

**5/30/80 [1]**

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TERRY L. COLEMAN  
Representative, District 118  
Anson Avenue  
Eastman, Georgia 31023  
Telephone: 912-374-5594

# House of Representatives

Atlanta, Georgia

## COMMITTEES

APPROPRIATIONS  
Agricultural Consumer Affairs &  
Public Works, Vice Chairman  
PUBLIC SAFETY, CHAIRMAN  
STATE INSTITUTIONS & PROPERTY  
State Ports

May 23, 1980

Mr. James E. Carter  
President  
The White House  
Washington, DC

072469

Dear Mr. President:

I am sure you will remember James B. O'Connor from Dodge County. He is presently serving as Superior Court Judge for our circuit. He is retiring at the end of 1980 after 16 years on the bench. I certainly hate to see his talent and ability wasted even though I know he wants to look after his timber interests.

If you have the opportunity during your next for years in office to fill a vacancy on the United States Supreme Court, I do not think you could find a better nominee.

I hope to see you soon.

Sincerely,

Terry L. Coleman

TLC:vlt

Enclosure

cc: Terry -  
Judge O'Connor is  
a fine man & a  
good judge. I hate  
to see him retire  
J

Biographical Sketch  
James B. O'Connor

Native of Dodge County, Georgia, where he now lives near Chauncey.

Graduate of Duke University (AB-1948) and Mercer University (JD-1951).

Served in U. S. Army as a paratrooper officer.

Practiced law in McRae, Georgia, in General Practice from 1955 to 1965.

Elected to Superior Court Judgeship and has held that office since January 1, 1965.

Has served as President of Council of Superior Court Judges of Georgia. Served as a member of the Committee which composed the Pattern Jury Instruction Books for the Council.

Currently Chairman of Judicial Council of Georgia.

Married Sara Ester Hale of Marietta and has two sons, Shaughn who is in the U. S. Army and Jim, age 13, who attends Dodge public school system at Chauncey.

Member of many civil and professional organizations and Deacon in Jay Bird Springs Baptist Church.

# WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

ID # 072469

O - OUTGOING  
 H - INTERNAL  
 I - INCOMING  
 Date Correspondence Received (YY/MM/DD) 10/05/12

Name of Correspondent: Terry L. Coleman

MI Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Personal Friend

ROUTE TO:	ACTION	Tracking Date	Type of Response	Completion Date
Office/Agency (Staff Name)	Action Code	YY/MM/DD	Code	YY/MM/DD
<u>PR/104</u>	ORIGINATOR	<u>10/05/12</u>	<u>CP5</u>	<u>A 10/05/12</u>
_____	_____	_____	_____	_____
_____	Referral Note:	_____	_____	_____
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**ACTION CODES:**

- A - Appropriate Action
- C - Comments
- D - Draft Response
- F - Fact Sheet
- I - Info Copy
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

**DISPOSITION CODES:**

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

**FOR OUTGOING CORRESPONDENCE:**

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: Recommends James B. O'Connor for an appointment to the Supreme Court, if a vacancy occurs in the next few years.

Keep this worksheet attached to the original incoming letter.  
 Send all routing updates to Central Reference (Room 75, OEOB).  
 Always return completed correspondence record to Central Files.  
 Refer questions about the correspondence tracking system to Stephen Slade, ext. 2941.

THE WHITE HOUSE  
WASHINGTON

Mr. President:

The sailors on the Nimitz are going to present you with a "Gonzo" T-shirt (Gulf of Oman Zone of Operation). At the start of your remarks you may want to *say* something along the lines of "it's great to be here at Gonzo Station."

Phil

9:50 AM

THE WHITE HOUSE

WASHINGTON

May 29, 1980

NATIONAL SPELLING BEE PARTICIPANTS

Friday, May 30, 1980

9:50 a.m.

Rose Garden

From: Anne Wexler

AW

I. PURPOSE

To greet the participants in the 53rd Annual National Spelling Bee.

II. BACKGROUND, AUDIENCE AND PRESS PLAN

- A. Background: The National Spelling Bee first started as a national competition in 1925, and since 1941 has been sponsored by Scripps-Howard Newspapers in 14 cities and 94 other newspapers across the country. It is estimated that the National Spelling Bee involves more than 8 million young people under the age of 15, across the country.

Each year, newspaper sponsors from across the country send their local champion to Washington for a week of final competitions. This will be your first meeting with National Spelling Bee contestants. However, Mrs. Carter hosted a reception for the 1978 participants.

- B. Audience: Approximately 500 people will be attending including the 112 champions (66 girls and 46 boys), their families and their newspaper sponsor representatives. The champion spellers are all between the ages of 11 and 15. They come from 39 states, some as far away as Alaska, including Puerto Rico and the Virgin Islands.
- C. Press Plan: There will be open press coverage for your remarks.

### III. AGENDA

Standing by the microphone when you arrive will be James Wagner, director of the National Spelling Bee, and this year's champion speller, Jacques Reilly. *BAILEY*

Jacques is 14 and in the 8th grade at St. Vincent de Paul School in Denver, Colorado. He qualified for the National Spelling Bee by winning the Rocky Mountain News title. His brother and his parents, Paul and Florence Bailly will be standing to the side. Sister Eileen, his spelling coach, will also be present.

Following your remarks, we recommend that you shake hands on the way out with the 112 national competitors who will be in the front rows of the audience.

### IV. TALKING POINTS

The speechwriters will send you talking points under separate cover.

[Names in salutation will be confirmed by Heather Pars x7700 no later than 8:30 AM Friday.]

Achsah Nesmith  
A-1 5/29/80  
Scheduled Delivery:  
Fri, May 30, 9:50 AM  
Rose Garden

9:50 AM

Spelling Champions Drop-by

1. DIRECTOR JAMES WAGNER, NATIONAL SPELLING BEE CHAMPION  
JACQUES (Zhahk) BAILLY (pronounced Bailey), SPELLING CHAMPIONS  
OF AMERICA, FAMILIES AND SPONSORS:

2. ONE OF THE GREAT PLEASURES OF BEING PRESIDENT IS MEETING  
WITH PEOPLE IN EVERY FIELD WHO EXCEL, WHO ARE CHAMPIONS AND  
SET GOOD EXAMPLES FOR OTHERS. IT IS A PARTICULAR PLEASURE  
WHEN THEY ARE YOUNG PEOPLE, BECAUSE YOU CAN GO ON TO NEW  
TRIUMPHS, BUILDING ON THIS EXPERIENCE. JACQUES' WINNING  
WORD "ELUCUBRATE" (e-loo'-ka-brate) IS VERY APPROPRIATE --  
"TO WORK OR EXPRESS BY STUDIOUS EFFORT" (from the French  
root meaning "to study by lamplight.") WORKING HARD, DOING  
YOUR BEST, BEING ABLE TO APPLY WHAT YOU KNOW UNDER GREAT  
PRESSURE, WILL SERVE YOU IN GOOD STEAD WHATEVER DIRECTION  
YOU CHOOSE FOR THE FUTURE. ALL OF YOU ARE CHAMPIONS, WHO  
HAVE WON OVER THOUSANDS OF COMPETITORS, SOME EIGHT MILLION  
IN ALL WHO PARTICIPATED IN THE LOCAL CONTESTS. YOU HAVE  
EXPERIENCED PUBLIC ATTENTION AND ACCLAIM, AND ARE THE GREAT  
PRIDE OF YOUR FAMILIES AND THE SCHOOLS YOU REPRESENT.

3. ALL OF YOU ALSO, EXCEPT FOR JACQUES, HAVE EXPERIENCED  
SOMETHING ELSE AS WELL THAT YOU WILL FIND VALUABLE IN THE YEARS  
TO COME. YOU HAVE LEARNED WHAT IT IS TO TRY YOUR HARDEST AND  
IN THE GLARE OF PUBLICITY, WITH EVERYONE WATCHING, TO BE STOPPED  
SHORT OF YOUR GOAL. ALTHOUGH I NEVER GOT AS FAR AS YOU DID WITH  
SPELLING -- I NEVER GOT PAST THE SPELLING BEES MISS JULIA COLEMAN

TALKING POINTS

USED TO HOLD IN OUR SCHOOL IN PLAINS -- I HAVE KNOWN THE JOY OF WINNING A GRUELING CONTEST, AND THE PAIN OF LOSING. AS ABRAHAM LINCOLN SAID A LONG TIME AGO, AND ADLAI STEVENSON REPEATED MORE RECENTLY, IT HURTS TOO MUCH TO LAUGH AND YOU ARE TOO OLD TO CRY. WHETHER YOU CRIED OR NOT, YOU HAVE LEARNED TO SWALLOW YOUR DISAPPOINTMENT AND GO ON. YOU HAVE ALSO, I TRUST, LEARNED SOMETHING ELSE YOU WILL NEVER FORGET -- HOW TO SPELL THE WORD YOU MISSED.

4. SPELLING IS A GOOD THING, BUT AS YOU MAY HAVE ALREADY DISCOVERED, IT IS NOT UNIFORMLY POPULAR WITH EVERYONE, AS I LEARNED IN MY FIRST POLITICAL POST, ON THE SCHOOL BOARD IN SUMTER COUNTY, GEORGIA. ONE OF THE PARENTS COMPLAINED TO ME ABOUT WHAT THEY WERE TEACHING HIS SON IN SCHOOL. FEARING THE WORST, I ASKED HIM TO BE A LITTLE MORE SPECIFIC, SO THE FATHER EXPLAINED. HE SAID, "THEY'RE TRYING TO TEACH MY SON TO SPELL 'TATER WITH A 'P'."

5. SOME OF YOU ARE REPEATERS, HAVING COME TO THE NATIONAL SPELLING BEE BEFORE, A FEW MORE THAN ONCE. BUT SURELY THE RECORD IN THAT REGARD MUST GO TO DR. RICHARD R. BAKER, A PHILOSOPHY PROFESSOR WHO HAS BEEN THE OFFICIAL "PRONOUNCER" FOR THE PAST 20 OF THE 53 YEARS OF THE NATIONAL SPELLING BEE. HE PRONOUNCED HIS 11,555th OFFICIAL WORD TO OPEN THIS YEAR'S COMPETITION -- 13,094 IF YOU ADD THE WARM-UP WORDS.

FRANKLY, I AM ENVIOUS, DR. BAKER. I HAVE OFFICIALLY PRONOUNCED A GREAT NUMBER OF WORDS AS PRESIDENT -- AS FAR AS I KNOW NO ONE HAS EVEN KEPT COUNT -- BUT I CANNOT GET THE

SAME KIND OF RAPT, UNDIVIDED ATTENTION FOR EACH OFFICIAL WORD I PRONOUNCE THAT YOU GET, DR. BAKER.

6. THE SPELLING BEE DOES ONE OTHER THING I HAVE NOT ALWAYS MANAGED -- YOU HAVE 108 NEWSPAPERS, FROM ALASKA, PUERTO RICO, THE VIRGIN ISLANDS AND ALMOST EVERY STATE SPONSORING YOU, APPLAUDING YOUR EVERY EFFORT AND ASSURING EVERYONE THAT YOUR INTENTIONS WERE GOOD EVEN IF SOMETHING DOES NOT COME OUT RIGHT.

7. GOOD SPELLING MAY NOT AUTOMATICALLY MAKE YOU ELOQUENT, BUT AT LEAST YOU HERE TODAY SHOULD NOT HAVE TO FACE THE DIFFICULTIES OF ONE BOY I KNEW. HIS TEACHER ASKED HIM TO DEFINE "SYNONYM", AND HE REPLIED QUICKLY, "IT'S THE WORD YOU USE WHEN YOU CAN'T SPELL THE ONE YOU MEANT TO USE."

8. AS CHAMPION SPELLERS, YOU SHOULD BE ABLE TO AVOID THAT DIFFICULTY, BUT ACCURATE SPELLING STILL MAY NOT PREVENT ALL MISUNDERSTANDING. YOU MAY HAVE HEARD ABOUT THE TRUCK DRIVER WHO WAS TAKING A LOAD OF PENGUINS TO THE LOS ANGELES ZOO WHEN HIS TRUCK BROKE DOWN. ANOTHER TRUCKER STOPPED AND TRIED TO HELP HIM, BUT THEY JUST COULD NOT GET HIS TRUCK STARTED, SO THE FIRST DRIVER OFFERED THE TRUCKER WHO HAD STOPPED TO HELP HIM \$100 TO TAKE THE PENGUINS TO THE ZOO. THEY LOADED ALL THE PENGUINS ON THE OTHER TRUCK AND EVENTUALLY THE FIRST DRIVER GOT HIS TRUCK REPAIRED AND GOT BACK ON THE ROAD. THE FIRST THING HE PASSED WAS THE DRIVER HE HAD GIVEN THE MONEY TO, DRIVING IN THE OPPOSITE DIRECTION WITH THE PENGUINS STILL ON THE TRUCK. HE FLAGGED HIM DOWN AND DEMANDED TO KNOW WHAT WAS GOING ON.

"I GAVE YOU \$100 TO TAKE THOSE PENGUINS TO THE ZOO."

"I KNOW," THE OTHER DRIVER SAID, "THEY HAD SUCH A GOOD TIME AND I STILL HAD \$60 LEFT, THAT I DECIDED TO TAKE THEM TO DISNEYLAND TOO."

9. THE GREAT EXPLOSION OF INFORMATION -- ABOUT THE EARTH, THE UNIVERSE, ABOUT OUR OWN BODIES AND BRAINS -- AND THE GREAT SPEED WITH WHICH INFORMATION CAN BE TRANSMITTED HAS MADE ACCURACY IN COMMUNICATIONS EVEN MORE IMPORTANT THAN IN THE PAST. YOUR QUEST FOR EXCELLENCE AND ACCURACY, YOUR SOMETIMES PAINFUL DISCOVERY OF THE PENALTIES FOR HASTE OR MISUNDERSTANDING, ARE EXCELLENT PREPARATION FOR WHATEVER FUTURE YOU CHOOSE. I CAN'T DECIDE WHETHER TO URGE YOU TO GO INTO GOVERNMENT, OR TO TRY TO GET JOBS WITH SOME OF THE NEWSPAPERS SPONSORING YOU. WHATEVER YOU CHOOSE, I WISH YOU EVERY SUCCESS.

###

COLONNADE

Exit for WH Tour

James Wagner,  
Director

NSB Champion

POTUS

\*

CABINET ROOM

112 Champions

PRESS PLATFORM

Other Guests

OVAL OFFICE

Entrance from buses  
having come through  
SE Gate

(1)

BEFORE I BEGIN, LET ME EXPRESS MY THANKS  
TO SENATORS CANNON, PELL & KASSEBAUM, .WILLIAMS  
& TO REPRESENTATIVES FLORIO & MADIGAN --  
FOR THEIR INVALUABLE EFFORTS IN THE PASSAGE OF THIS LEGISLATION.

I WANT ALSO TO THANK GOVERNOR BRENDAN BYRNE,  
WHO, WHEN HE WAS CHAIRMAN OF THE CONFERENCE OF NORTHEAST GOVERNORS,  
MADE THE NORTHEAST CORRIDOR PROJECT THE #1 PRIORITY OF THAT GROUP.

I ALSO WANT TO THANK GOVERNOR JOE GARRAHY,  
AS WELL AS GOVERNOR ELLA GRASSO, WHO CURRENTLY CHAIRS THE CONFERENCE  
BUT COULD NOT BE WITH US TODAY.

**Electrostatic Copy Made  
for Preservation Purposes**

[Salutations will be updated  
no later than 9 AM on Friday  
by Patty DeSouza, x7750.]

Bob Rackleff  
Draft A-1, 5/29/80  
Scheduled Delivery:  
Fri, May 30, 1 PM  
Cabinet Room

1:00

Talking Points for Rock Island/Northeast Corridor Bill Signing

Talking Points

1. ~~BEFORE I BEGIN, LET ME EXPRESS MY THANKS TO SENATORS~~  
~~CANNON, <sup>PELL</sup> ~~PACKWOOD~~, AND KASSEBAUM, AND TO REPRESENTATIVES ~~FLORIO and~~~~  
~~STAGGERS, MADIGAN, AND FLORIO, WHO COULD NOT BE HERE TODAY,~~  
~~FOR THEIR INVALUABLE EFFORTS IN THE PASSAGE OF THIS LEGISLATION.~~  
~~I WANT ALSO TO THANK GOVERNOR BRENDAN BYRNE, WHO WHEN HE WAS~~  
~~CHAIRMAN OF THE CONFERENCE OF NORTHEAST GOVERNORS, MADE THE~~  
~~NORTHEAST CORRIDOR PROJECT THE NUMBER ONE PRIORITY OF THAT GROUP.~~  
~~I ALSO WANT TO THANK GOVERNOR JOE GARRAHY AS WELL AS GOVERNOR~~  
~~ELLA GRASSO, WHO CURRENTLY CHAIRS THE CONFERENCE BUT COULD NOT~~  
~~BE WITH US TODAY.~~

*Revised / corrected a Hadley*

2. TRAINS REPRESENT THE FUTURE, NOT THE PAST, OF OUR  
NATION'S TRANSPORTATION. I AM THEREFORE PLEASED TO SIGN  
S. 2253, WHICH IMPLEMENTS MANY OF MY ADMINISTRATION'S RAIL  
SERVICE PRIORITIES. IT PROVIDES \$750 MILLION FOR FIVE YEARS  
FOR THE NORTHEAST CORRIDOR IMPROVEMENT PROJECT, TO MAKE  
POSSIBLE A HIGH-SPEED PASSENGER CORRIDOR FROM BOSTON TO  
WASHINGTON. IT ALSO PROVIDES \$75 MILLION IN LOAN GUARANTEES  
TO THE TRUSTEE OF THE ROCK ISLAND RAILROAD FOR EMPLOYEE  
PROTECTION AGREEMENTS, AND \$1.5 MILLION IN NEW CAREER TRAINING  
AID. I HAVE STRONGLY SUPPORTED THESE AND OTHER PROVISIONS,  
AND I CONGRATULATE CONGRESS FOR ITS PASSAGE.

*WILL PROTECTED*

3. MY ADMINISTRATION HAS ALSO BEEN VERY CONCERNED ABOUT  
THE BANKRUPTCY OF THE ROCK ISLAND RAILROAD AND ITS EFFECT ON  
RAIL SERVICE IN THE MIDWEST.

4. THE AID FOR THE ROCK ISLAND TRUSTEE IS VERY IMPORTANT TO PROTECT WORKERS AFFECTED BY THE BANKRUPTCY OF THIS LINE. ALSO IT CAN HELP ACCOMPLISH AN ORDERLY TRANSITION FOR ESSENTIAL SERVICES IN THE MIDWEST.

5. OUR INVESTMENT IN THE NORTHEAST CORRIDOR IS PROVIDING OVER 30,000 PERSON-YEARS OF JOBS AND MAKING EXTENSIVE USE OF MINORITY AND SMALL BUSINESS CONTRACTORS. IT WILL IMPROVE SERVICE FOR SOME 50% OF AMTRAK'S RIDERS TODAY AND BY 1990 HELP ATTRACT 5.75 MILLION NEW RIDERS. MOST IMPORTANT, IT WILL BE A VITAL, PRODUCTIVE STIMULUS FOR REBUILDING OUR NATION'S INDUSTRIAL BASE. IT WILL IMPROVE LAND USE BY ENCOURAGING MORE BUSINESSES AND WORKERS TO LOCATE NEAR ITS FACILITIES. IT WILL ALSO HELP REVIVE THE CENTRAL CITIES OF THE NORTHEAST, WHICH HAVE DECLINED PARTLY BECAUSE OF DETERIORATING RAIL SERVICE. IN SHORT, THE TOTAL \$2.5 BILLION AUTHORIZED FOR THE LIFE OF THE CORRIDOR PROJECT IS THE LARGEST PUBLIC INVESTMENT EVER BEGUN IN THE NORTHEAST, AND ITS IMPACT IS ALREADY PROFOUND.

6. I AM ESPECIALLY PLEASD WITH THE \$140 MILLION ALLOCATED FOR STATION IMPROVEMENTS. FOR EXAMPLE, IMPROVEMENTS TO THE NEWARK, N.J., STATION HAVE COINCIDED WITH \$125 MILLION IN NEARBY DEVELOPMENT. NEWARK HAS LONG NEEDED AN ASSET TO STIMULATE NEW COMMERCIAL ACTIVITY, AND THIS APPEARS TO BE DOING JUST THAT. ALSO, SOUTH STATION IN BOSTON IS BECOMING A MAJOR MULTI-MODAL TRANSPORTATION CENTER AND WILL STIMULATE OVER \$500 MILLION IN EXPECTED PRIVATE DEVELOPMENT IN THE AREA.

7. OTHER BENEFITS OF THE CORRIDOR PROJECT WILL BE LOWER OPERATING COSTS AND INCREASED PATRONAGE -- AND LESS CONGESTION AT AIRPORTS AND ON HIGHWAYS OF THE REGION, LESS USE OF OIL IN OUR TRANSPORTATION, AND REDUCED AIR POLLUTION. IN SHORT, THE \$750 MILLION IN THIS AUTHORIZATION IS VITAL NOT SIMPLY TO THE NORTHEASTERN RAIL SYSTEM, BUT ALSO TO OUR NATION'S BUSINESSES, OUR CITIES, AND ULTIMATELY, THE AMERICAN PEOPLE.

# # #

THE WHITE HOUSE  
WASHINGTON

30 May 80

Frank Moore

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

Rick Hutcheson

NOTE: Please notify Sawhill  
if necessary.

3096

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

ACTION  
FYI  
Note: P/s not by  
Saw bill - if necessary.

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

	VICE PRESIDENT
	JORDAN
	CUTLER
	DONOVAN
	EIZENSTAT
	MCDONALD
X	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

THE WHITE HOUSE  
WASHINGTON

May 30, 1980

MEMORANDUM FOR THE PRESIDENT  
FROM FRANK MOORE *F.M./m*

You asked to see the attached.

*Frank -  
This is ok, but  
just an article  
by Seashill  
J*

this forest is named—Gifford Pinchot.

## AMERICA NEEDS THE GASOLINE FEE

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. BOLLING. Mr. Speaker, the following article by John C. Sawhill, Deputy Secretary of the Department of Energy, appeared in the New York Times of May 26, 1980. It deserves to be read by the Members of Congress:

[From the New York Times, May 26, 1980]

### AMERICA NEEDS THE GASOLINE FEE

(By John C. Sawhill)

WASHINGTON.—President Carter's proposed oil-import fee, which would add 10 cents to a gallon of gasoline, would reduce consumption and demonstrate to our allies that the United States has the resolve to reduce dependence on imported oil. On June 9, we will argue in an appeals court that a Federal district court ruling against the fee should be overturned. We expect to convince the Congress that recent votes by House and Senate committees against the fee should not be upheld if we are to protect our economy and national security. We will point to the paradox of asking allies whose citizens already pay gas taxes of a dollar or more per gallon to conserve while we debate a 10-cent fee.

The gasoline fee is the most effective conservation measure available at this time. The fee is directed at gasoline because it accounts for almost half of the petroleum we use and has the greatest potential for conservation purposes without cutting into economic productivity. The fee would reduce gasoline consumption by about 100,000 barrels a day by the end of the first year. By the end of the third year, an equivalent motor-fuels tax that we propose to substitute for the fee would reduce gasoline consumption by as much as 250,000 barrels a day. We all favor energy conservation, but too often we back off when it comes time to support effective measures to promote it. None of us likes raising fuel costs, but rhetoric has only a limited impact, and gasoline rationing is not the answer. Rationing is a distribution device for emergencies, not a conservation measure. To be sure, the fee is not as simple a mechanism as a tax on motor fuels. But until a tax measure can be enacted, the fee is the best and indeed the only available way to get on with this important national priority. The stark reality is that if the Congress overturns the gasoline fee, nothing can soon replace it.

We need the gasoline fee to protect our economy. The United States will spend approximately \$90 billion this year for imported oil—up 50 percent from last year and equal to about \$400 for every citizen. This drain of American dollars to foreign oil producers has weakened the dollar, added to inflation and strained the operation of the world's financial system. The recent round of price increases by the Organization of Petroleum Exporting Countries will add at least several billion dollars to the import bill, plus another 3 to 4 cents to a gallon of gasoline. These latest price increases underscore the need for stronger action to reduce imports. By reducing them, we help our allies, as well as ourselves, by relieving upward pressure on world crude-oil prices.

In the complex oil marketplace, if refiners' total crude-oil requirements are reduced, they will cut back first on their highest-cost crude oils, which are those that are imported. That is a fundamental element of our energy-conservation programs and is readily demonstrated by recent events. For the first four months of 1980, total demand for petroleum products in America was down 9.1 percent from the same period last year (due largely to the conservation effect of increased prices). At the same time, domestic production of petroleum increased 2.1 percent. The result of lower demand and higher production was that total petroleum imports decreased 12.1 percent in the last four months compared to a year ago.

We need the fee to help protect our foreign policy and national-security interests. The fee was imposed to protect them by reducing imports from insecure sources. It reinforces our underlying national resolve not to allow others to believe they can use our need for their oil to achieve their political objectives. We must view the fee in the context of the extreme threat to our national security posed by our heavy dependence on imported oil. More than 30 percent of our imports come from the Persian Gulf and much of it must pass through the Strait of Hormuz, a relatively narrow channel less than 1,000 miles from Afghanistan. Our concern is further heightened by the Soviet presence in Saudi Arabia's neighbor, Southern Yemen, and in Ethiopia. United States dependence on oil from that part of the world is not likely to diminish over the next five years—certainly not without strong conservation initiatives, such as the fee.

The gasoline-conservation fee, then, is necessary to strengthen our economy and to protect our national security. Whether that fee is finally imposed, as we believe it should be, will be a reflection of our commitment to ourselves and to our allies to be aggressive and decisive in our energy-conservation efforts. ●

### ASSESSING THE IMPACT OF GOVERNMENT REGULATION

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1980

● Mr. DANNEMEYER. Mr. Speaker, in a few weeks, perhaps less, the House will be considering H.R. 3263, which is advertised as a regulatory reform bill. Indeed, whether it will turn out to be such depends on whether the Congress is willing to learn from past experience.

One of the most interesting parts of this measure—and there are several—calls for a regulatory analysis to accompany each major rule an agency proposes pursuant to statute. The idea is hardly new, having found expression previously in Executive Order 11821—which established the inflation impact statement programs—Rule XXIX (5) of the Senate, requiring that a regulatory impact statement accompany each bill or joint resolution reported and in rule XI, 2(L)(4) of the House mandating that an inflation impact statement accompany each of its bills or resolutions. But the thought of writing the concept into law, in light of the manner in which

those rules and Executive orders have been implemented, does give one pause for the reflection. If anything, past efforts at analyzing the impact of Government rules, regulations, and legislation suggest that greater statistical specificity and a system of checks and balances are essential if the intent of any regulatory analysis program is not to be perverted.

Last fall, during and after the debate on the second budget resolution, I noted on several occasions that the way in which the House has complied, if you can call it that, with rule XI, 2(L)(4) of the House rules has made a mockery of both the spirit and letter of that rule. In the first 7 months and 2 days of 1979, the House passed 10 appropriations and 71 authorization bills that cost the taxpayer an aggregate of \$210 billion and \$63.4 billion respectively. Yet only one of the inflation impact statements that accompanied these bills admitted to any significant inflationary impact and only six admitted to any inflationary impact at all. Based on those six, one would have to conclude that the measures which contributed the most to the inflation rate were the military construction and Treasury appropriations bills and the Panama Canal, Coosa River improvement, Navajo-Hopi Indian relocation and National Parks and Recreation Act authorizations bills. Going one step further, if you go by these statements, one would also have to believe that the HUD and HEW appropriations bills, each of which exceeded \$72 billion, are somehow less inflationary than the aforementioned Indian relocation bill which called for the spending of \$36.4 million.

But, that was the first-half of 1979; what about the second half? I now have that data before me and the picture has not changed. If anything, compliance with rule XI, 2(L)(4) has become even more of a joke. From September 5 to the end of the session on December 20, the House of Representatives passed 10 more appropriation and 91 more authorization bills the aggregate spending from which will total \$181.7 billion and \$192.6 billion respectively. But again, only 4 of the appropriation and only 16 of the authorization bills admitted to any inflationary impact. And 18 of those 20—90 percent—said the impact would be little or minimal; only the statements for the defense appropriation bill and the foreign assistance appropriation bills indicated anything more than that, and even then the indications were no greater than otherwise expected and less than if full budget required had been granted.

To add insult to injury, the written justifications for these rather amazing conclusions are neither detailed nor analytical as called for under rule XI, 2(L)(4). Quite the reverse, as a quick review of the inflationary impact statements will indicate. For the bene-

fit of Members interested in making such a review prior to consideration of H.R. 3263, I ask unanimous consent that a chart listing all appropriations and authorizations bills passed by the House from September 5, 1979, to December 20, 1979, and the size of the inflationary impact statement which accompanied each, be inserted in the Record at this time.

INFLATIONARY IMPACT STATEMENTS—IMPLEMENTATION OF RULE XI, 2(L)(4) ON APPROPRIATIONS BILLS—HOUSE OF REPRESENTATIVES

[Sept. 5, 1979 to Dec. 20, 1979]

Bill number	Date passed	Bill title	Size of inflationary impact statement	Scope of inflationary impact	CBO cost estimate
H.R. 4440	Sept. 18, 1979	Transportation Appropriations Act, 1980	3 paragraphs, 27 lines	Positive	\$9.097 billion
H.R. 4473	Jan. 6, 1979	Foreign Assistance Appropriations, 1980	2 paragraphs, 10 lines	Less than if full budget required had been granted	\$7,888 billion
H.R. 5359	Sept. 28, 1979	Defense Appropriations	2 paragraphs, 12 lines	No greater than already expected	\$129,533 billion
H.J. Res. 402	Sept. 20, 1979	Continuing FTC Appropriations	1 paragraph, 12 lines	Zero	Later included in H.J. Res. 412
H.J. Res. 404	Sept. 25, 1979	Continuing Appropriations, 1980 (defeated in Senate)	2 paragraphs, 14 lines	Zero	Later included in H.J. Res. 412
H.J. Res. 412	Oct. 9, 1979	Continuing Appropriations, 1980	2 paragraphs, 14 lines	Zero	\$1.33 billion
H.J. Res. 413	Oct. 9, 1979	Continuing Appropriations, Labor/HEW	1 paragraph, 2 lines	Zero	See H.J. Res. 412
H.J. Res. 430	Oct. 25, 1979	Supplemental Low-Income Energy Assistance Appropriations	1 paragraph, 3 lines	Little	\$1.35 billion
H.J. Res. 440	Nov. 13, 1979	Further Continuing Appropriations	2 paragraphs, 14 lines	Zero	\$30.962 billion
H.J. Res. 467	Dec. 20, 1979	Chrysler Corp. Loan Guarantee Program	1 paragraph, 4 lines	Little, if any	\$1.518 billion
10 bills			17 paragraphs, 112 lines		\$181.678 billion
Average size of inflationary impact statement			1.7 paragraphs, 11.2 lines		
Average number of dollars spent per appropriation bill					\$18.168 billion
H.R. 51	Sept. 18, 1979	Fuels Transportation Safety Amendments Act of 1979	1 paragraph, 4 lines	Zero	\$41.46 million
H.R. 79	Sept. 7, 1979	Postal Reorganization	1 paragraph, 3 lines	Zero	\$2.66 billion
H.R. 507	Oct. 22, 1979	Authorizing Federal Participation in Stream Rectification	1 paragraph, 3 lines	Minimal	\$5.2 million
H.R. 552	Nov. 27, 1979	Alleviate High Ground Water in Moses Lake, WA	1 paragraph, 2 lines	Zero	\$750 thousand
H.R. 826	Oct. 22, 1979	Application of OSHA to Postal Service	1 paragraph, 3 lines	Zero	\$15.3 million
H.R. 1319	Sept. 10, 1979	Duty-free Telescopes for Hawaii	1 paragraph, 4 lines	Zero	Loss of \$800 thousand in revenues
H.R. 1885	Oct. 26, 1979	Retirement Preference for Employees of the Bureau of Indian Affairs	1 paragraph, 4 lines	Zero	\$48.3 million
H.R. 2061	Oct. 12, 1979	Justice System Improvement Act	1 paragraph, 3 lines	Zero	\$2,712 billion
H.R. 2063	Nov. 14, 1979	National Economic Development and Public Works Act of 1979	1 paragraph, 9 lines	Minimal	\$7,156 billion
H.R. 2218	Sept. 24, 1979	Endangered Species Act	1 paragraph, 4 lines	Zero	\$60.5 million
H.R. 2297	Sept. 10, 1979	Suspend Duties on Synthetic Rutile	1 paragraph, 4 lines	Zero	Loss of \$2.015 million in revenues thru fiscal year 1984
H.R. 2313	Nov. 27, 1979	FTC Improvements Act of 1979	2 paragraphs, 12 lines	extremely small	\$240 million
H.R. 2335	Nov. 16, 1979	Solar Power Satellite Program	2 paragraphs, 12 lines	Not adverse	\$25 million
H.R. 2440	Nov. 22, 1979	Airport and Airway Development Act	1 paragraph, 4 lines	Minimal	\$13 million
H.R. 2583	Nov. 29, 1979	Annuity Payments to Federal Judges	1 paragraph, 3 lines	Zero	\$21 thousand
H.R. 2585	Dec. 19, 1979	National Traffic and Motor Vehicle Authorizations Act	4 paragraphs, 25 lines	Negligible	\$1,111.11 million
H.R. 2603	Nov. 9, 1979	Department of Energy Authorization (Nuclear)	1 paragraph, 7 lines	Zero	\$2,951 billion
H.R. 2608	Dec. 4, 1979	Nuclear Regulatory Commission Authorization	1 paragraph, 4 lines	Zero	\$368.3 million
H.R. 2686	Oct. 22, 1979	Tennessee Valley Authority Bonds	1 paragraph, 7 lines	Minimal	\$2.79 billion
H.R. 2742	Oct. 29, 1979	Indiana Dunes National Lakeshore	1 paragraph, 3 lines	Zero	\$47.1 million
H.R. 2757	Dec. 10, 1979	Authorize Secretary of Interior to do Feasibility Study	1 paragraph, 6 lines	Zero	\$1 million
H.R. 2795	Sept. 28, 1979	International Travel Act	1 paragraph, 3 lines	Zero	\$8 million
H.R. 2816	Dec. 20, 1979	Refugee Act of 1979	1 paragraph, 4 lines	Zero	\$796 million
H.R. 2859	Oct. 9, 1979	Domestic Volunteer Service Act	1 paragraph, 6 lines	Little	\$174.5 million
H.R. 2977	Dec. 17, 1979	Domestic Violence Prevention Act	1 paragraph, 6 lines	Little	\$65 million
H.R. 3000	Oct. 24, 1979	Department of Energy Authorization, Fiscal Year 1980	3 paragraphs, 18 lines	Minimal	\$5,437 billion
H.R. 3122	Sept. 28, 1979	Tariff Treatment of Certain Articles	1 paragraph, 4 lines	Zero	Loss of \$4.46 million in revenues thru fiscal year 1984
H.R. 3282	Dec. 13, 1979	Asbestos School Hazards Detection Act	2 paragraphs, 10 lines	Minimal	\$330 million
H.R. 3303	Oct. 16, 1979	Department of Justice Authorizations (3)	2 paragraphs, 19 lines	Zero	\$2.18 billion
H.R. 3398	Nov. 8, 1979	Agriculture Adjustment Act of 1979	2 paragraphs, 15 lines	Zero	\$986 million
H.R. 3502	Sept. 17, 1979	Hazardous Materials Transportation Act Amendments (2)	2 paragraphs, 7 lines	Zero	\$10.5 million
H.R. 3546	Nov. 28, 1979	Extension of Federal Insecticide, Fungicide and Rodenticide Act	1 paragraph, 4 lines	Zero	\$66.25 million
H.R. 3642	Sept. 28, 1979	Extension of Assistance for Emergency Medical Services System	7 paragraphs, 43 lines	Zero	\$204 million
H.R. 3683	Sept. 24, 1979	Consolidated Farm and Rural Development Act Amendments	2 paragraphs, 15 lines	Beneficial	\$1,548 billion
H.R. 3763	Sept. 10, 1979	Office of Federal Procurement Act	1 paragraph, 4 lines	Zero	\$9.0 million
H.R. 3916	Oct. 16, 1979	Extension of Alcoholism and Drug Abuse Prevention Authorities	1 paragraph, 16 lines	Zero	\$427.5 million
H.R. 3939	Sept. 24, 1979	District of Columbia Retirement Act	1 paragraph, 2 lines	Zero	\$303.5 million
H.R. 3947	Oct. 24, 1979	Military Construction Authorization	1 paragraph, 9 lines	Zero	\$3,558 billion
H.R. 3948	Dec. 5, 1979	Experienced Pilots Act of 1979	1 paragraph, 3 lines	Zero	\$600 thousand
H.R. 4007	Nov. 7, 1979	Repayment of Loans Made to State Unemployment Funds	1 paragraph, 3 lines	Zero	Loss of \$2,722 billion in revenues thru fiscal year 1984
H.R. 4034	Sept. 25, 1979	Export Administration Act Amendments of 1979	1 paragraph, 3 lines	Zero	\$24.8 million
H.R. 4040	Sept. 14, 1979	Department of Defense Authorization Act, Fiscal Year 1980	3 paragraphs, 11 lines	Zero	\$87.85 billion
H.R. 4084	Feb. 10, 1979	Susong Marsh Management Agreement	1 paragraph, 2 lines	Minimal	\$2.5 million
H.R. 4113	Dec. 19, 1979	Water Pollution Control Amendments	1 paragraph, 4 lines	Zero	\$0.86-\$1.66 billion
H.R. 4259	Sept. 15, 1979	Gold Medal to Red Cross	1 paragraph, 9 lines	Positive	\$15 thousand
H.R. 4308	Nov. 13, 1979	Legionville National Historic Site	1 paragraph, 3 lines	Zero	\$800 thousand
H.R. 4310	Dec. 3, 1979	Recreational Boating Safety and Facilities Improvement Act	5 paragraphs, 37 lines	Minimal	\$90 million
H.R. 4445	Oct. 22, 1979	Extension of Authorities of International Energy Program	1 paragraph, 4 lines	Zero	\$500 thousand
H.R. 4612	Sept. 27, 1979	SSI Services for Disabled and Blind Children	1 paragraph, 3 lines	Zero	\$90 million
H.R. 4685	Dec. 19, 1979	Elephant Protection Act of 1979	1 paragraph, 4 lines	Zero	\$22.3 million
H.R. 4746	Sept. 20, 1979	Miscellaneous Tax Law Changes	1 paragraph, 3 lines	Zero	Loss of \$50 million in revenues; increase of \$14 million in outlays thru fiscal year 1984
H.R. 4887	Dec. 10, 1979	San Francisco Bay National Wildlife Refuge Authorization	1 paragraph, 4 lines	Zero	\$4.2 million
H.R. 4889	Dec. 10, 1979	Great Dismal Swamp National Wildlife Refuge Authorization	1 paragraph, 4 lines	Zero	\$10.1 million
H.R. 4904	Nov. 7, 1979	Social Welfare Reform Amendments	1 paragraph, 3 lines	Zero	\$11,328 billion
H.R. 4955	Oct. 25, 1979	Additional Migration and Refugee Assistance Authorization	1 paragraph, 2 lines	Not measurable	\$410.7 million
H.R. 4962	Dec. 11, 1979	Child Health Assurance Act of 1979	3 paragraphs, 17 lines	Minimal	\$5,507 billion
H.R. 4985	Nov. 1, 1979	Priority Energy Project Act	1 paragraph, 9 lines	Positive	\$2 million
H.R. 4998	Sept. 17, 1979	Federal Open Market Committee Minutes	1 paragraph, 2 lines	Zero	\$100 thousand through fiscal year 1984
H.R. 5015	Dec. 10, 1979	Extension of Physicians Comparability Allowance Act	1 paragraph, 3 lines	Zero	\$38.6 million
H.R. 5025	Oct. 15, 1979	VA Assistance Not Basis for CHAMPUS	1 paragraph, 2 lines	Zero	\$4.4 million
H.R. 5048	Oct. 9, 1979	Manassas National Battlefield Park Amendments	1 paragraph, 3 lines	Zero	\$20 million
H.R. 5079	Oct. 9, 1979	Energy Expo 1982	1 paragraph, 9 lines	Zero	\$20.8 million
H.R. 5168	Sept. 25, 1979	Amendments to Personnel Management of Armed Forces	1 paragraph, 2 lines	Zero	\$4.4 million
H.R. 5176	Oct. 15, 1979	General Accounting Office Personnel	1 paragraph, 3 lines	Zero	\$4.4 million
H.R. 5182	Nov. 27, 1979	C&O Canal National Historical Park Commission	1 paragraph, 3 lines	Zero	\$2,000 thousand
H.R. 5192	Nov. 7, 1979	Education Amendments of 1980	2 paragraphs, 9 lines	Negligible	\$46,198 billion
H.R. 5218	Sept. 25, 1979	Caribbean Hurricane Relief	1 paragraph, 9 lines	Zero	\$25 million
H.R. 5235	Nov. 13, 1979	Uniformed Services Health Profession Special Pay Act of 1979	1 paragraph, 5 lines	Zero	\$484.7 million
H.R. 5224	Oct. 9, 1979	Fringe Benefit Regulations	1 paragraph, 3 lines	Zero	Receipts drop \$10 million
H.R. 5267	Oct. 29, 1979	Navajo-Hopi Relocation Amendments	1 paragraph, 5 lines	Modest local	\$48 million
H.R. 5269	Oct. 24, 1979	Panama Canal Authorization, fiscal year 1980	1 paragraph, 4 lines	Zero	\$78.2 million
H.R. 5288	Oct. 16, 1979	Veterans Rehabilitation/Educational Amendments	1 paragraph, 5 lines	Zero	\$41.2 million
H.R. 5295	Dec. 19, 1979	Earnings Test for Social Security Beneficiaries	1 paragraph, 4 lines	Zero	\$624 million
H.R. 5380	Sept. 26, 1979	Continuing Justice Department Authorization	1 paragraph, 4 lines	Zero	\$1,777 billion
H.R. 5419	Sept. 27, 1979	Commemorate Goodloe Byron for Protecting Appalachian Trail	1 paragraph, 4 lines	Zero	\$1.5 million
H.R. 5441	Dec. 3, 1979	Tariff Schedules Amendments	1 paragraph, 4 lines	Zero	Loss of \$40,605.4 million thru fiscal year 1984



OFFICE OF  
THE CHAIRMAN

FEDERAL TRADE COMMISSION  
WASHINGTON, D. C. 20580

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May 30, 1980

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

On behalf of the members and staff of the Federal Trade Commission I want to express my heartfelt thanks for your efforts to obtain an authorization bill for the FTC. Without your strong, principled and consistent leadership I have no doubt that the FTC would have been severely crippled in its ability to protect consumers and competition.

Five months ago the FTC faced the threat of provisions in separate bills passed by the House and Senate which would have terminated in the middle of the administrative process several major consumer protection and antitrust proceedings. Your strong statement to the Consumer Federation of America vowing to veto any bill which crippled the FTC was heard and heeded during debate on the Senate floor. Your staff worked effectively and tirelessly with a broad coalition of consumer and labor groups. These efforts helped the Senate and House conferees reach a compromise which protects the integrity of the FTC's processes. This compromise was finally achieved only because of your personal intervention with the conferees establishing a firm point beyond which no acceptable bill could go.

Although the bill contains a number of troubling provisions--including a two-House legislative veto--your strong stand has assured that the FTC remains essentially intact as an effective vehicle to help guarantee a fair and competitive marketplace to consumers.

**Electrostatic Copy Made  
for Preservation Purposes**

One more word of thanks. On that painful and bewildering day when the FTC was shut down, your call to Chairman Whitten set in motion the restoration of our funds with unprecedented speed. Your letter to the staff reassuring them and letting them know that you, their President, supported their efforts and cared about their plight provided a great lift. Indeed, throughout these months what has made this fight not only tolerable but has sustained the morale and spirit of our staff and ourselves has been the knowledge that you stood with us.

I and my fellow Commissioners, the staff of the FTC and the American consumer for whom we work are deeply in your debt.

Respectfully submitted,

A handwritten signature in black ink that reads "Michael Pertschuk". The signature is written in a cursive, flowing style.

Michael Pertschuk  
Chairman



# Office of the Attorney General

Washington, D. C. 20530

May 28, 1980

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## MEMORANDUM FOR THE PRESIDENT

Subject: Results of Department of Justice  
Law Enforcement Priorities

As promised, I am providing herewith examples of recent results of the Department of Justice's law enforcement efforts in the priority areas of white collar crime and fraud, public corruption, organized crime, and drug abuse. All of the following developments took place during the last eight weeks:

1. White Collar Crime and Fraud

a. An attorney and Kentucky businessman, Letcher C. White, was sentenced to 18 months after pleading guilty in connection with an \$8 million fraud arising out of the sale of coal tax shelters. Two of White's associates had been sentenced elsewhere earlier to two and one-half to three years in the same fraud involving forging and predating documents relating to transfer of coal properties to limited partnerships.

b. Two Arizona attorneys were sentenced following their conviction on 23 counts charging the conduct of a complex Ponzi scheme. The defendants were charged with defrauding more than 20,000 Arizona residents of more than \$53 million. At their peak in late 1975 the defendants operated and controlled more than 50 corporations operating in four states. One defendant was sentenced to ten and one-half years with five years probation, and the other two were sentenced to five years of which six months is to be served with five years probation.

c. A medical doctor in New Orleans was sentenced to two years following his conviction on 15 counts of fraud in setting up an assembly line treatment system to substantiate questionable injuries to victims of minor automobile accidents as part of an effort to defraud insurance companies.

## 2. Public Corruption

A former General Services Administration official was sentenced to six years and fined \$35,000 for receiving in excess of \$600,000 in kickbacks and then urging a contractor to lie before a grand jury. To date in Washington, D. C. and Baltimore, 83 defendants have been convicted or pleaded guilty in the GSA corruption investigation.

## 3. Organized Crime

a. The secretary-treasurer and chief executive officer of a seven thousand-member teamster local was convicted in San Francisco of 19 counts of embezzlement and making false entries in union records. Testimony at the trial included the use of Teamster funds to pay personal expenses of an ex-syndicate member who was the chief government witness, and included allegations of syndicate control of the Teamsters. The defendant was sentenced to six months imprisonment and fined \$50,000.

b. A former assistant district attorney for the Commonwealth of Puerto Rico and a vice president of Delta International, Inc., were sentenced in connection with their convictions involving arson of the company's warehouse, the collection of almost \$1,500,000 in false insurance claims, and the bribery of one of the defendants to thwart the arson investigation.

c. A New Jersey crime figure, Anthony Tassone, and an ex-jockey were convicted of charges involving the fixing of thoroughbred horse races at Detroit tracks in 1973. Another jockey and a horse trainer will be retried on related charges on which the jury hung.

d. A New Jersey state senator, David Friedland, and his father, a former state legislator, were convicted of charges of receiving \$360,000 in kickbacks for arranging \$4 million in loans from a union pension fund they represented. They were also convicted of obstruction of justice in seeking to influence testimony of a witness before the grand jury and for income tax violations. Both defendants have been prominent attorneys for Teamster officials.

e. Six defendants, including three jockeys, were convicted of fixing thoroughbred horse races at the Pocono Downs race track in 1974. Among those convicted was Joseph Sciandra, a member of the syndicate led by Russell Bufalino.

f. In New York City, two members of the Genovese organized crime syndicate's hierarchy and three heads of Teamster locals were convicted of controlling waterfront activities through a pattern of racketeering.

4. Drug Abuse Cases

a. Paul Mannino was convicted in New York of engaging in a continuing criminal drug enterprise and racketeering. Over four and one-half years, the defendant dealt methaqualone tablets with a wholesale value in excess of \$3.5 million and a street value of more than \$12 million. Proceeds of Mannino's drug dealings were traced into various real estate and business ventures which the jury determined should be forfeited.

b. Jamiel A. Chagra, a major heroin dealer sentenced earlier to 30 years for engaging in a continuing criminal enterprise, was sentenced to an additional five years for bail jumping. He had failed to appear for sentencing following his conviction. Bond has now been set at \$3 million.

c. Shahrokh Bakhtiar, a naturalized citizen whose father was chief of security in Iran in the 1950's, was sentenced to 15 years imprisonment for participating in a smuggling plot concerning \$32 million of heroin. His accomplice, an Iranian citizen, was sentenced earlier to two years for aiding Bakhtiar to sell heroin to an undercover agent.



Benjamin R. Civiletti  
Attorney General

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11:55

THE WHITE HOUSE  
WASHINGTON

May 30, 1980 11:35 a.m.

FROM BOB THOMSON:

The vote in the House did go without a hitch. The problem remains in the Senate, however, where the vote will not take place until next week. There will therefore be a two or three day lapse in FTC funding rather than ten days.

  
MICHAEL ROWNY

THE WHITE HOUSE  
WASHINGTON

30 May 80

Stu Eizenstat

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

Rick Hutcheson

THE WHITE HOUSE  
WASHINGTON

5/30/80, 1:25 p.m.

Mr President:

According to Stu Eizenstat, you concurred with his recommendations regarding the Lake Tahoe memo at the 10:00 a.m. Senior Staff meeting.

At 3:00 p.m. today, Stu and Gus Speth will be holding a press briefing on this matter. They want to be certain that any comments you may have on the memo are incorporated into their briefing.

Are there any notations that they should be made aware of?

Recommendations in memo OK  
as written

Please see attached revisions

Rick/Bill

*If possible, we should work to minimize % proceeds from land sales going to Nevada - keep options open TO*

THE WHITE HOUSE  
WASHINGTON  
May 28, 1980

*Stu*  
*J*

MEMORANDUM FOR

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT: Lake Tahoe

Legislation has been introduced in Congress to increase Federal acquisitions and/or regulatory control of lands and activities within the Lake Tahoe basin, in California and Nevada. The purpose of this memo is to request your decision on an Administration position for this issue. We have incorporated the views of CEQ, OMB, Agriculture, Interior, and Frank Moore into this memo. All except Interior concur with the recommendation described and Interior's objections are noted.

BACKGROUND

- o Lake Tahoe is a 22-mile long lake situated in the Sierra Nevada mountains on the border of California and Nevada. The lake is an extraordinary geographical feature and is only one of three large alpine lakes in the world - Crater Lake in Oregon and Lake Baikal in the Soviet Union being the other two. Tahoe is renowned for its unusual depth and water clarity. It is situated in a 324,000 acre mountainous and forested basin and attracts thousands of Americans annually who come for a whole range of outdoor recreational activities. Gambling, on the Nevada side of the lake, is also extremely popular and has been a major stimulant to development growth throughout the basin.
- o The Federal government now owns 71% of the land (the U.S. Forest Service is the biggest single owner with 65%), and about 24 of the 71 miles of shoreline in the basin. Of the remaining private lands, 14% are already developed, while 15% remains undeveloped. Private developments are in place on 36 miles of shoreline, leaving about 9 miles undeveloped but in private ownership.
- o Increased growth and population pressures from visitors and residents have contributed to deterioration of the air and water quality in the basin. Over the last decade, there have been numerous studies of the environmental problems within the basin by state, Federal and academic groups. Although the data are incomplete, it has been shown that the lake's water quality has decreased and the overall ecological

balance within the basin is "strained". Environmentalists throughout the country and particularly in California, now consider Lake Tahoe to be in serious environmental jeopardy and regard the rehabilitation and preservation of the lake and its surroundings as extremely important.

- o In 1969, California and Nevada formed a regional compact called the Tahoe Regional Planning Agency (TRPA). TRPA was approved by Congress to be responsible for planning, zoning and regulating development in the basin. TRPA has so far failed to work because (1) zoning exceptions were approved unless a majority vote from each state denied them, and (2) California's position has generally been against further development while Nevada has been in favor of more development. Efforts to negotiate a revised compact broke down in 1979. This has caused pressures to mount for an increased Federal role at Lake Tahoe.
- o To date, about \$300 million in Federal aid from 14 agencies has been spent within the basin. This includes sewer grants, highways, community services, and acquisition and management of Federal lands. Some Federal programs have stimulated growth while others have promoted conservation measures.
- o Politically, the need to provide greater protection for Lake Tahoe is the biggest environmental issue in California. The Los Angeles Times, Sacramento Bee, and San Francisco Chronicle all have run continuous supportive editorials. In Nevada, many people oppose an "environmental" solution to Tahoe because of the probable negative impacts on gambling and because of general opposition to increased governmental regulations.
- o Legislative proposals are now under review in Congress and because the political impacts of this issue on the California primary are significant, a decision by the Administration is required now on how to proceed.

#### STATUS OF LEGISLATION

Two proposals have been introduced in the House to increase the Federal role in helping to protect the natural environment of the lake and to regulate development in the basin:

- (1) H.R. 6338 (Representative Fazio) establishes the "Lake Tahoe National Scenic Area":
  - Within 2 years, the Secretary of Agriculture is required to develop a comprehensive management plan with environmental standards and regulations for private development in the entire basin.
  - Local development permits must be approved by the Secretary during the 2 year interim and must be consistent with the comprehensive plan after that.

- Certain Federal funds can be denied by the Secretary if local governments do not comply with the plan.
- Establishes a Scenic Area Fund and authorizes collection of user fees from non-residents.
- The Secretary is authorized to acquire land through the LWCF; including by condemnation.
- Authorizes citizen suits to enforce the Act.
- Provides for specific authority to acquire three casino/hotels.
- Repeals TRPA.

H.R. 6338 has been introduced, but no hearings have been scheduled.

(2) H.R. 7306 (Representatives Santini and Burton), BLM Land Sales and Tahoe Purchase Plan:

- Too much  
to New.*
- Authorizes the Bureau of Land Management to sell land in Nevada; 75% of proceeds to go to the Federal Treasury and used as repayments of appropriations for land acquisition by the Secretary of Agriculture at Lake Tahoe; 20% of receipts to go to the Nevada counties and 5% to the State of Nevada.
  - Secretary is authorized to acquire lands, however, condemnation may not be used in Nevada for improved property. Condemnation allowed for all properties in California.
  - Local proceeds of BLM sales in Nevada to be discontinued by October 1, 1982, unless TRPA has been reapproved by both states.
  - Local zoning authority preserved and not subject to Federal control.
  - Authorizes \$10 million in FY 81 and \$20 million in FY 82 from the Land and Water Conservation Fund for acquisition.

H.R. 7306 has been reported out of the full House Interior Committee and may go to the House floor soon. However, Burton and Santini are still holding field hearings to take further testimony. It is not yet clear whether the results of this hearing will result in floor amendments to the Committee bill.

DISCUSSION

The intent of both bills is to provide an increased Federal presence at Lake Tahoe to address the problems of air and water pollution, congestion, and overall degradation of the basin's

ecology caused by development, and not resolved through TRPA and other state and local efforts.

Of the two bills, Congressman Fazio's results in the greater new Federal role in the basin. In addition to declaring Lake Tahoe to be a National Scenic Area, it addresses the two problems seen by environmentalists as critical: the need for more Federal acquisition of environmentally sensitive lands, and the need for strict control of development on private lands. The Secretary of Agriculture would be empowered to set zoning standards and to veto local proposals. The Secretary would also essentially control other Federal programs in the basin. The cost of Congressman Fazio's bill is high (land acquisition of at least \$100 million). It is the proposal most favored by the environmentalists and many in California, and it is most opposed by the Nevada delegation, development and gaming interests and many in Nevada. Because of the strong opposition by the Nevada delegation, Congressman Fazio's bill has little chance of passage this session. In addition, USDA opposes the direct Federal regulatory powers contained in this bill.

The Santini/Burton bill is supported by the entire Nevada delegation and may pass Congress this year. Since it only deals with the acquisition of lands at Tahoe, and does not provide any Federal controls over private development, the environmentalists support it only as a "first step". The bill's provision for local repayment of BLM land sales, contingent after October 1, 1982 on a revised, approved TRPA, is an incentive for Nevada to reopen discussions with California to work together to keep TRPA alive, but its ultimate effectiveness in achieving this end is unclear. The Department of the Interior, while endorsing increased Federal acquisitions at Lake Tahoe, opposes this bill for two reasons. Interior objects to mandating BLM land sales and sharing 20% of the receipts with the counties as both a departure from standard procedures for classifying lands suitable for disposal and as an undesirable precedent on sharing receipts from public land sales. Interior also objects to using the Land and Water Conservation Fund as the source of acquisition funding in the basin because of that program's already large backlog of acquisition demands.

The critical difference between the two bills is that Congressman Fazio's bill provides strong Federal control of private land use decisions, while Santini/Burton contains no reference at all to Federal regulatory controls on private lands. In addition, Fazio commits the Federal government to condemn property if local zoning decisions are at variance with Federal standards. Federal responsibility could include acquisition of gaming establishments in Nevada and probably would involve paying development prices for other currently undeveloped lands throughout the basin. Although similar regulatory approaches are in use at other National Scenic Areas, the degree of development at these areas

has been less than at Tahoe, allowing negotiations for scenic easements or development rights to be a more practical alternative than may occur in the Tahoe basin under this bill.

On the other hand, government actions that have failed to address controls on development have not been effective at halting the degradation of the unique natural values found at Lake Tahoe. On this point, the Santini/Burton approach falls short and therefore, a good part of the problem within the basin will not be remedied by this legislation alone, assuming TRPA or other non-Federal attempts remain stalemated. After a decade of being unable to reach agreeable solutions at Tahoe, it is questionable whether TRPA will be revitalized and become effective even with further incentives by the Federal government.

#### RECOMMENDATION

Politically, in view of the widespread support in California for an environmental solution at Lake Tahoe, it would be desirable to immediately endorse a strong environmental position. Substantively, however, designation of Lake Tahoe as a National Scenic Area and the accompanying measures that are proposed by Congressman Fazio raises enough policy questions that none of your advisors recommend support of this bill at this time.

All of your advisors (except the Department of the Interior) recommend that you do support the Santini/Burton bill, as providing a legislative base for an increased Federal role in the basin. Interior recommends that sale of BLM lands should continue under normal land management procedures and that Tahoe acquisitions should be funded directly from general revenues in the Treasury. If these modifications were proposed, Interior would support the Santini/Burton bill. However, the BLM land sale idea, while opposed by Interior, does make sense: in practice, Federal lands in and around Reno and Las Vegas already identified for sale will be sold and the funds used to support acquisition at Lake Tahoe. Without this provision, it is doubtful that the bill would be supported by Santini. Also, because this bill does not deal at all with regulation of development in the basin, the following additional steps are recommended to address this concern.

*sk*  
*see note above*  
(1) Announce your support for Santini/Burton and state your desire to have the Congress pass this bill this session without any weakening amendments.

(2) Immediate Administrative Actions for Lake Tahoe

*sk*  
Announce your intention to immediately issue an Executive Order which does the following:

- Establishes a Lake Tahoe Federal Coordinating Council to be composed of the Western Federal Regional Council

representatives from the Departments of Agriculture, Transportation, Housing and Urban Development, Health and Human Services, Defense (Army Corps of Engineers), the Department of Commerce (Economic Development Administration), the Department of the Interior and the Environmental Protection Agency. The U.S. Department of Agriculture representative to serve as chair.

The functions of the Council will be to (a) complete the feasibility analysis of the Lake Tahoe hydrologic basin, developed by the Western Federal Regional Council to determine environmental quality threshold and carrying capacity standards. These criteria are necessary to help govern decisions on future development proposals in the basin and will be developed through intensive public involvement; (b) to work with Nevada and California to resume serious efforts to reach agreement on a revitalized and fully effective Tahoe Regional Planning Agency; and (c) to review programs covered by OMB A-95 procedures which may affect the basin. Should the Council determine that a proposed action will have significantly adverse impacts on the ecology of the basin, it will recommend to the responsible Federal agency not to approve the applications. If there is disagreement, the matter will be referred to CEQ for resolution pursuant to its authority under NEPA.

- Pending the adoption of environmental standards, directs all Federal agencies to review proposed programs which may affect the Lake Tahoe basin, and to defer action if such programs would stimulate additional development in environmentally critical areas or would promote automobile traffic in the basin. In addition, Federal actions having potential effects on the basin's overall waste treatment plan, as required under Section 208 of the Clean Water Act, should be deferred until such plan is adopted by Nevada and California and has been approved by EPA.

- ok*
- (3) Announce that the Administration recognizes that the Lake Tahoe basin is an area of national concern and that we are prepared to develop stronger legislative proposals if necessary to protect the lake's environment. As part of your announcement, it is recommended you make clear that the Federal government has a strong interest in working with the States and regional governments to protect the unique qualities and environment of the lake and its basin. However, while we support Santini/Burton and will immediately implement our announced Administration actions which together should provide better coordination of Federal programs, increased Federal land acquisition of critical areas in the basin, and encouragements to make TRPA and local governments effective at controlling

development, the Administration will also review additional incentives and disincentives including financial penalties and an increased regulatory role, should the announced steps fail to alter the environmental trends prevalent in the basin.

In this way, we allow the environmental thresholds to be determined, we take serious steps to halt Federal actions that would negate these standards and we give the process more time to be solved without the extent of direct Federal intervention outlined by Congressman Fazio. But, we also go on record as stating our intentions to propose stronger measures should the completion of the threshold analysis and Federal administrative action fail to protect the environmental quality of the basin.

#### DECISION

- (1) Approve support for Santini/Burton (Interior recommends against outright support without amendments as described).
- (2) Announce Executive actions.
- (3) Announce recognition that Lake Tahoe is an area of national concern, and stronger Federal actions may be necessary to protect the lake.

Jim McIntyre, Gus Speth, USDA, Frank Moore and I strongly recommend you approve all three steps. Sara Weddington and Hamilton Jordon's offices have also been involved in developing this proposal and strongly concur. This position should be well received in California. If you concur, we will prepare the Executive Order and make plans for appropriate announcements in California.

THE WHITE HOUSE  
WASHINGTON  
May 28, 1980

*Approved  
on copy to  
Stu  
J*

MEMORANDUM FOR THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
SUBJECT: Lake Tahoe

Legislation has been introduced in Congress to increase Federal acquisitions and/or regulatory control of lands and activities within the Lake Tahoe basin, in California and Nevada. The purpose of this memo is to request your decision on an Administration position for this issue. We have incorporated the views of CEQ, OMB, Agriculture, Interior, and Frank Moore into this memo. All except Interior concur with the recommendation described and Interior's objections are noted.

BACKGROUND

- o Lake Tahoe is a 22-mile long lake situated in the Sierra Nevada mountains on the border of California and Nevada. The lake is an extraordinary geographical feature and is only one of three large alpine lakes in the world - Crater Lake in Oregon and Lake Baikal in the Soviet Union being the other two. Tahoe is renowned for its unusual depth and water clarity. It is situated in a 324,000 acre mountainous and forested basin and attracts thousands of Americans annually who come for a whole range of outdoor recreational activities. Gambling, on the Nevada side of the lake, is also extremely popular and has been a major stimulant to development growth throughout the basin.
- o The Federal government now owns 71% of the land (the U.S. Forest Service is the biggest single owner with 65%), and about 24 of the 71 miles of shoreline in the basin. Of the remaining private lands, 14% are already developed, while 15% remains undeveloped. Private developments are in place on 36 miles of shoreline, leaving about 9 miles undeveloped but in private ownership.
- o Increased growth and population pressures from visitors and residents have contributed to deterioration of the air and water quality in the basin. Over the last decade, there have been numerous studies of the environmental problems within the basin by state, Federal and academic groups. Although the data are incomplete, it has been shown that the lake's water quality has decreased and the overall ecological

THE WHITE HOUSE  
WASHINGTON

5/29/80

Mr. President:

Jack Watson concurs with Stu's recommendations but has some concerns about the nature of the executive order. Jack will work out these concerns directly with Stu.

Rick/Bill

balance within the basin is "strained". Environmentalists throughout the country and particularly in California, now consider Lake Tahoe to be in serious environmental jeopardy and regard the rehabilitation and preservation of the lake and its surroundings as extremely important.

- o In 1969, California and Nevada formed a regional compact called the Tahoe Regional Planning Agency (TRPA). TRPA was approved by Congress to be responsible for planning, zoning and regulating development in the basin. TRPA has so far failed to work because (1) zoning exceptions were approved unless a majority vote from each state denied them, and (2) California's position has generally been against further development while Nevada has been in favor of more development. Efforts to negotiate a revised compact broke down in 1979. This has caused pressures to mount for an increased Federal role at Lake Tahoe.
- o To date, about \$300 million in Federal aid from 14 agencies has been spent within the basin. This includes sewer grants, highways, community services, and acquisition and management of Federal lands. Some Federal programs have stimulated growth while others have promoted conservation measures.
- o Politically, the need to provide greater protection for Lake Tahoe is the biggest environmental issue in California. The Los Angeles Times, Sacramento Bee, and San Francisco Chronicle all have run continuous supportive editorials. In Nevada, many people oppose an "environmental" solution to Tahoe because of the probable negative impacts on gambling and because of general opposition to increased governmental regulations.
- o Legislative proposals are now under review in Congress and because the political impacts of this issue on the California primary are significant, a decision by the Administration is required now on how to proceed.

#### STATUS OF LEGISLATION

Two proposals have been introduced in the House to increase the Federal role in helping to protect the natural environment of the lake and to regulate development in the basin:

- (1) H.R. 6338 (Representative Fazio) establishes the "Lake Tahoe National Scenic Area":
  - Within 2 years, the Secretary of Agriculture is required to develop a comprehensive management plan with environmental standards and regulations for private development in the entire basin.
  - Local development permits must be approved by the Secretary during the 2 year interim and must be consistent with the comprehensive plan after that.

- Certain Federal funds can be denied by the Secretary if local governments do not comply with the plan.
- Establishes a Scenic Area Fund and authorizes collection of user fees from non-residents.
- The Secretary is authorized to acquire land through the LWCF; including by condemnation.
- Authorizes citizen suits to enforce the Act.
- Provides for specific authority to acquire three casino/hotels.
- Repeals TRPA.

H.R. 6338 has been introduced, but no hearings have been scheduled.

(2) H.R. 7306 (Representatives Santini and Burton), BLM Land Sales and Tahoe Purchase Plan:

- Authorizes the Bureau of Land Management to sell land in Nevada; 75% of proceeds to go to the Federal Treasury and used as repayments of appropriations for land acquisition by the Secretary of Agriculture at Lake Tahoe; 20% of receipts to go to the Nevada counties and 5% to the State of Nevada.
- Secretary is authorized to acquire lands, however, condemnation may not be used in Nevada for improved property. Condemnation allowed for all properties in California.
- Local proceeds of BLM sales in Nevada to be discontinued by October 1, 1982, unless TRPA has been reapproved by both states.
- Local zoning authority preserved and not subject to Federal control.
- Authorizes \$10 million in FY 81 and \$20 million in FY 82 from the Land and Water Conservation Fund for acquisition.

H.R. 7306 has been reported out of the full House Interior Committee and may go to the House floor soon. However, Burton and Santini are still holding field hearings to take further testimony. It is not yet clear whether the results of this hearing will result in floor amendments to the Committee bill.

DISCUSSION

The intent of both bills is to provide an increased Federal presence at Lake Tahoe to address the problems of air and water pollution, congestion, and overall degradation of the basin's

ecology caused by development, and not resolved through TRPA and other state and local efforts.

Of the two bills, Congressman Fazio's results in the greater new Federal role in the basin. In addition to declaring Lake Tahoe to be a National Scenic Area, it addresses the two problems seen by environmentalists as critical: the need for more Federal acquisition of environmentally sensitive lands, and the need for strict control of development on private lands. The Secretary of Agriculture would be empowered to set zoning standards and to veto local proposals. The Secretary would also essentially control other Federal programs in the basin. The cost of Congressman Fazio's bill is high (land acquisition of at least \$100 million). It is the proposal most favored by the environmentalists and many in California, and it is most opposed by the Nevada delegation, development and gaming interests and many in Nevada. Because of the strong opposition by the Nevada delegation, Congressman Fazio's bill has little chance of passage this session. In addition, USDA opposes the direct Federal regulatory powers contained in this bill.

The Santini/Burton bill is supported by the entire Nevada delegation and may pass Congress this year. Since it only deals with the acquisition of lands at Tahoe, and does not provide any Federal controls over private development, the environmentalists support it only as a "first step". The bill's provision for local repayment of BLM land sales, contingent after October 1, 1982 on a revised, approved TRPA, is an incentive for Nevada to reopen discussions with California to work together to keep TRPA alive, but its ultimate effectiveness in achieving this end is unclear. The Department of the Interior, while endorsing increased Federal acquisitions at Lake Tahoe, opposes this bill for two reasons. Interior objects to mandating BLM land sales and sharing 20% of the receipts with the counties as both a departure from standard procedures for classifying lands suitable for disposal and as an undesirable precedent on sharing receipts from public land sales. Interior also objects to using the Land and Water Conservation Fund as the source of acquisition funding in the basin because of that program's already large backlog of acquisition demands.

The critical difference between the two bills is that Congressman Fazio's bill provides strong Federal control of private land use decisions, while Santini/Burton contains no reference at all to Federal regulatory controls on private lands. In addition, Fazio commits the Federal government to condemn property if local zoning decisions are at variance with Federal standards. Federal responsibility could include acquisition of gaming establishments in Nevada and probably would involve paying development prices for other currently undeveloped lands throughout the basin. Although similar regulatory approaches are in use at other National Scenic Areas, the degree of development at these areas

has been less than at Tahoe, allowing negotiations for scenic easements or development rights to be a more practical alternative than may occur in the Tahoe basin under this bill.

On the other hand, government actions that have failed to address controls on development have not been effective at halting the degradation of the unique natural values found at Lake Tahoe. On this point, the Santini/Burton approach falls short and therefore, a good part of the problem within the basin will not be remedied by this legislation alone, assuming TRPA or other non-Federal attempts remain stalemated. After a decade of being unable to reach agreeable solutions at Tahoe, it is questionable whether TRPA will be revitalized and become effective even with further incentives by the Federal government.

#### RECOMMENDATION

Politically, in view of the widespread support in California for an environmental solution at Lake Tahoe, it would be desirable to immediately endorse a strong environmental position. Substantively, however, designation of Lake Tahoe as a National Scenic Area and the accompanying measures that are proposed by Congressman Fazio raises enough policy questions that none of your advisors recommend support of this bill at this time.

All of your advisors (except the Department of the Interior) recommend that you do support the Santini/Burton bill, as providing a legislative base for an increased Federal role in the basin. Interior recommends that sale of BLM lands should continue under normal land management procedures and that Tahoe acquisitions should be funded directly from general revenues in the Treasury. If these modifications were proposed, Interior would support the Santini/Burton bill. However, the BLM land sale idea, while opposed by Interior, does make sense: in practice, Federal lands in and around Reno and Las Vegas already identified for sale will be sold and the funds used to support acquisition at Lake Tahoe. Without this provision, it is doubtful that the bill would be supported by Santini. Also, because this bill does not deal at all with regulation of development in the basin, the following additional steps are recommended to address this concern.

- (1) Announce your support for Santini/Burton and state your desire to have the Congress pass this bill this session without any weakening amendments.
- (2) Immediate Administrative Actions for Lake Tahoe

Announce your intention to immediately issue an Executive Order which does the following:

- Establishes a Lake Tahoe Federal Coordinating Council to be composed of the Western Federal Regional Council

representatives from the Departments of Agriculture, Transportation, Housing and Urban Development, Health and Human Services, Defense (Army Corps of Engineers), the Department of Commerce (Economic Development Administration), the Department of the Interior and the Environmental Protection Agency. The U.S. Department of Agriculture representative to serve as chair.

The functions of the Council will be to (a) complete the feasibility analysis of the Lake Tahoe hydrologic basin, developed by the Western Federal Regional Council to determine environmental quality threshold and carrying capacity standards. These criteria are necessary to help govern decisions on future development proposals in the basin and will be developed through intensive public involvement; (b) to work with Nevada and California to resume serious efforts to reach agreement on a revitalized and fully effective Tahoe Regional Planning Agency; and (c) to review programs covered by OMB A-95 procedures which may affect the basin. Should the Council determine that a proposed action will have significantly adverse impacts on the ecology of the basin, it will recommend to the responsible Federal agency not to approve the applications. If there is disagreement, the matter will be referred to CEQ for resolution pursuant to its authority under NEPA.

- Pending the adoption of environmental standards, directs all Federal agencies to review proposed programs which may affect the Lake Tahoe basin, and to defer action if such programs would stimulate additional development in environmentally critical areas or would promote automobile traffic in the basin. In addition, Federal actions having potential effects on the basin's overall waste treatment plan, as required under Section 208 of the Clean Water Act, should be deferred until such plan is adopted by Nevada and California and has been approved by EPA.
- (3) Announce that the Administration recognizes that the Lake Tahoe basin is an area of national concern and that we are prepared to develop stronger legislative proposals if necessary to protect the lake's environment. As part of your announcement, it is recommended you make clear that the Federal government has a strong interest in working with the States and regional governments to protect the unique qualities and environment of the lake and its basin. However, while we support Santini/Burton and will immediately implement our announced Administration actions which together should provide better coordination of Federal programs, increased Federal land acquisition of critical areas in the basin, and encouragements to make TRPA and local governments effective at controlling

development, the Administration will also review additional incentives and disincentives including financial penalties and an increased regulatory role, should the announced steps fail to alter the environmental trends prevalent in the basin.

In this way, we allow the environmental thresholds to be determined, we take serious steps to halt Federal actions that would negate these standards and we give the process more time to be solved without the extent of direct Federal intervention outlined by Congressman Fazio. But, we also go on record as stating our intentions to propose stronger measures should the completion of the threshold analysis and Federal administrative action fail to protect the environmental quality of the basin.

#### DECISION

- (1) Approve support for Santini/Burton (Interior recommends against outright support without amendments as described).
- (2) Announce Executive actions.
- (3) Announce recognition that Lake Tahoe is an area of national concern, and stronger Federal actions may be necessary to protect the lake.

Jim McIntyre, Gus Speth, USDA, Frank Moore and I strongly recommend you approve all three steps. Sara Weddington and Hamilton Jordon's offices have also been involved in developing this proposal and strongly concur. This position should be well received in California. If you concur, we will prepare the Executive Order and make plans for appropriate announcements in California.

THE WHITE HOUSE  
WASHINGTON

*For Filing*

THE WHITE HOUSE  
WASHINGTON 5/17/80

Mr. President:

Frank would like your approval to schedule these meetings. The first one would be part of the monday night buffet and briefing.

approve  disapprove

 Phil

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THE WHITE HOUSE

WASHINGTON

May 16, 1980

Phil.

5/19 6pm

5/20 8:30am

5/21 8:30am

CONGRESSIONAL SCHEDULING PROPOSAL

MEETING: Three group meetings (one Senate, one House, one joint House/Senate)

LENGTH: Half hour each

DATE: All three should be scheduled for the week of May 19

PURPOSE: To discuss the oil import fee

BACKGROUND: The EPG today (5/16/80) reviewed our strategy for carrying on the gasoline conservation fee fight on the Hill. It was decided to do at least three group meetings with Members of Congress, the first with the Leadership group that endorsed the fee during the March budget meetings.

The three meetings should all be next week. We would like the first meeting early Tuesday morning (before 9:30 a.m.) The others should follow as soon thereafter as possible, although one of the two should be scheduled for a time when the Senate is not likely to be in session (10:00 a.m. to 5:00 p.m.)

EVENT DETAILS: Location: The Roosevelt Room

Participants: The President, Members who have endorsed the fee; swing votes; Secretaries Duncan and Miller, Jim McIntyre, Stu Eizenstat and Frank Moore

Press: White House Photo only.

INITIAL REQUESTER: Bob Thomson

Approved by Frank Moore \_\_\_\_\_

Date of Submission: May 16, 1980

Community Leaders, Wednesday, 4/30/80

Time has passed  
Make other trips - Rally  
Hear directly

Limited travel - some  
Campaigning

Attention on hostages

May have to cancel

Olympic boycott

Rescue mission

Allies - sanctions

Anti-inflation

Energy legislation

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THE WHITE HOUSE  
WASHINGTON

30 May 80

Fran Voorde  
Phil Wise

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

Rick Hutcheson

cc: Hamilton Jordan  
Zbig Brzezinski

THE WHITE HOUSE  
WASHINGTON

May 28, 1980

Mr. President:

The Ambassador has requested  
a meeting with you on June 4.  
Hamilton's office has alerted  
Phil.

Rick/Patti

*ok*  
*J*

**Electrostatic Copy Made  
for Preservation Purposes**

MAY 18

THOMAS J. WATSON, JR.

MOSCOW

C

DEAR MR PRESIDENT;

IT'S QUITE A WHILE BACK TO OUR VISIT IN JANUARY DURING MY RECALL SO I THOUGHT I WOULD WRITE YOU A SHORT REPORT. AS YOU MAY HAVE HEARD I CAME TO THE USA FOR 3 DAYS ON A PERSONAL TRIP AT THE TIME OF THE VANCE RESIGNATION. I SENT MY NAME TO YOUR OFFICE THROUGH BREMENT BUT SAID I HAD NOTHING OF SUBSTANCE TO REPORT.

FIRST MAY I SAID THAT YOUR SELECTION OF ED MUSKIE WAS AN ABSOLUTE STROKE OF GENIUS. HIS NAME NEVER OCCURRED TO ME AND YET HE IS BY ALL ODDS EXACTLY THE RIGHT MAN FOR THE JOB. I WAS IN VIENNA AND WATCHED HIM IN ACTION AND IT ONLY CONFIRMED THE WISDOM OF YOUR CHOICE. I BELIEVE THAT YOU WERE WISE TO DECIDE ON THE

GROMYKO MEETING<sup>(2)</sup>. There is NO  
Room For compromise ON AFGANISTAN.  
You know my opinion FROM OUR VISIT  
IN JANUARY, BUT THE DIALOGUE IN  
THESE DANGEROUS DAYS, MUST CONTINUE.  
THE MOVES YOU MADE RE AFGANISTAN  
ARE PAYING OFF BUT FINAL  
RESULTS REQUIRE PATIENCE. MY  
EMBASSY IS HEARTENED BY YOUR  
STEADFAST LEADERSHIP AND ARE VERY  
MUCH BEHIND YOUR DECISIONS IN  
JANUARY.

I AM TESTIFYING TO THE  
SENATE FOREIGN RELATIONS COMMITTEE  
IN EARLY JUNE AT THEIR REQUEST  
AND MY TESTIMONY WILL GENERALLY PARALLEL  
YOUR POLICY. I'VE ASKED FOR A CLOSED  
SESSION BECAUSE OF THE STATE OF YOUR  
RELATIONS WITH THE SOVIETS AND THE MORE  
PUBLICITY I GET - THE LESS EFFECTIVE  
I AM HERE IN MOSCOW.

ONCE AGAIN I WANT TO  
TELL YOU HOW MUCH I APPRECIATE  
THE CONFIDENCE YOU HAVE SHOWN  
ME IN SENDING ME HERE.

(3)

THOMAS J. WATSON, JR.

Olive and I were prepared  
to handle ~~AN~~ Atmosphere of  
Tent & Good Relations BUT  
AFTER THE SOVIET AFGAN INVASION  
we had no trouble REVERSING  
OUR FIELD 180°. Now I CAN  
WITHSTAND LOST SOVIET TEMPER  
INCLUDING GROMYKO'S WITHOUT  
EVEN A FLINCH.

I WANT YOU TO KNOW OF  
MY CONTINUED ADMIRATION FOR  
YOU AND MRS. CARTER AND MY GREAT  
HOPES FOR YOUR REELECTION. IT  
LOOKS FROM HERE LIKE A NEAR  
CERTAINTY AND THAT WILL BE THE  
BEST THING THAT CAN HAPPEN  
TO OUR COUNTRY. COUNT ON ME  
FOR ANY POSSIBLE HELP. MY  
WIFE AND I BELIEVE THAT

4.

YOUR MEASURES WILL PAY OFF  
IN AFGANISTAN AND WE  
WILL STILL HAVE THE  
PLEASURE OF HAVING YOU  
AND MRS CARTER VISIT  
US HERE IN SPA-30 HOUSE

RESPECTFULLY

\_\_\_\_\_  
Tomahawk

11:55 AM

THE WHITE HOUSE

WASHINGTON

May 29, 1980

PHOTO OPPORTUNITY WITH CONSUMER-LABOR  
COALITION ON THE FTC BILL

Friday, May 30, 1980  
11:55 A.M. (5 minutes)  
The Oval Office

From: Stu Eizenstat *Stu*  
Esther Peterson

I. PURPOSE

This photo session is intended to enable you to meet with and receive the thanks of the consumer-labor coalition that worked with the Administration in securing an acceptable FTC Authorization Bill. Immediately prior to your meeting with the senior House and Senate conferees at which you outlined your bottom-line position on the key provisions of the bill, this coalition pledged to support you if a veto were to become necessary. They also agreed to support you in signing a bill which was consistent with the bottom-line position.

Members of the coalition have publicly praised your role in this bill and have attributed the success in cleaning up the most objectionable provisions to the strong stand which you took.

II. PARTICIPANTS

- Mike Gildea - AFL-CIO
- Nancy Drabble - Public Citizen's Congress Watch
- Sharon Nelson - Consumers Union
- David Cohen - Common Cause
- Sandra Willett - National Consumer League
- Dick Warden - United Auto Workers
- Bill Hutton - National Council of Senior Citizens
- Peter Hughes - American Association of Retired Persons
- Mike Pertschuk - Federal Trade Commission

PRESS

White House Photographer Only

III. TALKING POINTS

1. On Wednesday, I signed the Federal Trade Commission Authorization Act of 1980. This bill represents the first time in three years that the FTC has had a specific authorization. It will end a period of uncertainty which has disrupted the work of this important consumer protection agency.
2. The legislation contains some constructive provisions. It incorporates many of the regulatory reform measures that I have proposed to Congress for all agencies. These will help to insure that FTC rules are based on sound economic analysis and that they have chosen the least burdensome way of achieving its goals.
3. The bill also contains some troubling provisions. The two-house legislative veto provision that is included is, in my judgement, both unconstitutional and bad policy. If it were not for the fact that the very existence of the FTC rested upon this legislation, I could not have signed this bill because of the veto provision.
4. This bill could have been much worse than it is. The Senate and House bill together would have halted three major rulemaking proceedings, two ongoing cases, and effected major changes in the basic authority of the agency. I would not have signed such a bill and I think it was through our joint efforts and the constructive efforts of the conferees that we were able to improve it.
5. What was at stake in this legislation was not just the funeral home rule, or the children's television rule, or the rule for fairness in setting standards about commercial products. What was at issue here was whether powerful special interests could turn to the political arena as an alternative to the orderly legal processes established for our administrative agencies and in our courts.
6. I am gratified that this authorization bill is behind us now. But our work is not quite finished. The FTC's temporary funding bill expires over the weekend. We need your continued help today to get the supplemental funding bill through so that the FTC can continue its important work of protecting the consumers of our nation.

9:00 AM  
9:15 AM  
9:30 AM

THE WHITE HOUSE

WASHINGTON

May 29, 1980

MEETINGS WITH SENATORS WILLIAMS, JAVITS,  
MAGNUSON AND SECRETARY OF STATE MUSKIE

Friday, May 30, 1980  
9:00, 9:15, 9:30 (15 minutes each)  
The Oval Office  
From: Frank Moore

I. PURPOSE

To convince these Senators to support a prospective veto of a gasoline conservation fee resolution of disapproval.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: These Senators have indicated they oppose the gasoline conservation fee. However, they could well respond to a plea based on the foreign policy implications of the fee. Obviously, Magnuson will be concerned about his re-election. You should point out that the fee is more unpopular in the halls of Congress than anywhere else in the country. Also, you should know that Jim McIntyre has offered substantial support for Washington State's disaster. You should indicate that you have never had a veto overridden by the Congress. If the Senate were to override a veto for the first time on this issue, it would send precisely the wrong signal to the international community. To the Democrats you may also want to discuss the political implications for the fall campaign.

Participants: The President, Secretary of State Edmund Muskie, Senators Harrison Williams, Jacob Javits and Warren Magnuson.

Press Plan: White House photographer only.

III. TALKING POINTS

See Attached.

## TALKING POINTS ON THE GASOLINE CONSERVATION FEE

The gasoline conservation fee which the President imposed on March 14 will increase the price of gasoline at the pump by ten cents. That is a dime which will save the United States 100,000 barrels of oil each day by the end of this year and 250,000 barrels each day within 2 to 3 years.

If we are going to be able to stand up to an Iran or a Libya -- countries which threaten to use oil as a weapon for political purposes -- we must have the will and the discipline to curb our own consumption. We cannot let our dependence on imported oil compromise our national security or our principles internationally. The gasoline conservation fee is essential to the task of reducing that dependence.

To fail to allow the President to follow through on the fee is tantamount to telling the world that we cannot muster the will to pare back demand in the area where it hurts the least -- unnecessary driving.

Unless and until we can control our appetite for imported oil, we will not be able to rid our economy of the inflation which so cruelly taxes all Americans.

- In 1979 alone, the price of each barrel of imported oil rose 120% -- 10% each month.
- As long as nearly one out of every two gallons of gasoline we consume comes from abroad, that inflationary "tax" levied by OPEC will continue.
- As long as that dependence continues, our oil bills will soar. We will pay \$90 billion for foreign oil this year -- \$400 for each person in the US. Along with that \$90 billion, we export jobs and import inflation.

You may recall that when the President announced that he was imposing the gasoline conservation fee, he also asked Congress to pass a separate 10¢ gasoline tax bill to replace the fee. You may be opposed to the bill he has proposed, but we are not at that point yet. The fee is a unilateral act taken by the President; it is not a popular step but one which the President knows to be in the national interest. He is prepared to take the political risks and asks you merely to let his action stand so that our country's national security, economic welfare, and international freedom of action will be enhanced.

## TALKING POINTS ON THE OIL IMPORT FEE

WHY DO IT?

We must reduce our dangerous dependence on foreign oil. We import almost half of the oil we use. In addition, U. S. per capita energy use is greater than other Western nations. We have been energy junkies -- we use twice as much oil per capita as Germany or Japan.

This combination -- heavy usage plus a high percentage of imports -- is a threat to our national security and to our economic security.

Our dependence on foreign oil hands a weapon to those who would use oil to threaten us. It holds our economy hostage to the actions of a group over which we have little influence and no control. Our dependence on foreign oil means the actions of others can simultaneously make our economy poorer and drive up costs and prices.

HOW WILL IT WORK?

A fee of \$4.62 per barrel will be imposed on imported crude oil. Through an entitlements program the fee will be entirely shifted onto gasoline. Thus the price of gasoline will increase 10¢ per gallon but there will be no impact on home heating oil.

We are seeking legislation to replace the import fee with a permanent tax on motor fuels.

WHY ON GASOLINE?

We have made significant steps in energy conservation but we need to do more. Gasoline provides the greatest conservation potential with the least impact on the economy.

- o We know that demand for energy is responsive to price; when energy prices increase, consumption decreases
- o gasoline is where there is the greatest room for rapid changes in consumption;
  - 10¢ per gallon fee will reduce consumption by 100,000 barrels per day after 1 year and by as much as 250,000 barrels a day after 3 years.
- o some sacrifice must be made to adjust to a world of expensive and scarce energy and to reduce our imports; reducing our driving is clearly preferable to sacrificing jobs and heat.

## INTERNATIONAL ASPECTS

- o U. S. has the lowest price of gasoline in the Western world, with the possible exception of Canada. In most European countries gasoline taxes alone are over \$1.00 per gallon -- vs. 4¢ (federal tax) per gallon in the U. S. This differential has meant that our allies see us as profligate users of a good we think is cheap and they know is expensive. This has been the source of much friction with our allies.
- o Other nations have believed that the U. S. only talks about conservation; that we are unwilling to suffer any pain at all to reduce our energy use.
- o The oil import fee demonstrates that the U. S. is willing to make sacrifices to reduce dependence on energy. This is important in securing international cooperation and preventing a scrambling for scarce supplies.

## WHY AN IMPORT FEE INSTEAD OF GAS RATIONING

- o gasoline rationing makes sense for sudden large shortfalls but it is difficult to sustain or to make equitable over the long run.
- o rationing requires detailed decisions on the appropriate level of use for each family; it inevitably requires a bureaucracy for appeals;
- o the oil import fee or gasoline tax will send a direct signal that energy is not cheap and plentiful.

## ISN'T IT INFLATIONARY?

The fee will raise the price of gasoline by about 10¢ per gallon effective May 15, 1980. The direct effect of this will be to increase overall consumer prices by about one-half of one percentage point. This will be shown in the May and June CPI.

Over the year after that, there will be smaller indirect effects that will result in an increase in the CPI of another one-quarter of one percentage point.

In the long run, however, the import fee will be deflationary. As our demand for oil falls, so does pressure on the market. This lessens OPEC's ability to increase prices.

UNDER WHAT AUTHORITY IS IT ISSUED?

The Trade Expansion Act gives the President authority to take actions to adjust levels of imports if such imports threaten national security. An import fee is one way to adjust the level of imports.

In 1979 in accordance with the provisions of the Trade Expansion Act, the Secretary of the Treasury conducted an investigation into the U. S. dependence on foreign oil and concluded that the levels of such imports were a threat to national security.

The Emergency Petroleum Allocation Act gives the President authority to impose price and allocation controls on crude oil and refined products. This provides the authority to shift the fee entirely onto gasoline.

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

May 29, 1980

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CS*  
Subject: Index of Leading Indicators

Tomorrow at 10:30 a.m., the Department of Commerce will release its composite index of leading indicators. The index declined 4.8 percent, the largest 1-month fall on record. All ten of the individual components of the composite index fell.

As you know, we don't put much stock in this index itself. With one exception (see below), it contains no new information. But it does confirm what we already knew -- in April, the economic decline was very steep.

One component of the composite index is the layoff rate in manufacturing (which will also be released separately tomorrow). The rise in the layoff rate was exceedingly steep -- the rate almost doubled in one month, from a rate of 1.5 per 100 employees in March to 2.8 in April. This is the largest 1-month increase on record.

The press will undoubtedly give the index of leading indicators banner headlines. I will give Jody a suggested approach to possible questions at his briefing, along roughly the following lines:

- o As Administration spokesmen have already indicated, we have been aware for some time that the economic decline in April was quite steep. This is clearly a matter about which the President is concerned.
- o While the decline in the economy has been steeper than expected by almost everybody, some of the elements that will ultimately lead to recovery

have also been occurring faster than expected. Interest rates have been coming down more swiftly than at any other time in our history. And inflation will also be much lower in the second half of this year. Although we still have some difficult months ahead, both of these developments will help moderate the recession and lead to recovery.

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- 3:00 MARINE ONE ARRIVES U.S.S. NIMITZ, FLIGHT DECK  
OPEN PRESS COVERAGE  
OPEN ARRIVAL
- 3:01 THE PRESIDENT AND MRS. CARTER WILL BE GREETED BY:  
CAPT. RICHARD C. MACKE, EXECUTIVE OFFICER, U.S.S. NIMITZ
- 3:02 PRESIDENT AND MRS. CARTER, ESCORTED BY CAPTAIN MACKE PROCEED  
THROUGH NAVY SIDEBOYS AND GREET:  
ADMIRAL HARRY P. TRAIN, II, COMMANDER IN CHIEF, U.S.  
ATLANTIC FLEET  
COMMANDING OFFICER, CAPTAIN J. R. BATZLER, U.S.N., U.S.S. NIMITZ
- 3:03 PRESIDENT CARTER ESCORTED BY CAPTAIN BATZLER FOLLOWED BY  
MRS. CARTER ESCORTED BY ADMIRAL TRAIN PROCEED TO CAPT. GREG KUBU,  
COMMANDING OFFICER, MARINE DETACHMENT, U.S.S. NIMITZ  
"RUFFLES AND FLOURISHES"  
NATIONAL ANTHEM
- 3:07 THE PRESIDENT IS INVITED TO REVIEW THE TROOPS BY CAPT. KUBU  
NOTE: MRS CARTER, GUEST AND STAFF ARE ESCORTED TO END OF TROOPS  
TO AWAIT THE PRESIDENT
- 3:10 CAPT KUBU CONCLUDES THE REVIEW  
PRESIDENT CARTER WILL BE INTRODUCED BY CAPT BATZLER TO:  
MRS. LOUISA KENNEDY  
REAR ADMIRAL BRYAN W. COMPTON, COMMANDER CARRIER GROUP 6,  
U.S. NAVY  
VICE ADMIRAL GEORGE E. R. KINNEAR, II, COMMANDER NAVAL AIR FORCE,
- 3:11 PRESIDENT AND MRS. CARTER ESCORTED BY CAPTAIN BATZLER PROCEED  
TO SPEAKING PLATFORM (PLATFORM GUEST FOLLOW BEHIND)  
NOTE: STRONG RECOMMENDATION BY ADVANCE CREW ABOARD NIMITZ IS  
THAT PLATFORM GUEST AT NIMITZ BE ONLY MILITARY PERSONNEL  
INVOLVED WITH INDIAN BATTLE GROUP WITH EXCEPTION OF SEC. BROWN  
AND MRS. KENNEDY. ADDITION OF CLAYTON AND HIDALGO ADDS NOTHING  
TO NIMITZ EVENT FROM OUR PERSPECTIVE AND WILL BOTH BE COVERED AT  
PIERSIDE.
- 3:13 INTRODUCTION OF THE PRESIDENT BY CAPTAIN BATZLER
- 3:14 PRESIDENTIAL REMARKS
- 3:25 REMARKS CONCLUDE
- REMAINING SCHEDULE WILL BE THE SAME WITH THE TIME CHANGES FACTORED INTO  
PROGRAM. EXTRA TIME SHOULD BE SUBTRACTED FROM WARD ROOM SO THAT  
DEPARTURE FROM NIMITZ WILL REMAIN THE SAME.

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THE WHITE HOUSE  
WASHINGTON

Thanks -  
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May 29, 1980

Mr. President,

Enclosed in the attached folder are statements of support for you on the budget resolution. They are extensive, so I thought you would like to see them. It's nice to know your friends think you're doing a good job.

  
Anne Wexler

Enclosure

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5/29/80

*Budget Resolution Statements*

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5-29-80

THE WHITE HOUSE  
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Ohio

Peace

Strength - Mil & econ

Steady - time of testing

United

Inflation/interest - discipline

Cities/jobs ↓

Coal/Energy - 6 vs 20

Ag/Exports

Fed/St/Local

Freedom/democracy/human rts.

11:55

THE WHITE HOUSE  
WASHINGTON

# 1

May 30, 1980

Mr. President:

Bob Thompson has informed me that it is now certain that the FTC funding problem will not be solved within the next several days. As a result, it is even more important than before that you urge the consumer leaders you are meeting with at 11:55 to work as hard as possible with the Budget and Appropriations Committees to seek a resolution of the FTC funding problem immediately.

The House has acted to approve funding; Senator Hollings is refusing to lift the budget ceiling for the FTC in the Senate.

  
Stu Eizenstat