, after consultation with the Secretary of State, Secretary of the Treasury, Administrator of the Agency for International Development, Chairman of the Council of Economic Advisers, Director of the Office of Management and Budget, Chairman of the Council on International Economic Policy and the Assistant to the President for National Security Affairs. Background information concerning the order is detailed in the attached OMB transmittal letter.

The proposed Executive order is acceptable as to form and legality.

Antonin Scalia
Assistant Attorney General
Office of Legal Counsel





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

GENERAL COUNSEL

January 11, 1977

Honorable Edward H. Levi
 Attorney General
 Washington, D. C. 20530

Dear Mr. Attorney General:

Herewith, in accordance with the provisions of Executive Order No. 11030, as amended, is a proposed Executive order entitled "Delegating Reporting Functions Under the Agricultural Trade Development and Assistance Act of 1954, as Amended."

RECEIVED
 JAN 11 10 54 AM '77
 OFFICE OF LEGAL COUNSEL

The proposed order was submitted by the Department of Agriculture at the request of the Executive Secretary of the Economic Policy Board and has been revised in this office. It would delegate to the Secretary of Agriculture certain reporting requirements vested in the President by Section 408 of the Agricultural Trade Development and Assistance Act of 1954, as amended (ATDAA).

As originally enacted, Section 108 of the ATDAA (Public Law 83-480, 68 Stat. 457) required the President to report to Congress at least once every six months and at such other times as may be appropriate with respect to the activities undertaken pursuant to the ATDAA. On January 5, 1961, the President issued Executive Order No. 10900 which provided generally for the administration of the ATDAA. Pursuant to Section 5 thereof, however, the President reserved the functions conferred by Section 108 of the ATDAA.

Subsequently, Congress enacted the Food for Peace Act of 1966 (Public Law 89-808, 80 Stat. 1526) which made numerous amendments to the ATDAA. The provisions contained in former Section 108 were transferred to Title IV of the ATDAA as a new Section 408 (80 Stat. 1537; 7 U.S.C. 1736b). Under this provision, the President was required to report to Congress not later



than April 1 of each year with respect to activities carried out under the ATDAA during the preceding calendar year. This section was amended by Section 211 of the International Development and Food Assistance Act of 1975 (Public Law 94-161, 89 Stat. 854). These 1975 amendments changed the period covered by the report from the preceding calendar year to the preceding fiscal year and added new reporting requirements with respect to global assessment of food production and needs and related information.

Although Executive Order No. 10900 has been amended several times since its issuance, no amendments have reflected these increased reporting requirements. These reports are primarily concerned with technical matters and activities already undertaken. They do not deal with policy matters and, accordingly, do not receive the attention and review of officers responsible for the development and implementation of policy. Under these circumstances, no reason is perceived to warrant continued Presidential transmittal.

Section 1 of the proposed order adds a new Section 1(d) to Executive Order No. 10900 which delegates the reporting functions of the President under Section 408 of the ATDAA to the Secretary of Agriculture who is required to consult with the Secretary of State, Secretary of the Treasury, Administrator of the Agency for International Development, Chairman of the Council of Economic Advisers, Director of the Office of Management and Budget, Chairman of the Council on International Economic Policy and Assistant to the President for National Security Affairs. The reference to "the Act" in Section 1(d) is to the ATDAA as indicated in the definitional provisions of Section 7(a) of Executive Order No. 10900.

Section 2 of the proposed order revokes Section 5 of Executive Order No. 10900 and redesignates Sections 6, 7 and 8 thereof as Sections 5, 6 and 7, respectively. Section 2 includes a parenthetical reference to "7 U.S.C. 1736b, 1970 ed." Although such citation is unusual for an Executive order, the various sections of Title 7 of the United States Code which are currently cited in Executive Order No. 10900 are keyed to the edition of the United States Code in use at the time the order was

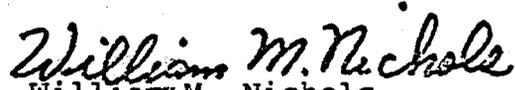


issued (the 1958 edition). The cited sections do not all correspond to their counterparts in the 1970 edition. Accordingly, the additional reference is included for clarity as time does not now permit a comprehensive revision.

We have been requested to urge that this order be reviewed on an expedited basis in order that it may be presented for the President's consideration as soon as practicable.

This proposed Executive order has the approval of the Director of the Office of Management and Budget.

Sincerely,


William M. Nichols
General Counsel

8 Enclosures



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

GENERAL COUNSEL

January 11, 1977

Honorable Edward H. Levi
Attorney General
Washington, D. C. 20530

Dear Mr. Attorney General:

Herewith, in accordance with the provisions of Executive Order No. 11030, as amended, is a proposed Executive order entitled "Delegating Reporting Functions Under the Agricultural Trade Development and Assistance Act of 1954, as Amended."

The proposed order was submitted by the Department of Agriculture at the request of the Executive Secretary of the Economic Policy Board and has been revised in this office. It would delegate to the Secretary of Agriculture certain reporting requirements vested in the President by Section 408 of the Agricultural Trade Development and Assistance Act of 1954, as amended (ATDAA).

As originally enacted, Section 108 of the ATDAA (Public Law 83-480, 68 Stat. 457) required the President to report to Congress at least once every six months and at such other times as may be appropriate with respect to the activities undertaken pursuant to the ATDAA. On January 5, 1961, the President issued Executive Order No. 10900 which provided generally for the administration of the ATDAA. Pursuant to Section 5 thereof, however, the President reserved the functions conferred by Section 108 of the ATDAA.

Subsequently, Congress enacted the Food for Peace Act of 1966 (Public Law 89-808, 80 Stat. 1526) which made numerous amendments to the ATDAA. The provisions contained in former Section 108 were transferred to Title IV of the ATDAA as a new Section 408 (80 Stat. 1537; 7 U.S.C. 1736b). Under this provision, the President was required to report to Congress not later



than April 1 of each year with respect to activities carried out under the ATDAA during the preceding calendar year. This section was amended by Section 211 of the International Development and Food Assistance Act of 1975 (Public Law 94-161, 89 Stat. 854). These 1975 amendments changed the period covered by the report from the preceding calendar year to the preceding fiscal year and added new reporting requirements with respect to global assessment of food production and needs and related information.

Although Executive Order No. 10900 has been amended several times since its issuance, no amendments have reflected these increased reporting requirements. These reports are primarily concerned with technical matters and activities already undertaken. They do not deal with policy matters and, accordingly, do not receive the attention and review of officers responsible for the development and implementation of policy. Under these circumstances, no reason is perceived to warrant continued Presidential transmittal.

Section 1 of the proposed order adds a new Section 1(d) to Executive Order No. 10900 which delegates the reporting functions of the President under Section 408 of the ATDAA to the Secretary of Agriculture who is required to consult with the Secretary of State, Secretary of the Treasury, Administrator of the Agency for International Development, Chairman of the Council of Economic Advisers, Director of the Office of Management and Budget, Chairman of the Council on International Economic Policy and Assistant to the President for National Security Affairs. The reference to "the Act" in Section 1(d) is to the ATDAA as indicated in the definitional provisions of Section 7(a) of Executive Order No. 10900.

Section 2 of the proposed order revokes Section 5 of Executive Order No. 10900 and redesignates Sections 6, 7 and 8 thereof as Sections 5, 6 and 7, respectively. Section 2 includes a parenthetical reference to "7 U.S.C. 1736b, 1970 ed." Although such citation is unusual for an Executive order, the various sections of Title 7 of the United States Code which are currently cited in Executive Order No. 10900 are keyed to the edition of the United States Code in use at the time the order was

issued (the 1958 edition). The cited sections do not all correspond to their counterparts in the 1970 edition. Accordingly, the additional reference is included for clarity as time does not now permit a comprehensive revision.

We have been requested to urge that this order be reviewed on an expedited basis in order that it may be presented for the President's consideration as soon as practicable.

This proposed Executive order has the approval of the Director of the Office of Management and Budget.

Sincerely,

(Signed) William M. Nichols

William M. Nichols
General Counsel

8 Enclosures



January 5, 1977

MEMORANDUM FOR THE RECORD

Subject: Proposed Executive Order Entitled "Delegating to the Secretary of Agriculture Certain Reporting Functions Under the Agricultural Trade Development and Assistance Act of 1954, as Amended"

Mr. Richard Ogden, Department of State, Chief, Food for Freedom Division (632-0563), requested that provision be made for coordination with the Department of State prior to submission of the report to Congress by USDA.



Steven N. Needle
Assistant General Counsel

January 7, 1977

MEMORANDUM FOR THE RECORD

Subject: Proposed Executive Order Entitled "Delegating to the Secretary of Agriculture Certain Reporting Functions Under the Agricultural Trade Development and Assistance Act of 1954, As Amended"

Mr. William Espinosa, Office of the General Counsel, Agency for International Development (632-8371), requested that provision be made for coordination with the Department of State prior to submission of the report to Congress by USDA.



Steven D. Needle
Assistant General Counsel



January 10, 1977

MEMORANDUM FOR THE RECORD

Subject: Proposed Executive Order Entitled "Delegating to the Secretary of Agriculture Certain Reporting Functions Under the Agricultural Trade Development and Assistance Act of 1954, as Amended"

Ms. Sandra Morewitz, office of the General Counsel, Department of the Treasury (964-8523), advised that Treasury recommends that USDA consult with all member agencies of the Interagency Staff Committee on Public Law 83-480.



Steven D. Needle
Assistant General Counsel



January 10, 1977

MEMORANDUM FOR THE RECORD

Subject: Proposed Executive Order Entitled "Delegating to the Secretary of Agriculture Certain Reporting Functions Under the Agricultural Trade Development and Assistance Act of 1954, as Amended"

Mr. Bruce Gardner, Council of Economic Advisers (5056), requested a requirement be included for coordination with the Chairman of CEA.



Steven D. Needle
Assistant General Counsel



COUNCIL ON INTERNATIONAL ECONOMIC POLICY

WASHINGTON, D.C. 20500

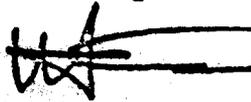
January 6, 1977

Dear Mr. Nichols:

This is in response to your letter of January 3, 1977, requesting comments on a proposed Executive Order entitled "Delegating to the Secretary of Agriculture Certain Reporting Functions Under the Agricultural Trade Development and Assistance Act of 1954, as Amended."

I would concur in the issuance of the proposed Executive Order if the order reserves to the appropriate departments and agencies the right to approve any reports prepared in accordance with the requirements of Section 408 prior to their being transmitted to the Congress. The order should indicate that such reports must have the approval of the Council on International Economic Policy before being transmitted to the Congress. Other agencies whose approval should probably be required include the Departments of State and Treasury, the Agency for International Development, the Office of Management and Budget, the Council of Economic Advisers, and the National Security Council. Since these agencies participate in varying degrees in the P.L. 480 program, it is appropriate that they should review the required reports. Informal discussions with some of these agencies indicate that they will support the proposed Executive Order if it specifically provides them with the right to review and approve such reports.

Sincerely,



William F. Gorog
Executive Director

Mr. William M. Nichols
General Counsel
Office of Management
and Budget

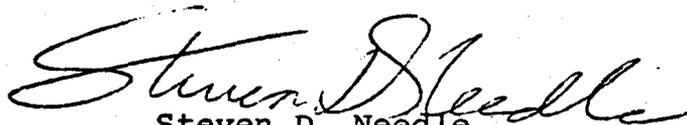


January 10, 1977

MEMORANDUM FOR THE RECORD

Subject: Proposed Executive Order Entitled "Delegating to the Secretary of Agriculture Certain Reporting Functions Under the Agricultural Trade Development and Assistance Act of 1954, as Amended"

Mr. Malcolm Butler, National Security Council (ext. 5026), requested that a requirement be included for coordination with the NSC.



Steven D. Needle
Assistant General Counsel



212/30



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

December 30, 1976

Mr. William M. Nichols
General Counsel
Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Dear Mr. Nichols:

Enclosed is a draft Executive Order delegating to the Secretary of Agriculture certain reporting functions under the Agricultural Trade and Assistance Act of 1954, as Amended (Public Law 480-83rd Congress).

This draft Executive Order was prepared at the request of Roger B. Porter, Executive Secretary of the Economic Policy Board.

Mr. Porter asked that I send it to you for clearance within the Executive Branch.

Sincerely,

Richard E. Bell
Richard E. Bell
Assistant Secretary

Attachment



Draft Executive Order

DELEGATING TO THE SECRETARY OF AGRICULTURE CERTAIN
REPORTING FUNCTIONS UNDER THE AGRICULTURAL TRADE
DEVELOPMENT AND ASSISTANCE ACT OF 1954, AS AMENDED

Executive Order No. 10900, January 5, 1961, 25 F.R. 143, as amended, made certain delegations of authority regarding the administration of the Agricultural Trade Development and Assistance Act of 1954, as amended. Section 5 of Executive Order No. 10900, however, reserved to the President the functions conferred upon him by section 108 of the Act (including that section as affected by section 406 of the Act) with respect to making reports to Congress. Section 108 of the Act, as amended, (7 U.S.C. 1708) was amended by the Food for Peace Act of 1966, P.L. 89-808, 80 Stat. 1537, approved November 11, 1966, which placed the reporting functions of section 108 under the newly-added section 408 (7 U.S.C. 1736b). Additional reporting requirements were imposed on the President by Public Law 94-161, 89 Stat. 854, approved December 20, 1975, which amended section 408 by adding "(a)" after "Sec. 408", by adding new subsections (b) and (c), and by changing the base reporting period in subsection (a) from calendar to fiscal year. It has now been found desirable to transfer the reporting requirements of section 408 from the President to the Secretary of Agriculture.

NOW, THEREFORE, by virtue of authority vested in me by section 301 of Title 3 of the United States Code, and as President of the United States, it is ordered that the Secretary of Agriculture shall perform



all reporting functions required of the President by Section 408
of the Agricultural Trade Development and Assistance Act of 1954,
as amended, (7 U.S.C. 1736b), and formerly reserved to the President
by Section 5 of Executive Order No. 10900.

GERALD R. FORD

THE WHITE HOUSE



EXECUTIVE ORDER

DELEGATING REPORTING FUNCTIONS UNDER THE
AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE
ACT OF 1954, AS AMENDED

By virtue of the authority vested in me by Section 408 of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1736b), Section 301 of Title 3 of the United States Code, and as President of the United States of America, it is hereby ordered as follows:

Section 1. Executive Order No. 10900, as amended, is further amended by adding to Section 1 thereof a new subsection (d) as follows:

"(d) The Secretary of Agriculture, after consultation with the Secretary of State, Secretary of the Treasury, Administrator of the Agency for International Development, Chairman of the Council of Economic Advisers, Director of the Office of Management and Budget, Chairman of the Council on International Economic Policy and the Assistant to the President for National Security Affairs, shall transmit to the Congress all reports required by Section 408 of the Act (7 U.S.C. 1736b, 1970 ed., Supp. V)."

Sec. 2. Executive Order No. 10900, as amended, is further amended by revoking Section 5 thereof and redesignating Sections 6, 7 and 8 as Sections 5, 6 and 7 respectively.

THE WHITE HOUSE

, 1977

