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THE WHITE HOUSE

WASHINGTON

March 1, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: L. WILLIAM SEIDMAN



SUBJECT: ORGANIZING FOR ECONOMIC POLICY COORDINATION

After our review of economic policy organization on January 18, 1975, you concluded that a reorganization of the existing structure would be desirable. The objective was to better coordinate and achieve consistency between domestic and international economic policy. You decided that this objective would best be met by a statutory Economic Policy Board on the NSC model. Such action would entail repeal of the existing CIEP legislation and would supersede your Executive Order of October 1, 1974, establishing the EPB. The proposed legislation would establish one entity in the Executive Office of the President responsible for the coordination of economic policy.

It was hoped that the Executive Director of the proposed EPB would not be confirmed by the Senate, but it was agreed that confirmation would be accepted if required.

This decision was then taken to OMB, your Legal Counsel, and the Office of Congressional Liaison to prepare the necessary documents and to review how to proceed with the Congress. All three offices raised questions as to the advisability of the contemplated action although all agreed that the approach of a single economic coordinating entity was the most desirable form of organization.

All three offices concluded that if legislation were submitted now Congress would require confirmation of the Executive Director and Assistant to the President for Economic Affairs (unlike the NSC model), would likely require additional reports and materials to ensure that the Congress was "fully and currently informed," could attach other undesirable requirements, and would entail a long and time consuming review of the Administration's economic policy making by the Congress. As a result of the questions raised the following options might be considered:

Option 1: Submit legislation to establish by statute the EPB as promptly as possible.

PROS

1. Attempts to achieve the preferred organization in the minimum possible time.
2. Clearly indicates the direction that the Administration wishes to go in economic policy organization.

CONS

1. Soundings in the Congress indicate substantial problems in securing passage of such legislation in an acceptable form at this time.
2. Gives Congress a direct inroad to the White House economic policy mechanism during intense debate on economic and energy program.
3. Entails an additional time commitment by key economic personnel involved in pushing passage of the economic and energy program.

Option 2: Submit legislation at a later time as would appear appropriate under the circumstances. Operate as presently indicated by the White House Organization Chart. Do not nominate a new Executive Director of CIEP but continue to function with an Acting Director.

PROS

1. Avoids giving the impression that the current economic policy organization is inadequate and therefore subjecting current policies to criticism on this account.
2. A later submission will enable us to prepare the Congress for the possibility of submitting such legislation.
3. Enhances the likelihood of passage in an acceptable form.

CONS

1. Delay may prompt criticism for not appointing an Executive Director of CIEP.

2. Questions may be raised with respect to CIEP operations in support of the EPB.

Option 3: Nominate a new Executive Director of CIEP. Operate in accordance with the White House Organization Chart. Do not submit legislation with respect to the Economic Policy Board.

#### PROS

1. Avoids placing the Executive Director in the position of potential confirmation and providing testimony and reports to keep the Congress "fully and currently informed."
2. Retains Presidential flexibility over the roles and priorities of the EPB.
3. The legislation could be interpreted by interested congressional committees as a downplaying of White House interest in the coordination of international economic policy.
4. Avoids the additional time commitment of key economic personnel in attempting to secure legislation.

#### CONS

1. Does not achieve the optimal organizational pattern.
2. Permits Congress the opportunity to exact commitments from a new Executive Director of CIEP.
3. The nomination of a new Executive Director of CIEP provides Congress the opportunity of opening up the issue of international economic policy making and its relationship to overall economic policy making.

#### Recommendations:

Option 1 \_\_\_\_\_

Option 2 RR7 (Simon, Seidman, Lynn, Greenspan)

Option 3 \_\_\_\_\_

THE WHITE HOUSE  
WASHINGTON

February 28, 1975

MR. PRESIDENT:

The attached memo has been staffed and the following comments were generated:

Dent -- See Tab A. (Option 3)

Buchen (Areeda) -- My thoughts have already been communicated to Mr. Seidman.

Lynn -- Concurs.

Scowcroft -- Option 2.

Don



THE SECRETARY OF COMMERCE  
WASHINGTON, D.C. 20230

February 27, 1975

MEMORANDUM FOR MR. JERRY H. JONES  
STAFF SECRETARY

FROM: The Secretary of Commerce



SUBJECT: Your Action Memorandum of February 27, 1975

I concur with the view that submission of legislation to establish by statute the EPB is undesirable under the present circumstances of economic distress. At the same time I believe it essential that we maintain an outward looking economic policy which is not distracted by the current unfortunate domestic economic situation. I also note an apparent lack of international economic policy coordination between Departments which might be reduced or eliminated through an active CIEP.

I therefore would favor Option 3 with the understanding that the President's long-term objective of combining domestic and international economic policy in a statutorily established EPB would be addressed through submission of appropriate legislation when the domestic economy recovers.

Attachment

## CONTENTS

- Tab A . . . . . Draft Legislation for Reorganization of  
CIEP and the EPB (February 4, 1975)
- Tab B . . . . . Draft Memorandum  
Seidman to President (drafted by Areeda)  
"Organizing for Economic Policy"  
February 18, 1975
- Tab C . . . . . Memorandum  
Bennett to Buchen and Seidman  
"Feasibility of Seeking a Statutory  
Economic Policy Board (EPB)"  
February 12, 1975
- Tab D . . . . . Options Paper  
OMB  
"Feasibility of Seeking a Statutory  
Economic Policy Board (EPB)"  
February 3, 1975





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

February 4, 1975

MEMORANDUM FOR

PHILIP W. BUCHEN

SUBJECT: Legislation Regarding Economic Policy Board

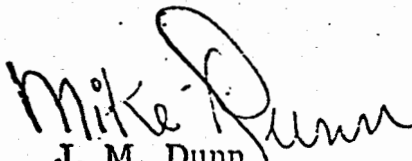
Attached for your review is a version of the Economic Policy Board legislation which has been revised in accordance with your suggestions as follows:

(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.

Tab B



(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.

THE WHITE HOUSE

WASHINGTON

February 18, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM SEIDMAN

SUBJECT: Organizing for Economic Policy

I

Ultimate Objective

Your advisers are agreed on the ideal organization of your staff for the coordination and development of domestic and international economic policy: an interagency economic coordinating board, served by a staff working under a Presidential Assistant who is not subject to Senate confirmation, created either by Executive Order or by a very general statute and without any separate board or staff for international economic policy.

II

Should we seek legislation?

The fundamental issue is whether we should seek legislation abolishing the statutory Council on International Economic Policy (CIEP) and either creating an Economic Policy Board (EPB) or leaving us free to staff one created by Presidential action. Such legislation would move us closer to the ideal arrangement outlined above. But the legislative route has these disadvantages:

- Could be interpreted as a downplaying of White House coordination of international economic issues when in fact the opposite should be true.
- Might require a substantial commitment of our resources at a time when we have no resources to spare.
- Would surely include provision for Senate confirmation of the chief Presidential aide for economic affairs and for various additional reports to Congressional committees.

- Likely to be a slow process and thus to compel us to organize for economic policy-making during the crucial immediate period without the benefit of new legislation.
- Unclear whether Congress would treat this as an organizational, economic or foreign trade issue.

In view of these disadvantages, I recommend that we avoid legislation at this time although reserving it as our ultimate goal. I think we can get along adequately without it.

### III

#### Operating under existing legislation

##### A. Relevant Factors

In operating under existing legislation, several variables must be considered:

- CIEP has appropriations for resources sufficient to serve both our domestic and international economic planning needs.
- That staff is directed by the CIEP Executive Director.
- There is no legal obstacle to requesting lower appropriations for CIEP and more for the general White House appropriation, although this would require an amendment of the 1976 budget as submitted.
- CIEP's statutory charter emphasizes international economic policy but also speaks of the need for "the closer coordination of domestic and foreign economic activity" and for "consistency between domestic and foreign economic policy."
- Foreign and domestic economic policy can best be coordinated in this Administration through a single body such as the EPB.

- You wish your Assistant for Economic Affairs to supervise both domestic and international economic policy. He needs one or two deputies and staff resources.
- Subject to that supervision one or both deputies can deal directly with the President as appropriate.
- The CIEP Executive Director is subject to Senate confirmation. This means that he must testify before appropriate Congressional committees. It also means that the post has some prestige that can help in attracting the right kind of person.
- Abstract organizational considerations are less important than and must be adjusted in accordance with the talents and interests of the persons actually appointed to the posts in question.

#### B. Funding Possibilities

##### 1. Request more funds for general White House staff and less for CIEP.

Pro: Puts staff where it's needed.

Avoids the possibility that we will be accused of "misusing" international funds for domestic purposes.

Con: Requires revising budget already submitted. [?]

Doesn't solve problem for remainder of current fiscal year.

Separate appropriations for foreign and domestic policy staffing involves inevitable rigidity.

##### 2. Continue existing budgeting but use CIEP staff for both foreign and domestic issues.

Pro: Minimizes appropriation changes.

Recognizes inseparability of foreign and domestic issues.

Is consistent with the CIEP statute's recognition of the inter-relationship of foreign and domestic economic policy.

Con: Might appear as a misuse of funds appropriated for international issues.

-- But who would complain about using CIEP budget more efficiently to serve not only foreign but also domestic economic policy?

Makes Seidman dependent for staff on CIEP Executive Director.

-- Should not be a problem if the right kind of person is appointed to CIEP post and if there are proper understandings at the outset.

3. Recommendation: Option #2.

C. Management Possibilities

1. Make Seidman CIEP Director as well as Presidential Assistant.

Pro: Emphasizes foreign-domestic interrelationship.

Avoids any tensions in allocating CIEP staff between foreign and domestic policy tasks.

Con: Requires Seidman confirmation and Hill testimony (doubtless on domestic matters as well).

Loses CIEP post as recruitment lure.

2. Leave CIEP post vacant.

Pro: Nobody needs to be confirmed.

No confirmed official has charge of CIEP staff in competition with Seidman.

Con: Unnecessary.

Failing to appoint top official contemplated by law contrary to sound principle.

3. Appoint CIEP Executive Director who will act as deputy to Seidman and who will understand that CIEP staff is available for foreign and domestic work.

Pro: Fills the statutory post.

Uses prestige of statutory post for recruitment.

Provides White House with a statutory official who can articulate White House policy when that is desired.

Con: Confirmed official might conceivably think himself independent of Seidman.

-- Unlikely if right person selected.

The person selected cannot come on board for many weeks until confirmed.

-- But the prospective appointee could be brought on now as an assistant to Seidman so long as this procedure is cleared with the relevant Senate committee.

3a. CIEP Director as sole deputy to Seidman.

Pro: Avoids any disputes as to allocation of CIEP staff between foreign and domestic functions.

Most efficient way to manage staff.

Arrangement most likely to attract a good person.

Con: Will be called upon to testify on domestic as well as foreign matters.

Congress might think it curious that Seidman's deputy should have to testify while Seidman does not; invites legislation.

-- But any such legislation could be used to achieve our more ideal organization.

Might eliminate competitive inputs to Seidman.

-- Not likely in view of diverse inputs through EPB itself.

Tab C

3b. CIEP Director as one of two deputies to Seidman.

Pro: CIEP Director would focus on international matters as "intended" by statute.

-- Unsound argument in view of fact that CIEP staff is not limited to international matters.

Leaves Seidman with two sources on most matters.

Con: Less efficient vehicle for managing CIEP staff.

3c. CIEP Director as "principal deputy" to Seidman, as director of the staff, with primary but not exclusive responsibilities on the international side, where a second deputy with certain administrative responsibilities could report directly to Seidman.

Pro: Recognizes the statutory responsibility of CIEP Director for the CIEP staff.

4. Recommendation: Option 3c.



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 content 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.

Tab D

2/3/75

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

THE WHITE HOUSE  
WASHINGTON

March 22, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: L. WILLIAM SEIDMAN  
FROM: JERRY H. JONES  
SUBJECT: Organizing for Economic  
Policy Organization

Your memorandum to the President of March 1 on the above subject has been reviewed and Option 2 -- submit legislation at a later time as would appear appropriate under the circumstances. Operate as presently indicated by the White House Organization Chart. Do not nominate a new Executive Director of CIEP but continue to function with an Acting Director -- was approved.

Please follow-up with the appropriate action.

Thank you.

cc: Don Rumsfeld





## THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: February 27, 1975

Time:

Secretary Dent *JD*FOR ACTION: Phil Buchen *JB*

cc (for information):

Jim Lynn *JL*Brent Scowcroft *BS*

FROM THE STAFF SECRETARY

DUE: Date: Thursday, February 27, 1975

Time: 5:00 p.m.

SUBJECT:

Seidman memo (no date) re: Organizing  
for Economic Policy Coordination

ACTION REQUESTED:

☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

REMARKS:

4/28-10<sup>30</sup> - Called Scowcroft  
~~tentatively~~ Option 2  
by phone, Lynn concurs  
4/28 ready for P.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jerry H. Jones  
Staff Secretary

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: L. WILLIAM SEIDMAN

SUBJECT: ORGANIZING FOR ECONOMIC POLICY COORDINATION

After our review of economic policy organization on January 18, 1975, you concluded that a reorganization of the existing structure would be desirable. The objective was to better coordinate and achieve consistency between domestic and international economic policy. You decided that this objective would best be met by a statutory Economic Policy Board on the NSC model. Such action would entail repeal of the existing CIEP legislation and would supersede your Executive Order of October 1, 1974, establishing the EPB. The proposed legislation would establish one entity in the Executive Office of the President responsible for the coordination of economic policy.

It was hoped that the Executive Director of the proposed EPB would not be confirmed by the Senate, but it was agreed that confirmation would be accepted if required. — NO

This decision was then taken to OMB, your Legal Counsel, and the Office of Congressional Liaison to prepare the necessary documents and to review how to proceed with the Congress. All three offices raised questions as to the advisability of the contemplated action although all agreed that the approach of a single economic coordinating entity was the most desirable form of organization.

All three offices concluded that if legislation were submitted now Congress would require confirmation of the Executive Director and Assistant to the President for Economic Affairs (unlike the NSC model), would likely require additional reports and materials to ensure that the Congress was "fully and currently informed," could attach other undesirable requirements, and would entail a long and time consuming review of the Administration's economic policy making by the Congress. As a result of the questions raised the following options might be considered:

Option 1: Submit legislation to establish by statute the EPB as promptly as possible.

PROS

1. Attempts to achieve the preferred organization in the minimum possible time.
2. Clearly indicates the direction that the Administration wishes to go in economic policy organization.

CONS

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#### Recommendations:

Option 1 \_\_\_\_\_

Option 2 \_\_\_\_\_ (Simon, Seidman, Lynn)

Option 3 \_\_\_\_\_

THE WHITE HOUSE  
WASHINGTON

February 24, 1975

*J.J.  
What is deadline on  
memo - DR*

MEMORANDUM FOR: JERRY JONES

FROM: DICK CHENEY

Don received the Seidman memo at 11:45 AM this morning. Please staff it out as appropriate in the White House and get a proposal up that includes the comments of others. It should be staffed to the appropriate people, including Secretary Dent, and you should prepare any comments from Don so that one memo can go to the President as promptly as possible.

FEB 27 1975

12 noon

THE WHITE HOUSE

WASHINGTON

February 24, 1975

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THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: February 27, 1975

Time:

Secretary Dent

FOR ACTION: Phil Buchen

cc (for information):

Jim Lynn

Brent Scowcroft

FROM THE STAFF SECRETARY

DUE: Date: Thursday, February 27, 1975

Time: 5:00 p.m.

SUBJECT:

Seidman memo (no date) re: Organizing  
for Economic Policy Coordination

ACTION REQUESTED:

\_\_\_\_ For Necessary Action

X For Your Recommendations

\_\_\_\_ Prepare Agenda and Brief

\_\_\_\_ Draft Reply

X For Your Comments

\_\_\_\_ Draft Remarks

REMARKS:

cc: LS

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jerry H. Jones  
Staff Secretary



THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: L. WILLIAM SEIDMAN

SUBJECT: ORGANIZING FOR ECONOMIC POLICY COORDINATION

After our review of economic policy organization on January 18, 1975, you concluded that a reorganization of the existing structure would be desirable. The objective was to better coordinate and achieve consistency between domestic and international economic policy. You decided that this objective would best be met by a statutory Economic Policy Board on the NSC model. Such action would entail repeal of the existing CIEP legislation and would supersede your Executive Order of October 1, 1974, establishing the EPB. The proposed legislation would establish one entity in the Executive Office of the President responsible for the coordination of economic policy.

It was hoped that the Executive Director of the proposed EPB would not be confirmed by the Senate, but it was agreed that confirmation would be accepted if required.

This decision was then taken to OMB, your Legal Counsel, and the Office of Congressional Liaison to prepare the necessary documents and to review how to proceed with the Congress. All three offices raised questions as to the advisability of the contemplated action although all agreed that the approach of a single economic coordinating entity was the most desirable form of organization.

All three offices concluded that if legislation were submitted now Congress would require confirmation of the Executive Director and Assistant to the President for Economic Affairs (unlike the NSC model), would likely require additional reports and materials to ensure that the Congress was "fully and currently informed," could attach other undesirable requirements, and would entail a long and time consuming review of the Administration's economic policy making by the Congress. As a result of the questions raised the following options might be considered:

Option 1: Submit legislation to establish by statute the EPB as promptly as possible.

PROS

1. Attempts to achieve the preferred organization in the minimum possible time.
2. Clearly indicates the direction that the Administration wishes to go in economic policy organization.

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## THE WHITE HOUSE

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Jim Lynn  
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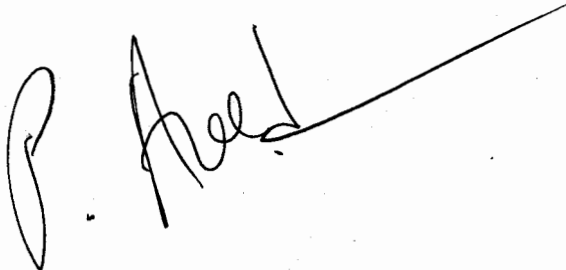
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ACTION REQUESTED:

☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

REMARKS:

My thoughts on this issue have already been communicated  
to Mr. Seidman.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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WASHINGTON

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#### Recommendations:

Option 1 \_\_\_\_\_

Option 2 \_\_\_\_\_ (Simon, Seidman, Lynn)

Option 3 \_\_\_\_\_

THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

February 27, 1975

MEMORANDUM FOR MR. JERRY H. JONES  
STAFF SECRETARY

FROM: The Secretary of Commerce



SUBJECT: Your Action Memorandum of February 27, 1975

I concur with the view that submission of legislation to establish by statute the EPB is undesirable under the present circumstances of economic distress. At the same time I believe it essential that we maintain an outward looking economic policy which is not distracted by the current unfortunate domestic economic situation. I also note an apparent lack of international economic policy coordination between Departments which might be reduced or eliminated through an active CIEP.

I therefore would favor Option 3 with the understanding that the President's long-term objective of combining domestic and international economic policy in a statutorily established EPB would be addressed through submission of appropriate legislation when the domestic economy recovers.

Attachment