

4/23/80

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENCE OR TITLE	DATE	RESTRICTION
Memo	Jack Watson/Arnie Miller to the President w/attachments, 25pp. RE: National Science Board (two pages of candidates' resumes w/ SSANs withdrawn)	4/22/80	C

FILE LOCATION Carter Presidential Papers-Staff Offices Office of Staff Secretary/Pres. Handwriting File
Box 182 4/23/80

Farm State Demo Members of Congress 4/23/80

Farm State Cong. 4/23/80

Bal bud - protect people

OBEY - \$500 mil, → GIAMMO

Ag. INFL # 1

BALANCED APPROACH

COOP

TARGET PRICES (W/43 9/15)

EMERG LOAN (\$2B)

FED = SEASONAL LOANS

OPEN RESERVE

SU SUSPENSION = 17 MT

BOUGHT 4²/W 1⁵/C

FARMER RES 1⁰/W 5⁰/C

NONPART RES ~ 75 113

+ EXP CONTRACTS 14⁰

CORN EXPORTS = PRE SUSPENSION

SU 10-11 MT SHORTFALL

PLANT INTENT FEED⁺² FOOD⁺¹⁰

HOGS - UP - END OF YR

WH, CORN - UP - NEAR TERM

ACTUAL NEED

FARM POLICY

FISCAL/MONETARY RESTRAINT

Set aside '81 W

THE WHITE HOUSE
WASHINGTON

23 Apr 80

Frank Moore

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

Rick Hutcheson

*Originals to Moore
for Handling and
Delivery*

EARLY APPROVAL
THE WHITE HOUSE
WASHINGTON

REQUESTED

Upon signature/approval
of attached letter, I'll
sign other 16 which are in
my office.

--SSC

THE WHITE HOUSE
WASHINGTON

April 22, 1980

*Susan -
get M^e Intynas
recom. - soon
J*

MEMORANDUM TO THE PRESIDENT

FROM: STU EIZENSTAT
FRANK MOORE

*Stu
Bob*

*OMB is in full
support of letter
ll*

4/23/80

SUBJECT: LETTERS TO CONFEREES ON "MEDIGAP"

Attached are letters for your signature in support of the "Medigap" amendment to the Social Security Disability amendments of 1979 (H.R. 3236). The Medigap amendment would establish a voluntary certification program for Medicare supplemental health insurance policies in states that do not have adequate programs of their own to control abuses in this area.

We feel that your visible support of this amendment is important both substantively and politically. It is clearly needed and would be one of only a very few initiatives in the health area to come out of this Congress.

Nelson Cruikshank feels that the letters should not be sent since they would identify you more closely with the rest of the disability bill, which he strongly opposes.

The committee convenes ~~tomorrow~~ (Wednesday)

THE WHITE HOUSE
WASHINGTON

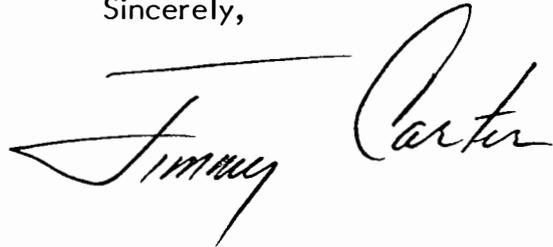
April 22, 1980

Dear Senator Baucus:

You have an opportunity to do the senior citizens of our country a great service by supporting the "Medigap" amendment to the Social Security Disability Amendments of 1979 (H.R. 3236) when the matter comes before the Conference Committee. I am writing to inform you of my wholehearted endorsement of this amendment, and to urge you to include it without change in the Conference Report. As you know, the amendment would establish a voluntary certification program for Medicare supplemental health insurance policies in states that do not have adequate programs of their own to control abuses in this area.

If passage of this amendment is delayed, we will be doing a grave disservice to our senior citizens. We have already waited far too long to remedy the documented abuses and confusion in the Medicare supplementary field. I urge you to resist delay and to take positive action now on behalf of the senior citizens of this country.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

The Honorable Max Baucus
United States Senate
Washington, D.C. 20510

CC-JLP
4/23/80
h

Jody - ok.
The message is ok
but the wording is
terrible

Mr. President,

This is the statement
and press guidance I will
be using today on the EC-9
action yesterday. I hope you
will do your best not to
be drawn out on Iran
today - even to the extent
of ~~not~~ explicitly declining
further comment.

Jody

4/23/80

STATEMENT BY THE PRESIDENT
EC NINE DECISION ON OIL SANCTIONS

*See note
on cover
memo*

We welcome the EC Nine Foreign Ministers decision today to support our efforts to free the hostages by invoking the sanctions against Iran embodied in the UN Security Council resolution vetoed by the USSR last January.

Some of the EC member states will require legislation to give effect to sanctions and they have undertaken to obtain the legislation by May 17. We are hopeful that the necessary legislation will be promptly enacted so that the nations will be able to carry out their commitments to impose sanctions unless decisive progress has been made toward releasing the hostages which we assume means release from Iranian control.

In the meantime diplomatic staffs will be reduced and visas will be required for Iranians traveling to EC countries. Military sales will be banned.

We are awaiting the necessary parliamentary action as we give great importance to the joint action of all the EC countries in this effort.

I might add that this action underscores to the Iranians the extent to which continuing to hold the hostages isolates them in world opinion.

#

April 23, 1980

Q: Concerning Iranian oil, are we disappointed that the Europeans focussed their attention on the price they would pay rather than on the principle of an embargo?

A: The United Nations sanctions resolution did not focus on this question. All oil consuming countries share the concern that Iran not charge prices that are out of line with those prevailing on world markets.

Q: Are we disappointed that the European Community countries chose to enact national legislation rather than to issue a joint directive on sanctions?

A: This matter is essentially internal to the procedures of the European Community. They are the best judge of what procedures are most appropriate to their needs. Our concern is that the net effect of their actions is consonant with ours. We understand that if the EC members agreed to this direct action it could have been done at once but could not have covered all of the measures embodied in the United Nations sanctions resolution. National actions, including legislation can cover these items.

Q: Are we disappointed that the European Community countries did not take immediate action against Iran?

A: Our understanding is that it was not possible for all of the Nine Members to act at once yesterday on sanctions. We sympathize with their desire to stay together and to act in unison.

Q: Does the Europeans' May 17 timetable affect or alter our own schedule for decisions on Iran?

A: No.

Q: Will the European countries take action to freeze Iranian assets in their countries?

A: The freezing of assets was not embodied in the UN sanctions resolution. As far as we are aware, this question has not been addressed by the European countries.

Q: What do the European countries mean by "decisive progress leading to the release of the hostages?"

A: It is not up to us to interpret this phrase, but we understand that they mean what we mean, namely progress insuring that the hostages will be liberated.

2:55 PM

THE WHITE HOUSE

WASHINGTON

PHOTO OPPORTUNITY WITH BARBARA TUCHMAN,
JEFFERSON LECTURER IN THE HUMANITIES

Wednesday, April 23, 1980

2:55 p.m.

The Oval Office

FROM: ANNE WEXLER *Ann*

I. PURPOSE

To greet Barbara Tuchman, Pulitzer Prize-winning historian and 1980 Jefferson Lecturer in the Humanities.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

- A. Background: Barbara Tuchman, this year's Jefferson Lecturer in the Humanities, is the most widely-read historian of our time. Her books include The Guns of August (Pulitzer Prize), The Proud Tower, Stilwell and the American Experience in China (Pulitzer Prize), and, most recently, A Distant Mirror. In addition to the two Pulitzer Prizes, she has also received the Gold Medal for History of the American Academy and Institute of Arts and Letters.

Mrs. Tuchman is the first woman to be President of the American Academy for Arts and Letters and the first woman to be selected for the Jefferson Lectureship in its nine year history.

The Jefferson Lecture, sponsored by the National Endowment for the Humanities, is this nation's highest honor for humanists. Lecturers have included Lionel Trilling, Robert Penn Warren, John Hope Franklin, and C. Vann Woodward. This year's Lecture will be given on Thursday, April 24, at the Departmental Auditorium.

Mrs. Tuchman's daughter, Jessica Tuchman Matthews, was formerly on the staff of the National Security Council.

- B. Participants: Barbara Tuchman; Joseph Duffey, Chairman, National Endowment for the Humanities; and Anne Wexler. Also Channing Phillips and Tom Litzenberg, Assistant Chairmen of the Endowment.
- C. Press Plan: White House Photographer, AP and UPI.

III. AGENDA

You will present Barbara Tuchman with an etching of Thomas Jefferson.

IV. TALKING POINTS

- I am proud to present this picture of Thomas Jefferson to you as a tribute to your accomplishments as an American historian. The Jefferson Lecture is one of the highest awards given to humanists. You now join the ranks of other recognized humanists such as Lionel Trilling, Robert Penn Warren, John Hope Franklin and C. Vann Woodward.

- Barbara Tuchman should be commended for her scholarship and for her leadership as a historian. In recognition of her scholarship she has received the Pulitzer Prize twice and the Gold Medal for History awarded by the American Academy and Institute of Arts and Letters. Her leadership role has led her to be the first woman to serve as President of the American Academy and to receive the Jefferson Lecturer award.

- A generation of Americans have grown up reading her analysis of history. Thousands of households have the Guns of August, The Proud Tower, Stilwell and the American Experience in China, and, more recently, A Distant Mirror.

2:50 PM

THE WHITE HOUSE
WASHINGTON

April 22, 1980

MEETING WITH SENATOR SAM HAYAKAWA
AND HIS MOTHER

Wednesday, April 23, 1980
2:50 p.m. (3 minutes)
The Oval Office

I. PURPOSE

Photo opportunity with Senator Sam Hayakawa and his mother, Otoko Hayakawa.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: Senator Hayakawa called and requested that his mother who is visiting Washington for the first time have an opportunity to meet you. Mrs. Otoko Hayakawa is 96 years old. This is purely a social occasion. Senator Hayakawa is not one of your best supporters in Congress, nevertheless, there are no personal vendettas. On rare occasions we have been able to secure his support on close votes; consequently, occasional efforts such as this photo opportunity are worthwhile.

As you know, Senator Hayakawa has a deep interest in Africa, as he's the ranking minority member of the Africa Subcommittee of the Senate Foreign Relations Committee.

Participants: The President, Senator Sam Hayakawa, Otoko Hayakawa, and the Senator's sister--Ruth Braley.

Press Plan: White House photographer only.

III. TALKING POINTS

Routine courtesies.

THE WHITE HOUSE
WASHINGTON

4/10/80

Mr. President:

CL has no comment.

Rick

To Frank Moore

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

Rick Hutcheson

CC: Jim McIntyre
Frank Press

*Original to Moore
for Handling*

THE WHITE HOUSE

WASHINGTON

APR 7 1980

MEMORANDUM FOR:

THE PRESIDENT

FROM:

James T. McIntyre, Jr. 
Frank Press 

SUBJECT:

Chairman McCormack's Fusion
Development Letter

Recently you received a letter from Chairman McCormack of the House Science and Technology Committee urging you to support an aggressive fusion development program. Chairman McCormack further suggests that the Administration commit now to a \$1.5 billion Experimental Test Facility at Hanford. This memorandum is to suggest a course of action for responding to these proposals.

For the past two and a half years, we have assured continued progress in the Magnetic Fusion Program. The budget has grown from \$335 million in 1979 to \$403 million in 1981. These funds include support for the Tokamak Fusion Test Reactor (TFTR) at Princeton and the Mirror Fusion Test Facility (MFTF) at Livermore.

At the present time, there is uncertainty as to the nature of the appropriate next fusion machine. The decision is important because that machine will set the pace and path of the program for the next 20 years. To respond to this issue, the Department of Energy has established a blue-ribbon committee to conduct an assessment of alternate paths or strategies for the further development of fusion power. Until the current DOE assessment is completed and alternate options are evaluated, we believe the Administration should not commit to any single strategy, such as that proposed by Chairman McCormack. Any decision not only will have large budget implications, but also will set the program on a course that will be difficult to change.

Chairman McCormack has indicated in his letter that the decision to pursue an Apollo-like program is in part a political one. We believe, however, that a crash program at this time without clear technical direction is counterproductive. Moreover, since the public is not generally aware of the potential of fusion, a commitment now to a high-risk high-cost Apollo-like program could be wasted both politically and technically. On the other hand, recent results suggest that some optimism is appropriate. An Administration commitment to undertake an aggressive program -- and a continued show of support from you -- would be in the national interest.

We recommend that at some point you visit one of the major centers of the Magnetic Fusion Program -- Princeton, MIT, or Lawrence Livermore Laboratory -- and confirm the Administration's continuing commitment to fusion.

We attach a letter to Chairman McCormack for your signature that is consistent with the approach we outline in this memorandum.

Attachment

THE WHITE HOUSE

WASHINGTON

April 22, 1980

Dear Mr. Chairman:

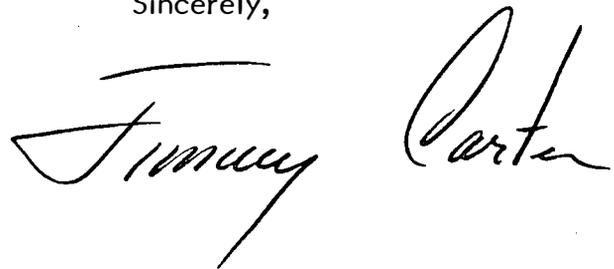
Thank you for your interesting and provocative letter urging the acceleration of magnetic fusion energy development.

I am aware of the promise that fusion energy holds for long range, relatively clean, and inexhaustible energy. I strongly support the development of a technology that offers such hope for meeting future energy needs.

The Department of Energy, the Office of Management and Budget, and the Office of Science and Technology Policy are assessing the recent scientific advances in the program to determine the best course for the future. Their effort should be completed by June of 1980. It will enable us to design an orderly and aggressive approach to the challenge.

I applaud your foresight and bipartisan leadership on this issue and welcome this opportunity for us to work together. The Administration is committed to the fusion option. I would urge that, upon completion of our examination, we strive jointly to make this option a reality.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

The Honorable Mike McCormack
Chairman
Subcommittee on Energy Research
and Production
Committee on Science and Technology
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

April 10, 1980

Dear Mr. Chairman:

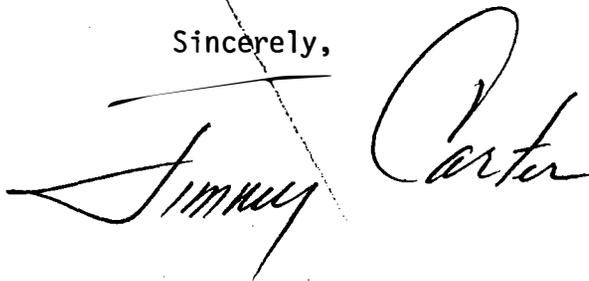
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Honorable Mike McCormack
Chairman, Subcommittee on Energy
Research and Production
Committee on Science and Technology
House of Representatives
Washington, D.C. 20515

**Electrostatic Copy Made
for Preservation Purposes**

April 22, 1980

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I applaud your foresight and bipartisan leadership on this issue and welcome this opportunity for us to work together. The Administration is committed to the fusion option. I would urge that, upon completion of our examination, we strive jointly to make this option a reality.

Sincerely,

**The Honorable Mike McCormack
Chairman
Subcommittee on Energy Research
and Production
Committee on Science and Technology
U.S. House of Representatives
Washington, D.C. 20515**

MIKE McCORMACK
4TH DISTRICT, WASHINGTON

COMMITTEES:
PUBLIC WORKS AND
TRANSPORTATION
SCIENCE AND TECHNOLOGY
CHAIRMAN
SUBCOMMITTEE ON ENERGY RESEARCH
AND PRODUCTION
SELECT COMMITTEE
ON COMMITTEES

Congress of the United States
House of Representatives
Washington, D.C. 20515

January 21, 1980

WASHINGTON OFFICE:
2352 RAYBURN HOUSE OFFICE BUILDING
(202) 225-5816

DISTRICT OFFICES:
YAKIMA OFFICE:
307 NORTH 3RD STREET, SUITE 1
YAKIMA, WASHINGTON 98901
(509) 248-0103

FEDERAL BUILDING
BOX 10
RICHLAND, WASHINGTON 99352
(509) 942-7273

205 EAST 11TH STREET, SUITE B-1
VANCOUVER, WASHINGTON 98660
(206) 699-4473

FEDERAL BUILDING
WENATCHEE, WASHINGTON 98801
(509) 663-2214

The President
The White House
Washington, D. C.

Dear Mr. President:

This letter is to formally request that you declare the development of magnetic fusion energy as a major national priority; and establish, as a national goal, the construction and successful operation of a magnetic fusion electric generation demonstration plant before the end of the century.

To accomplish the goals implicit in such a national commitment, it is essential that you announce the Administration's support for an increased budget for magnetic fusion for Fiscal Year 1981 -- to \$500 million; and that you request that a new project be authorized for construction -- the Fusion Engineering Test Facility, which is the next major developmental step required in the fusion program.

The spectacular successes encountered in magnetic fusion research during the last 18 to 20 months provide scientists in the fusion community throughout the world with absolute confidence that the time has come to move aggressively into the engineering phase of fusion development. We can now predict with certainty that the conditions required for a successful fusion reaction (temperature, pressure, confinement time, plasma stability, and plasma purity) can be obtained in devices now under construction (such as TFTR at Princeton). Operational experience with actual fusion reactions and power producing conditions will be obtained in the new Fusion Engineering Test Facility.

It is important to recognize that the decision to move forward now with an Apollo-like program, committing this country to a successful demonstration of fusion power production before the end of the century is a political decision. There is little doubt anywhere in the fusion community that an aggressive

The President
January 21, 1980
Page two

development program, starting at once with materials testing and engineering, will allow this country to reach this goal. There is no doubt that the concept of an Apollo-type program has already caught the fancy of Members of Congress, the press, and the public. The one mutually beneficial requirement is your committed support and your public leadership.

Background information has been provided or is available to you from the Department of Energy, the Office of Management and Budget, and from Mr. Stuart Eizenstat, all of whom have been briefed on this proposal. However, I have included selected material on this subject for your information.

I am aware that some persons have suggested that we continue unfocused research in the field of nuclear fusion for another five years. I suggest that such persons, whose experience is exclusively in research, may lack the perspective of the meaning of a national commitment of this magnitude to you as a political leader. They may also fail to appreciate the importance to the free world of your leadership in developing this technology as a constructive solution to the long term energy requirements of all mankind.

This is, of course, a matter which you must resolve, but I should like to cite two quotations which I know you will recognize -- and may appreciate:

"Where there is no vision, the people perish."
Proverbs: Chapter 29; Verse 18.

"Enact no little plans; they have no magic to stir men's blood."

Attributed to Daniel Hudson Burnham
(American architect at the turn of the century from New York.)

As you are aware, I have assembled a Fusion Advisory Panel of the finest scientists, engineers, and industrial managers available in the world. We stand ready individually or as a group to meet with you to discuss this matter in greater detail or to provide you with any other information you may request. May I hear from you soon?

Sincerely,


Mike McCormack
Member of Congress

MMc:gmj
Enclosures

The President
January 21, 1980
Page three

P.S. Mr. President: In addition, I have suggested that you come to the Hanford DOE Reservation in Washington State to officiate at the groundbreaking ceremony for the Fusion Materials Irradiation Test Facility. The date for the groundbreaking ceremony has been tentatively set for February 22. However, I am confident that all persons involved will happily accommodate to your schedule if you find it possible to commit yourself to another date in the near future. I have included detailed logistical information with regard to such a visit in a copy of my letter of January 4 to Dr. Frank Press.

May I please hear from you specifically on this subject as soon as possible?


Mike McCormack

WHERE ARE WE NOW ON MAGNETIC FUSION?

(WHAT IS UNIQUE ABOUT THE PRESENT TIME?)

I. BACKGROUND:

-- NUCLEAR FUSION IS THE PRIMARY ENERGY SOURCE OF THE UNIVERSE. THE SUN IS A FUSION ENERGY SYSTEM. FUSION INVOLVES THE REACTION BETWEEN THE NUCLEI OF TWO ISOTOPES OF HYDROGEN (DEUTERIUM AND TRITIUM) HELD IN A HIGH MAGNETIC FIELD AT ABOUT 100 MILLION DEGREES.

-- SMALL SCALE MAGNETIC FUSION RESEARCH HAS BEEN UNDERWAY SINCE THE EARLY 1950s. SINCE 1974, HOWEVER, THE PROGRAM HAS BEEN ACCELERATED FROM ABOUT \$50 MILLION PER YEAR TO ABOUT \$350 MILLION IN FY 80.

-- DURING THE 1970s, RESEARCH WITH A SERIES OF INCREASINGLY LARGER MACHINES AT PRINCETON, OAK RIDGE, AND MIT HAVE RESOLVED MOST OF THE OUTSTANDING QUESTIONS ABOUT SUCCESSFULLY GENERATING, HEATING AND CONFINING THE PLASMA IN WHICH THE FUSION REACTION WILL OCCUR.

-- THE FOLLOWING REQUIRED CONDITIONS HAVE BEEN ATTAINED (ALTHOUGH NOT ALL AT ONCE IN THE SAME MACHINE):

1) TEMPERATURES OF UP TO 75 MILLION DEGREES.

(THE NOMINAL TARGET OF ABOUT 100 MILLION DEGREES IS THUS KNOWN TO BE OBTAINABLE WITH EQUIPMENT UNDER CONSTRUCTION.)

2) PLASMA STABILITY ADEQUATE TO ALLOW A FUSION REACTION TO PROCEED.

3) PLASMA PURITY ADEQUATE FOR A SUSTAINED FUSION REACTION.

4) PLASMA CONFINEMENT TIMES AT REQUIRED DENSITIES ADEQUATE TO PROJECT FUSION POWER PRODUCTION IN LARGER DEVICES.

-- SUCCESSFUL EXPERIMENTS DURING THE LAST 18 MONTHS PROVIDE VIRTUAL CERTAINTY THAT THE FEASIBILITY OF FUSION POWER PRODUCTION WILL BE DEMONSTRATED BY 1983-84 IN EQUIPMENT UNDER CONSTRUCTION.

II. TODAY:

-- WE HAVE REACHED THE POINT WHERE WE CAN PREDICT, WITH HIGH CONFIDENCE, THAT A FUSION ELECTRIC GENERATING DEMONSTRATION PLANT CAN BE BUILT AND PUT ON THE LINE BEFORE THE END OF THE CENTURY.

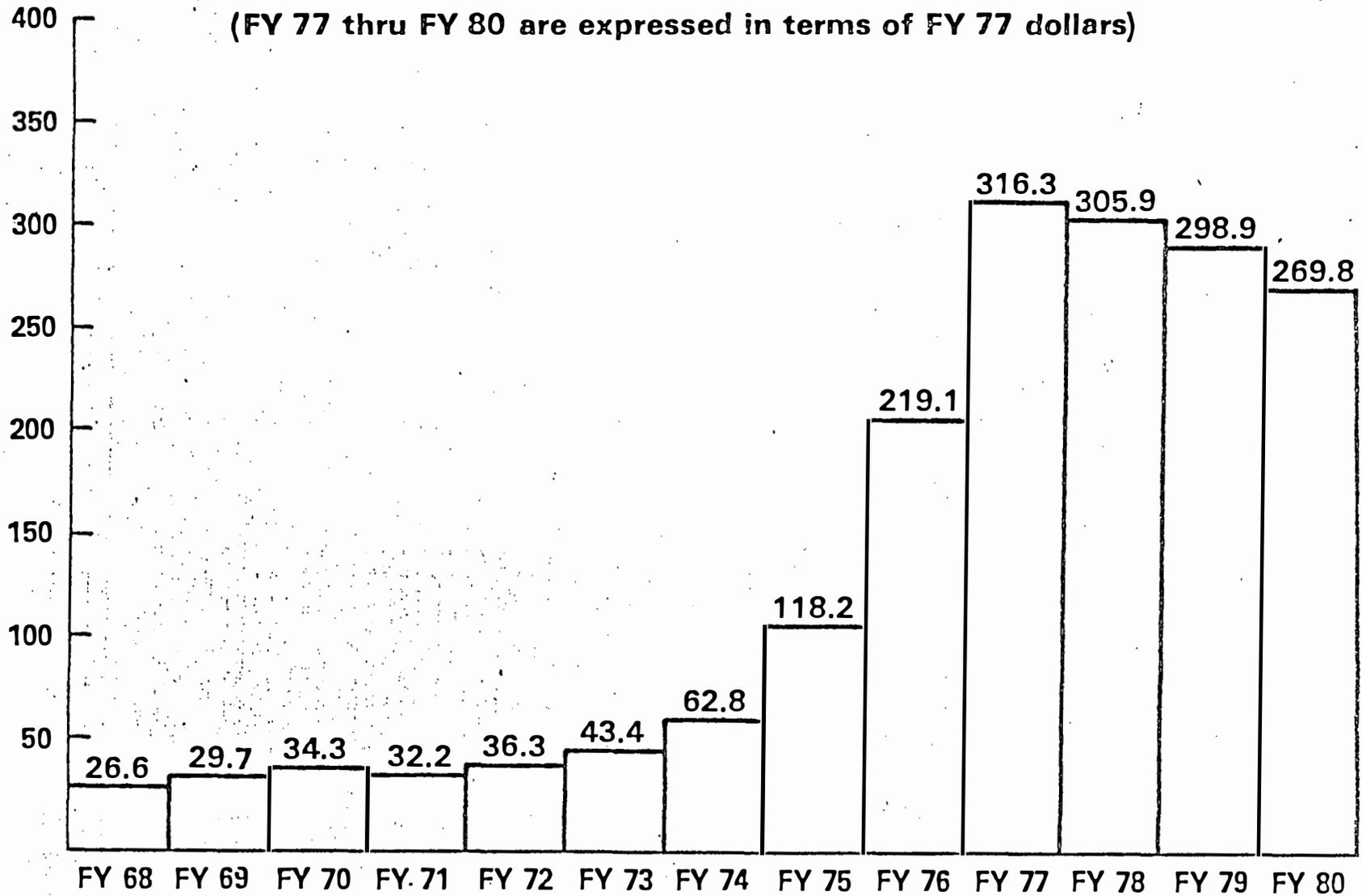
-- AN ACCELERATED PROGRAM, WITH SUCH A SPECIFIC GOAL, WILL SIGNAL TO THE WORLD THAT THE UNITED STATES IS SERIOUS ABOUT MAKING THIS INVALUABLE ENERGY SOURCE AVAILABLE AS SOON AS POSSIBLE.

-- NEW DEPARTMENT OF ENERGY STUDIES INDICATE THAT MOVING FORWARD WITH AN ACCELERATED PROGRAM NOW WILL BE LESS EXPENSIVE THAN A SLOWER PROGRAM.

-- WE HAVE REACHED THE POINT WHERE WE CAN, FOR THE FIRST TIME, REASONABLY COMMIT TO SUCH A GOAL, AND INITIATE THE ENGINEERING PROGRAM TO REACH IT.

BUDGETARY HISTORY OF THE MAGNETIC FUSION PROGRAM (\$ IN MILLIONS, BA)

(FY 77 thru FY 80 are expressed in terms of FY 77 dollars)



MEMBERSHIP OF THE
ADVISORY PANEL ON FUSION ENERGY

CHAIRMAN
DR. ROBERT L. HIRSCH
GENERAL MANAGER,
EXPLORATORY RESEARCH
EXXON RESEARCH AND
ENGINEERING COMPANY

DR. T. KENNETH FOWLER
ASSOCIATE DIRECTOR FOR CTR
UNIVERSITY OF CALIFORNIA

DR. JOHN W. LANDIS
SENIOR VICE PRESIDENT
STONE & WEBSTER
ENGINEERING CORPORATION

DR. RICHARD E. BALZHISER
VICE PRESIDENT
RESEARCH AND DEVELOPMENT
ELECTRIC POWER RESEARCH INSTITUTE

DR. HAROLD P. FURTH
PRINCETON PLASMA PHYSICS
LABORATORY
PRINCETON UNIVERSITY

DR. TIHIRO OHKAWA
VICE PRESIDENT AND
DIRECTOR, FUSION DIVISION
GENERAL ATOMIC COMPANY

DR. ROBERT W. CONN
NUCLEAR ENGINEERING DEPARTMENT
UNIVERSITY OF WISCONSIN

MR. JOE G. GAVIN, JR.
PRESIDENT
GRUMMAN CORPORATION

MR. ROBERT SMITH
CHAIRMAN OF THE BOARD
PUBLIC SERVICE ELECTRIC & GAS

DR. ERSEL A. EVANS
VICE PRESIDENT
WESTINGHOUSE HANFORD COMPANY

MR. HENRY K. HEBELER
PRESIDENT
BOEING ENGINEERING AND
CONSTRUCTION COMPANY

DR. ALVIN W. TRIVELPIECE
CORPORATE VICE PRESIDENT
SCIENCE APPLICATIONS, INC.



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

Vol. 125

WASHINGTON, THURSDAY, SEPTEMBER 13, 1979

No. 117

FUSION ADVISORY PANEL REPORT

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 13, 1979

Mr. McCORMACK. Mr. Speaker, the Subcommittee on Energy Research and Production has received a written report from its newly formed Fusion Advisory Panel, containing findings and recommendations concerning the fusion energy program. The panel, made up of some of the world's most distinguished fusion scientists and educators, as well as several outstanding business leaders, reviewed the fusion program in a recent 2-day meeting.

The essence of the panel's findings is that:

First, the tokamak magnetic fusion research program has been highly successful in accomplishing its goals, on time and within costs;

Second, present experimental data indicate that a demonstration of an energy producing fusion reaction in the early 1980's is almost assured; and

Third, it is none-too-soon for the Department of Energy to plan a comprehensive strategy for bringing a tokamak fusion electric demonstration plant on line by 1995.

The panel also noted that while this ambitious plan would certainly require added funding in the short term, the cost to the country in the long run would most likely be less than that involved in following the Department of Energy's current program strategy.

It seems clear that we have no option except to press forward with development of fusion electric production as soon as possible, and that this effort should never be limited by budgetary considerations.

In light of these observations and the panel's recommendations, I have written to Dr. John Deutch, Acting Under Secretary of the Department of Energy, asking him to prepare a detailed program plan—including costs—to accomplish the above recommended goals. This letter to Dr. Deutch was published in the July 26, 1979, CONGRESSIONAL RECORD.

I urge the Members of the House to lend their support to an accelerated development program for this extremely promising energy technology.

A copy of the report of the Fusion Advisory Panel follows:

JULY 20, 1979.

HON. MIKE McCORMACK,
Chairman, Subcommittee on Energy Research and Production, Washington, D.C.

DEAR MR. CHAIRMAN: The Fusion Advisory Panel of the Energy Research and Production Subcommittee of the House Science and Technology Committee met on July 10 and 11. At that time, the panel concentrated its attention on magnetic confinement (laser) fusion. Even though you and your colleagues received an oral report from the panel on July 11, it was deemed important to provide you with a short letter documenting the results of our efforts. The following is provided on behalf of the panel and represents the views of the overwhelming majority of our group.

On the basis of the information presented to us as well as the background that the panel members have in fusion and related technologies, we have come to several important conclusions. First and foremost is that the fusion program has to date achieved a very substantial and impressive measure of success. The magnetic confinement program has reached, and in many cases surpassed, the goals publicly set forth in past years. Magnetic fusion research has consistently been on schedule and very close to cost, even during recent inflationary times. On this basis, we see the program to be not only viable, but unusually meritorious and a source of national pride.

Second, as evidenced by recent results from the Princeton Large Torus, the Alcator, the Impurities Studies Experiment, and Doublet III, we believe that the magnetic fusion energy program is without a doubt ready to proceed much more aggressively than presently projected by the DOE. A key element in an expanded program would be a billion dollar class experimental fusion power system. In our view, this step must be formally initiated in the near term, not only because of the country's urgent need for energy for the future but because a delay would substantially reduce the effectiveness of the on-going program. We wholeheartedly believe that electric power from fusion should be attainable before the turn of the century, and we believe the total programmatic cost for an accelerated program will be lower than for the present stretched out schedule.

In view of these conclusions and based upon our deliberations, we recommend that the Subcommittee seriously investigate a more vigorous approach to practical fusion power. Specifically, we recommend that the Department of Energy be requested to prepare a program plan aimed at the goal of operating a demonstration fusion power plant by the year 1995. Such a plan should include a description of technical elements, costs, schedules, industrial involvement, etc. Once this plan is developed, a special hearing should be held to determine the credibility and desirability of such a program goal. We realize this to be an aggressive approach, but we believe that the recent successes in magnetic fusion research coupled with the energy needs of the nation justify an ambitious magnetic confinement fusion program.

My colleagues and I on the Fusion Advisory Panel hope that our efforts thus far have been useful to the Congress. We were impressed by the strong interest in fusion power evidenced by the large Congressional representation at the panel's sessions.

Sincerely,

ROBERT L. HIRSCH,
Chairman, Fusion Advisory Panel

MAGNETIC FUSION

1. INTRODUCTION

Energy can be released when hydrogen isotopes are heated to temperatures over 40 million degrees. At these temperatures the gases, which become ionized and are called plasmas, can collide strongly enough to fuse together, forming helium and releasing energy. Continuous fusion power can be produced in units as small as several hundred megawatts and can be utilized to produce heat, electricity, hydrogen or fissile fuel.

Fusion systems are basically energy amplifiers in which energy is used to create conditions under which energy is produced by fusion reactions. The worth of a fusion system is measured by the energy gain, the ratio of energy produced to energy consumed, and net energy production is the objective of all fusion research. Some of the fusion power is in the form of charged particles which can be used to self heat or ignite the plasma. An ignited plasma gives the maximum energy gain.

Producing conditions under which net energy can be released requires insulating a plasma from its surroundings, heating it in an efficient manner, and restraining the expansion of the resulting high pressure plasma. In magnetic fusion, the insulation and pressure containment is provided by magnetic fields.

An alternate method is to utilize the inertia of a highly compressed pellet of fusion fuel that is free to expand. This method is called inertial confinement and is sometimes referred to as laser fusion since a laser provided the earliest technique used to heat the fuel pellet.

Magnetic fusion has been pursued since the early 1950's. The first 20 years were devoted to developing a scientific understanding of fusion plasmas and the technology for creating, heating and confining them. This period was marked by high expectations, low budgets and little obvious progress toward practical fusion power. Since 1974, increased funding has resulted in a successful exploitation of this broad scientific base. Plasma parameters have been raised to the levels required for fusion and all technologies required for magnetic fusion reactors have been identified and are in an advanced stage of development.

Magnetic fusion systems have increased their energy gain by over ten thousand in the past four years and will improve by an additional factor of one hundred in devices now under construction. Both the scientific and technological achievements of magnetic fusion are such that scientists can now conclude with high confidence that it is feasible to produce net energy in a controlled manner from fusion reactions in magnetic confinement devices.

The inertial confinement program which began under military auspices in the mid 1960's has not reached such an advanced stage of scientific and technological development.

2. CURRENT SCIENTIFIC STATUS OF MAGNETIC FUSION

The most advanced magnetic confinement concept is a doughnut shaped system called a tokamak. Tokamak experiments are exploring all major scientific issues in several specialized facilities. A temperature of 70 million degrees, twice that required for ignition, was produced in the Princeton Large Torus in 1978. Magnetic insulation within a factor of three of that needed for ignition and adequate for an energy gain of unity was achieved in Alcator A at MIT in 1978. The containment of sufficient plasma pressure to permit net energy generation in a tokamak of acceptable small size was demonstrated in the ISX-B device at the Oak Ridge National Laboratory in 1979. The production of plasmas with reactor level magnetic fields, densities and very low impurity levels has also been demonstrated in a number of operating tokamak devices in the last two years. Calculations based on these results show that the Tokamak Fusion Test Reactor (TFTR), now under construction at Princeton Plasma Physics Laboratory, can achieve energy production of 30 to 90 megawatts, one to three times the input heating energy, when completed in 1983.

Many different configurations of magnetic fields appear capable of providing sufficient insulation in addition to the tokamak. They can be generally classified into closed (doughnut shaped) and open (cylindrical) magnetic systems and several of these are likely contenders for the most economic reactor configuration. All magnetic fusion systems require the same basic technologies of plasma heating, superconducting magnets, tritium breeding, radiation resistant materials and energy recovery.

Efficient heating and fueling adequate for fusion reactor operation has been demonstrated respectively on the Princeton Large Torus in 1978 and the Oak Ridge ISX-B in 1979. The remaining technologies of superconducting magnets, tritium control and materials are in advanced stages of demonstration at Oak Ridge, Los Alamos and Hanford.

3. CONCLUSION

The feasibility of constructing a power producing tokamak facility called INTOR was the focus of a recently completed International Energy Agency study which involved over one hundred and fifty man years of effort by the leading fusion experts in the U.S.A., Europe, Japan and the U.S.S.R. The study concluded

"A substantial physics and technology data base for INTOR exists today. ...On this basis, it is concluded that it is scientifically and technologically feasible to undertake the construction of INTOR to operate in the early 1990's, provided that the supporting R&D effort is expanded immediately to provide an adequate data base in a few critical areas."

The U.S. Fusion Power Coordinating Committee, composed of the scientific leaders of the U.S. fusion program and major industrial groups with expertise in advanced technology, feels that it is time to utilize this scientific and technological base to immediately enter the fusion engineering phase. In April 1979 this group advised the Department of Energy

"We strongly recommend that the magnetic fusion program proceed immediately with the design leading to construction of a major Engineering Test Facility aimed at producing significant amounts of fusion energy and at testing the major engineering subsystems prototypical of a fusion reactor. Our opinion is based on the recent progress in the fusion program, particularly the achievements of the PLT, Alcator, Doublet and ISX tokamaks and the high confidence that TFTR will meet or exceed its objectives.

"There is a strong world-wide consensus that fusion energy is technically ready for aggressive development, and we believe that the course of action recommended here is necessary to the cost-effective development of fusion energy."

Getting It Together Prospects for Energy From Nuclear Fusion Are Improving Again But Government's Timetable Is Measured in Decades; Some Call for a Speedup Doughnut, Mirror or Pellet?

By ARLEN J. LARGE

Staff Reporter of THE WALL STREET JOURNAL

PRINCETON, N.J. For 28 years scientists have been struggling to re-create on earth the same source of sustained energy that powers the sun. After an initial glow of optimism, researchers on nuclear fusion went through a gloomy period of disappointment and frustration as experiments kept failing. Now, however, their mood is upbeat again.

So optimistic are fusion workers about recent scientific progress that they're getting impatient with the government's stately timetable stretching out research for another 40 years. Not until the year 2020, according to Energy Department plans, will fusion's tremendous heat be making electricity on a commercial basis.

One who would like to go faster is Melvin Gottlieb, director of the Princeton University Plasma Physics Laboratory here. "This is comparable to the effort to produce a bomb in the war," he says, "except that we aren't going at it on the same urgent basis." The pace "absolutely" could be speeded up, he says.

In fusion work, "plasma" is hydrogen gas so hot that its individual nuclei fuse together to produce helium and release energy. What's eye-catching for the layman is that the hydrogen can be obtained from a limitless supply of sea water, though the fuel source actually is more complicated than that. Fusion of the nuclei of hydrogen, the lightest natural element, releases more energy than the splitting (or fission) of uranium, the heaviest, which has been producing commercial electricity for years amid growing controversy.

Few Enemies

Fusion fans say their method doesn't have fission's safety problems. While there are doubters among environmentalists, fusion probably won't attract many committed enemies until actual electricity-producing reactors are closer to reality. What's generally undisputed at this point is that fusion is ready to make the leap from the scientific laboratory to the engineering drawing boards.

"This is the year in which we can finally say that man can make and control a plasma of burning fusion fuel on earth with reasonably sized and reasonably simple equipment," says Edwin Kintner, director of the Energy Department's office of fusion energy. "This is a thought which is shared world-wide by people working in the fusion field."

And world-wide the field is, reflecting the willingness of rich governments to spend money on what they see as a promising future source of energy. Outside the U.S., aggressive research programs are moving ahead in Western Europe, Japan and the Soviet Union. Indeed, the annual U.S. fusion-research budget of \$510 million accounts for just one-third of the world-wide effort.

Government Money

Because most of the work has no military application, there is a free and easy exchange of research data. Japan this year is putting up \$125 million for fusion work in California.

In this country and abroad, fusion research depends almost entirely on government bankrolls. Energy Department officials estimate that the U.S. government will have spent \$18 billion on this technology by the time it's ready to produce commercial electricity in the next century. But in the coming decades fusion will have to compete hard for research dollars with other potential sources of energy for central electricity-generating stations: fission-breeder reactors, electrified coal gas, solar-power satellites.

So far the expensive machines needed for fusion research have been built at government laboratories or at university campuses like Princeton. John Deutch, research director at the Energy Department in Washington, would like to see contracts awarded to private companies to build and operate future fusion-research machines. The companies wouldn't, however, be required to put up their own money, and the government has no plan to try to recapture its fusion-development costs from electric utilities that eventually may use the technology. Early-stage development of these new energy sources, says Mr. Deutch, "is a national responsibility."

How They Work

Researchers think a fusion reactor could make commercial electricity along these lines:

A hollow metal doughnut is filled with a special mixture of hydrogen gas and heated to more than 100 million degrees Celsius, four times hotter than the center of the sun. Magnets surrounding the doughnut keep the electrified plasma from burning the walls. Nuclei of the hydrogen atoms fuse together to make new helium atoms, while releasing a shower of the atomic particles called neutrons. The neutrons, carrying 80% of the energy of the fusion reactions, bang into an outside blanket of lithium metal, making it hot. The heat is turned into steam, which drives the generator that turns on your light bulb.

That's one of many different conceptions, none of which has actually been tried. Princeton scientists using test doughnut devices called tokamaks have been fusing hydrogen and making neutrons at temperatures of up to 75 million degrees, but they're

Please Turn to Page 15, Column 3

Getting It Together: Nuclear-Fusion Power Grows More Promising

Continued From First Page

putting more start-up energy into the machines than comes back out.

Under construction here is the biggest tokamak yet, scheduled for completion in 1982. The scientists here are increasingly confident that by 1984 the machine will pass the break-even point, producing more energy than goes in, and by a significant amount.

The tokamak doughnuts, invented in the Soviet Union, have seemed to solve the problem of keeping the hot hydrogen plasma inside a stable magnetic "bottle," safely away from the metal walls. A famous experiment here last summer, though put down by *Science* magazine as a "media event" because of excited reports of a "break-through," nevertheless was important because it showed that plasma in the doughnut wouldn't break up at high temperatures.

While tokamak technology is the furthest advanced, the Energy Department continues to put chips on other potential fusion methods. Its long-term plan for picking the winning technique for commercial development looks for all the world like the elimination brackets of a basketball tournament.

An alternative to the doughnut is a cylinder in which hydrogen plasma also is confined magnetically. To keep the plasma from seeping out the ends of the cylinder, magnetic fields or other devices serve as "mirrors" at each end. One such machine is being tested at the government-financed Lawrence Livermore Laboratory in California.

The first elimination is scheduled to come in 1984, when the Energy Department chooses between tokamaks and mirrors. The winning concept will be incorporated into a new machine called an engineering test facility scheduled to start operating in 1992. Princeton's Mr. Gottlieb and others rooting for a faster pace think work could start right away on certain parts of this machine that will be needed either for tokamaks or mirrors, no matter how the decision goes.

In 1997, according to the current schedule, officials will decide the fate of an entirely different way of fusing hydrogen to make energy. Work is under way at Lawrence Livermore Laboratory, the Los Alamos Scientific Laboratory and elsewhere on zapping a hydrogen-filled pellet with high-energy beams, either of laser light or atomic particles. The temperature in the pellet gets so high that fusion occurs, releasing the telltale shower of neutrons. To produce commercial electricity, a way must be found to shoot new pellets continuously into a chamber to be zapped by the high-energy beams.

Some researchers complain that work on this technique is hampered because some of it is classified as secret. The exact design of the pellet is related to what makes a hydrogen bomb go off.

The Energy Department's Mr. Deutch says pellet fusion "isn't in the same state of maturity" as plasmas confined in tokamaks or mirrors, which are being engineered specifically for commercial electrical production someday. Whatever technique looks most promising in 1997, however, will become the basis for a \$1 billion engineering prototype reactor that will start operating in 2004.

The government's final effort, a scaled-up "demonstration" reactor using the winning technology, is scheduled for operation in 2015. Thereafter, private utilities would be expected to start building their own fusion plants, using all the scientific and engineering data the government has developed.

This is too long a wait for fusion's go-faster faction. Democratic Rep. Mike McCormack of Washington, a leading fusion fan in Congress, wants to have "the first commercial demonstration fusion plant on line by the year 2000." Energy research boss Deutch tries to placate such proponents by saying the timetable for those distant years is "flexible" and could be stepped up if future Congresses and future energy bureaucracies choose.

Fusion also has, however, a go-slower faction that wants to make sure that technical and environmental problems are solved before the government commits itself to a final design. The problems most often mentioned deal with the hydrogen fuel of a tokamak or mirror reactor.

The reaction that can occur at the most easily reached temperature requires two special forms of hydrogen: isotopes called deuterium and tritium. Deuterium can be obtained from sea water. Tritium doesn't occur in nature, but it can be produced artificially from lithium when those neutrons hit the metal during a fusion reaction. So most of the contemplated machines will breed their own tritium.

Tritium, however, is radioactive and will require special handling techniques and disposal methods. This disturbs the go-slow faction.

For example, the Union of Concerned Scientists, which wants no more of the current fission reactors built until disposal sites for the nuclear waste are found, thinks the government should investigate fusion technologies other than the deuterium-tritium approach. Steven Nadis, a research analyst for the union in Cambridge, Mass., says that at higher temperatures than those currently planned some particles will fuse to produce direct electric current without any neutron bombardment or radioactivity. However, he concedes that use of these so-called "advanced" fuels at higher temperatures "admittedly will be more difficult to achieve."

THE WHITE HOUSE
WASHINGTON

23 Apr 80

Jack Watson
Arnie Miller

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

April 22, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*
ARNIE MILLER *AM*

SUBJECT: National Science Board

There are twenty-four members of the National Science Board who are appointed by you and confirmed by the Senate. Eight vacancies will occur in May.

We have worked closely with Frank Press and Norm Hackerman, Chairman of the Board, to find well-qualified people including women and minorities. The list includes two women and two Blacks; two on the list are from the West, two from the South and two from the Midwest. Five are under the age of 50.

Peter T. Flawn (Texas) President and Professor of Geological Sciences and Public Affairs at the University of Texas. Former President of the Geological Society of America and the Association of American State Geologists. Highly recommended by Congressman Pickle, Secretary Marshall and Bob Hardesty.

Mary L. Good (Louisiana) Professor of Chemistry at the University of New Orleans. First woman director in the American Chemical Society. Chair of the President's Commission on the National Medal of Science, appointed by President Carter.

Peter D. Lax (New York) Assistant Professor of Mathematics at New York University and Director of the Courant Institute of Mathematical Sciences. Past President of the American Mathematical Society. Strongly recommended by Frank Press.

Homer A. Neal (Indiana) Dean of Research and Graduate Development and Professor of Physics at Indiana University at Bloomington. Alfred Sloan Foundation fellow and a Fellow in the American Physics Society.

Mary Jane Osborne (Connecticut) Professor of Microbiology at the University of Connecticut Health Center. Former teaching experience with the New York University School of Medicine and the Albert Einstein College of Medicine.

Donald B. Rice, Jr. (California) President of the Rand Corporation. Former Assistant Director of the Office of Management and Budget and Deputy Assistant Secretary of Defense. Recommended for reappointment to the Board because of his knowledge of the budget system and because representation is needed from military science industries.

Stuart A. Rice (Illinois) Chairman of the Department and Professor of Chemistry at the University of Chicago and James Franck Institute. Special lecturer at institutions across the United States. Visiting lecturer at the Free University of Brussels and at Hebrew University in Jerusalem.

John B. Slaughter (Washington) Academic Vice President and Provost at Washington State University. Formerly Assistant Director of the National Science Foundation and prior to that, Director of the Applied Physics Laboratory at the University of Washington.

RECOMMENDATION:

Nominate the slate as listed above to be members of the National Science Board. Frank Press concurs.

approve

disapprove



BIOGRAPHICAL DATA

Peter T. Flawn

Vital Statistics:

Born: February 17, 1926, Miami, Florida
Married: June 28, 1946, Priscilla Pond
Two children

Education:

B.A. (Geology) Oberlin College, 1947
M.S. (Geology) Yale University, 1948
Ph.D. (Geology) Yale University, 1951

Honors and Awards:

Oberlin College Scholarship
Cooksey Fellow, Yale University, 1947-48
Binney Fellow, Yale University, 1948-49
National Science Foundation Research Grant, NSF-G 1963
American Federation of Mineralogical Societies Award, 1972
Association of American State Geologists, Honorary member, 1974
National Academy of Engineering, elected 1974

Professional Experience:

Jr. Geologist, U.S. Geological Survey, Mineral Deposits
Branch, 1948-49
Research Scientist and Geologist, Bureau of Economic Geology
University of Texas at Austin, 1949-60
Visiting Lecturer in Geology, Northwestern University,
Winter, 1960
Director, Bureau of Economic Geology and Professor of
Geology, The University of Texas at Austin, 1960-70
Visiting Professor of Geology and Research Geologist,
Instituto de Geologia, La Universidad Nacional
Autonoma de Mexico, Summer, 1964
Director, Division of Natural Resources and Environment,
The University of Texas at Austin, 1970-72
Vice President for Academic Affairs, The University of Texas
at Austin, 1970-72
Professor of Geological Sciences and Public Affairs,
The University of Texas at Austin, 1970-

Executive Vice President, The University of Texas at Austin
1972-73

President, The University of Texas at San Antonio, 1973-77

Consultant, Economic Geology, 1954-

Acting Director, University of Texas Marine Science Institute
and Acting Chairman, Department of Marine Studies, May 1978

President, The University of Texas at Austin, 1979-

Professional, Scientific, and Honorary Memberships:

American Association of Petroleum Geologists
American Institute of Mining, Metallurgical and Petroleum
Engineers
Association of American State Geologists (Honorary)
Association of Professional Geological Scientists
Geological Society of America
National Academy of Engineering
Society of Economic Geologists
Sociedad Geologica Mexicana

Committees, Councils, Commissions, and Advisory Boards:

American Association of Petroleum Geologists
Chairman, Basement Rocks Project Committee, 1955-66
Research Committee, 1955-67
State and Federal Agencies Advisory Committee
Vice-Chairman, 1966-68
Trustee, Group Insurance Program, 1967-68

American Association of State Colleges and Universities
Member, Committee on Environment, 1975-77

American Geological Institute
Director, 1967-70
House of Representatives (representing Association of
American State Geologists), 1965-68
Committee on Minerals Policy, 1971-72
Interim Committee on Geoscience and Public Policy, 1973

American Institute of Mining and Metallurgical Engineers
Director, Texas Coast Mining and Metals Section, 1961-63
National Affairs Committee, 1969-71

Association of American State Geologists
Vice President, 1967-68
President-elect, 1968-69
President, 1969-70
Chairman, Environmental Geology Committee, 1968-69

Association of Professional Geological Scientists
Nominations Committee, 1965
Commission on Geologic Hazards, 1965-68
Committee on Man's Geologic Environment, 1969-70
Executive Committee, Texas Section, 1969-70
Special Advisory Committee, Texas Section, 1974

Geological Society of America
Policy and Administration Committee, 1962-63
Nominations Committee, 1964
Subcommittee on the Penrose Medal Award, 1970-72
Chairman, 1972
Ad Hoc Committee on Environmental Geology, 1970
Committee on Environment and Public Policy, 1971-72
Committee on Honors and Awards, Chairman, 1972
Councilor, 1972-74, 1977
Committee on the Budget, 1972; Chairman, 1973-74
Committee on Investments, 1974, 1976-78
Vice President, 1977
President, 1978

Greater San Antonio Chamber of Commerce
Member, Board of Directors, 1975-78
Chairman, Future Studies Task Force, 1974-75

Gulf Universities Research Corporation
Advisory Board, 1968-72
University of Texas Representative, 1970-72
Scientific Planning Council, 1970-72

National Academy of Sciences/National Academy of Engineering/
National Research Council
Committee on Space Programs for Earth Observations,
Advisory to the U.S. Geological Survey, 1967-69
Committee on Technologies and Water, Advisory to the
National Water Commission, 1970
Committee on Radioactive Waste Management, Advisory
to the Atomic Energy Commission, 1970-74
Space Applications Board Panel on Extractive Resources,
Summer Study, 1974

Board on Mineral and Energy Resources, 1975-78
Committee on Private-Sector Participation in Government
RD&D Planning, Advisory to the Energy Research and
Development Administration, 1977
Space Applications Board, 1977-

National Association of State Universities and Land-Grant
Colleges
Mineral Resources Committee, 1973-76

Rotary Club of San Antonio
Member, Board of Directors, 1975-76

Society of Economic Geologists
Member, Board of Trustees, 1971-76

Southwest Foundation for Research and Education
Advisory Trustee, 1973-74
Member, Board of Governors, 1974-76, 1976-77

Southwest Research Institute
Trustee, 1973-76

Southwest Texas Educational Television Council
Board Member, 1973-78

State of Texas Interagency Council on Natural Resources and
Environment, 1969-73

Texas Advisory Committee on Conservation Education
Chairman, 1967-68

Texas Constitutional Revision Commission
Vice-Chairman, Education Committee, 1973

Texas Mapping Advisory Committee, 1960-70

Texas Military Institute
Board of Trustees, 1974-77

The University of Texas System
Marine Science Institute Policy Committee, 1975-
Institute of Higher Education Management, 1976
University of Texas System Study Committee, 1976

United States Department of the Interior
National Petroleum Council, 1976-79
Interior Coal Advisory Committee, 1976-78

Corporate Directorships:

Aztec Oil and Gas Company, Director, 1974-76

Wainoco Oil Corporation, Director, 1977-

Research Interests:

Mineral Resources, Environment and Public Policy, Economic
Geology, Environmental Geology; Geology of Texas and
Mexico

Language:

Fluent Spanish

Publications:

Five books or major reports, 55 articles (see attached)

LIST OF PUBLICATIONS

Flawn, P. T. (1950) Sedimentary amphibolites in the Van Horn Mountains, Texas (abst.): Bull. Geol. Soc. Amer., vol. 61, p. 1460.

_____ (1951a) Pegmatites of the Van Horn Mountains, Texas: Econ. Geol., vol. 46, pp. 163-192.

_____ (1951b) Nomenclature of epidote rocks: Amer. Jour. Sci., vol. 249, pp. 769-777.

_____ (1951c) Geology of the Carrizo Mountain schist (abst.): Bull. Geol. Soc. Amer., vol. 62, pp. 1437-1438.

_____ (1952a) Significance of alkalic igneous rocks in wells in west Texas and southeast New Mexico: Bull. Amer. Assoc. Petr. Geol., vol. 36, pp. 1457-1461.

_____ (1952b) The Hazel copper-silver mine, Culberson County, Texas: Univ. Texas, Bur. Econ. Geol. Rept. Inv. 16, 22 pp.

_____ (1953a) Petrographic classification of argillaceous sedimentary and low-grade metamorphic rocks in subsurface: Bull. Amer. Assoc. Petr. Geol., vol. 37, pp. 560-565.

_____ (1953b) Subsurface pre-Cambrian rocks in west Texas and southeast New Mexico (abst.): Bull. Geol. Soc. Amer., vol. 64, p. 1423.

_____ (1953c) Magnetic susceptibility measurements in west Texas and southeast New Mexico: Proceedings of the Geophysical Society of Tulsa, vol. 1, pp. 55-56.

_____ (1953d) Pre-Cambrian rocks of the Van Horn area, Texas, in Sierra Diablo, Guadalupe, and Hueco areas of Trans-Pecos Texas: West Texas Geol. Soc., Guidebook, 1953 Fall Field Trip, pp. 53-59.

_____ (1954a) Texas basement rocks: A progress report: Bull. Amer. Assoc. Petr. Geol., vol. 38, pp. 900-912.

_____ (1954b) Summary of basement rocks in west-central Texas: San Angelo Geol. Soc., Guidebook, March 1954--Cambrian Field Trip, Llano area, pp. 76-77.

_____ (1954c) Summary of southeast New Mexico basement rocks: New Mexico Geol. Soc., Guidebook of Southeastern New Mexico, 5th Field Conf., pp. 114-116.

_____ (1955) Petrographic notes on some uranium-bearing rocks from Karnes County, Texas: Proceedings, 10th Annual Regional Gulf Coast Meeting, Soc. Expl. Geophys., 5 pp.

(1965c) The state and industrial minerals: 64th Annual Report of the Mining Industry of Idaho for 1963-64: pp. 14-17.

(1965d) Who took the "economic" out of economic geology?: Econ. Geol., vol. 60, no. 1, pp. 172-175.

(1965e) Basement: not the bottom but the beginning: Bull. Amer. Assoc. Petr. Geol., vol. 49, no. 7, pp. 883-886.

(1965f) Minerals: final harvest or endless crop?: Engineering and Mining Journal, no. 166, no. 5, pp. 106-108.

(1965g) Actualización de la geología: Geología y Metalurgia, Universidad Autonoma Potosina, San Luis Potosi, Tomo 11, Numero 11, pp. 44-48.

(1965h) Oil and gas--related resource problems of the southwest: a symposium edited by Peter T. Flawn, Bureau of Economic Geology, The University of Texas, 64 pp.

(1965i) Geology and urban development: Town and City, vol. XII, no. 7, pp. 9-10, 20. Baylor Geological Studies, vol. 8, pp. 5-7 (1966). Also reprinted in Engineering Geology in Southern California: Association of Engineering Geologists Special Publication, 1966, pp. 209-213.

(1965j) Texas rocks on paper: Texas Quarterly, vol. VIII, no. 1, pp. 97-101.

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(1966b) Mineral resources--geology, engineering, economics, politics, and law: Rand McNally and Company, Chicago, 406 pp.

(1967a) The other road: Jour. Geol. Education, vol. XV, no. 1, pp. 5-7.

(1967b) Concepts of resources: their effects on exploration and United States mineral policy in Exploration and economics of the petroleum industry: The Southwestern Legal Foundation, vol. 5, pp. 5-24.

(1968a) The environmental geologist and the body politic: The Professional Geologists, vol. 5, no. 1, pp. 5-7; Geotimes, vol. 13, no. 6, pp. 13-14.

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(1969) Review of Natural resources information for economic development by Orris C. Herfendahl, published for Resources and the Future by Johns Hopkins Press, (1969) in Geotimes, vol. 14, no. 8, 1969, pp. 40-41.

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(1972a) The Environmental Problem, Government Agencies, and Public Policy: Public Affairs Comment, vol. xvii, No. 3, pp. 1-4.

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- Flawn, P. T., et al. (1973) *Impact of environmental concerns on the mineral industry in The Mineral Position of the United States, 1975-2000*: The University of Wisconsin Press, pp. 152.

Mary Lowe Good

Boyd Professor of Chemistry
Department of Chemistry
University of New Orleans
New Orleans, Louisiana

Age: 47

Education

1950 B. S., Arkansas State Teachers College

1953 M. S., University of Arkansas

1955 Ph. D., University of Arkansas

Experience

1974- Boyd Professor of Chemistry, Department of Chemistry,
University of New Orleans

1963-74 Professor of Chemistry, University of New Orleans

1958-63 Associate Professor of Chemistry, University of New Orleans

1954-58 Assistant Professor of Chemistry, Louisiana State University

Public Service and Other Data

Chairman of the Board of Directors of the American Chemical Society
(1978-);

Member, American Chemical Society;

Member, American Nuclear Society;

Board of Directors, Oak Ridge Associated Universities (1971-);

National Science Foundation Chemistry Advisory Committee (1972-75);

Chairman, Medical Chemistry Study Section, National Institutes
of Health (1972-76);

Mary Lowe Good, Page 2

Recipient of Garvan Medal of the American Chemical Society

Recipient of Honor Scroll, LA Chapter of the American

Institute of Chemists (1974)

Research and Publications

Author and co-author of over one hundred papers in scientific journals in the areas of inorganic chemistry, Mossbauer spectroscopy, and bioinorganic chemistry. Also contributor to several treatises and books in the field of inorganic chemistry.

Personal Data

Born Grapevine, Texas June 20, 1931

Married 1952, two children

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for Preservation Purpose

PETER D. LAX
300 Central Park West
New York City, New York 10024

DATE OF BIRTH: May 1, 1926
Budapest, Hungary

SPOUSE: Annelia

EDUCATION:

1947 B.A., New York University
1949 Ph.D., New York University
1976 Doctorate of Science (Honorary), Kent State
University

EXPERIENCE:

1972 - Present Director, Courant Institute of Mathematic
Sciences
1949 - Present Assistant Professor, New York University

AWARDS:

1975 Semmelweis Medal, Semmelweis Medical Society

MEMBERSHIPS:

1976 President's Committee on National Medal of
Science
Member, American Mathematical Society
Member, National Academy of Sciences
Member, American Academy of Sciences
Member, Mathematics Association of America

HOMER A. NEAL
Department of Physics
Indiana University
Bloomington, Indiana 47401

DATE OF BIRTH: June 13, 1942
Franklin, Kentucky

EDUCATION:

1961 B.S., Indiana University
1963 M.S., University of Michigan
1966 Ph.D., Physics, University of Michigan

EXPERIENCE:

Present Dean of Research and Graduate Development
and Professor of Physics, Indiana University
1972 - Concurrent Alfred P. Sloan Foundation Fellow at Indiana
University
1967 - 1972 Assistant Professor to Associate Professor
in Physics, Indiana University
1966 - 1967 National Science Foundation Fellow with Euro-
pean Organization Nuclear Research

MEMBERSHIPS:

1971 - 1974 Member, Board of Trustees, Argonne University
Association
1970 - 1972 Chairman, Zero Gradient Synchrotron Accelerator
Users Organization; Member, Zero Gradient Synchro-
tron Program Committee

MARY J. OSBORN
Department of Microbiology
University of Connecticut
Health Center
Farmington, Connecticut 06032

DATE OF BIRTH: September 24, 1927
Colorado Springs, Colorado

EDUCATION:

1948 B.A., University of California, Berkeley

1958 Ph.D., Biochemistry at the University of
Washington

EXPERIENCE:

Present Professor of Microbiology at the University
of Connecticut Health Center

1963 - 1968 Assistant Professor to Associate Professor
of Molecular Biology at Albert Einstein Col-
lege Medical Center

MEMBERSHIPS:

1968 - 1972 Microbial Chemistry Study Section of NIH

1972 - 1977 Member, Research Committee with American Heart
Association

1974 - 1977 Member, Committee of Space, Biology, and
Medicine with the Space Science Board of the
National Academy of Sciences

1975 Member, Advisory Council with the Max Planck
Institute of Immunology

1975 - 1979 Member, Board of Science Counselors with the
National Heart and Lung Institute

DONALD B. RICE, JR.
1700 Main Street
Santa Monica, California 90406

DATE OF BIRTH: June 4, 1939
Frederick, Maryland

SPOUSE: Susan

EDUCATION:

1961 B.S., Chemistry-Engineering, University of
Notre Dame

1975 Ph.D. (Honorary), Engineering, University
of Notre Dame

1962 M.S., Industrial Administration, Purdue
University

1965 Ph.D., Economics, Purdue University

EXPERIENCE:

1972 - Present President, Rand Corporation

1970 - 1972 Assistant Director, Office of Management and
Budget

1969 - 1970 Deputy Assistant Secretary for Resource Analysis,
Department of Defense

1967 - 1969 Director of Cost Analysis, Office of the Secre-
tary of Defense

MEMBERSHIPS:

1974 Member, National Science Board

1972 - 1975 Member, National Advisory Committee on Oceans
and Atmosphere, Department of Commerce

1976 Member, Advisory Panel, Office of Technology
Assessment

1974 Member, Advisory Council, College of Engineering,
University of Notre Dame

STUART A. RICE
James Franck Institute
5640 Ellis Avenue
Chicago, Illinois 60637

DATE OF BIRTH: January 6, 1932
New York, New York

Spouse:

EDUCATION:

BS Physical Chemistry - Brooklyn
College - New York
1954 AM Harvard University
1955 Ph.D. Chemistry - Harvard University

EXPERIENCE:

1969 - Present Chairman of the Department and Professor
of Chemistry at the University of Chicago
and James Franck
1962 - 1968 Director with James Franck Institute
1957 - 1968 Assistant Professor to Professor of
Chemistry at the University of Chicago
1955 - 1957 Junior fellow with the Society of Fellows
at Harvard University

MEMBERSHIPS

1967 Member on the advisory board of Institute
of statistical mechanics and thermodyn
at the University of Texas
1966 Co-ed with Advanced Chemical Physics
1965 Member with Board of Directors at Bull
Atomic Science

John B. Slaughter

Assistant Director
Astronomical, Atmospheric, Earth
and Ocean Sciences
National Science Foundation
Washington D. C. 20550

Age: 44

Education

- 1956 B. S., Kansas State University
1961 M. S., University of California, Los Angeles
1971 Ph.D., University of California, San Diego

Experience

- 1977- Assistant Director, Astronomical, Atmospheric, Earth and
Ocean Sciences, National Science Foundation
1975-77 Director, Applied Physics Lab, University of Washington
1960-75 Physical Science Administration Information Systems, Naval
Electronics Lab Center
1956-60 Professor of Experimentation: Engineering Simulation, Convair
Division, General Dynamics Corporation

Public Service and Other Data

- Editor, Journal of Computers and Electrical Engineering (1972-);
Community Service Award, Institute of Electrical and Electronics
Engineers (1972);

AAAS

Research and Publications

Research, articles, and scientific publications in the fields of electrical engineering, physics, computers, and the environment. Work includes computer algorithms for system optimization and discrete signal processing.

Personal Data

Born Topeka, Kansas March 16, 1934

Married 1956, two children

Records
PV (EOP)
PV (RO)
Handbook
Gen, Index

NATIONAL SCIENCE BOARD

Independent

AUTHORITY:

METHOD:

MEMBERS:

CHAIRMAN:

TERM:

SALARY: Strike all the language and insert:

PURPOSE: Shall receive compensation at a rate fixed by the Chairman but not exceeding the ^{daily} rate for GS-18 and shall be allowed travel expenses (42 U.S.C. 1873(d))

PAB

NATIONAL SCIENCE BOARD

- AUTHORITY: 42 U. S. C. 1861, 1863 (a) (b) (c), 1873 (d)
- METHOD: Nominated to the Senate
- COMMITTEE: Senate Committee on Labor and Public Welfare
- MEMBERS: Ex-officio Dir. of the National Science Foundation
Members: 24
- CHAIRMAN: Chairman and Vice-chairman are appointed by the Board
- TERM: Six years. Any person who has been a member of the Board for twelve consecutive years shall thereafter be ineligible for appointment during the two-year period following the expiration of such twelfth year.
- VACANCIES: Appointed to fill the remainder of the term for which his predecessor was appointed.
- SALARY: \$25 per day plus travel
- QUALIFICATIONS: Members shall be eminent in the fields of basic sciences, medical science, engineering, agriculture, education, or public affairs. They shall be selected solely on the basis of established records of distinguished service and also shall be selected to as provide representation of the views of scientific leaders in all areas of the nation. The president is requested, in making the appointments, to give due consideration to any recommendations for nomination which may be submitted to him by the National Academy of Sciences, the Association of Land Grant Colleges and Universities, the National Association of State Universities, the Association of American Colleges, or by other scientific or educational organizations.
- PURPOSES: The general purposes of the Foundation are to 1) develop and encourage the pursuit of a national policy for the promotion of basic research and education in the sciences; 2) initiate and support basic scientific research and programs to strengthen scientific research potential in the same mathematical, physical, medical, biological, engineering and other sciences; 3) award scholarships and graduate fellowships in the mathematical, physical, medical, biological, engineering, and other sciences etc.

Records
PV (EOP)
PV (RO)
Handbook
Gen. Index

NATIONAL SCIENCE BOARD

INDEPENDENT
(National Science Foundation)

AUTHORITY: P.L. 81-507, 5/10/50 (42 U.S.C. 1863)
P.L. 90-407, 7/18/68

METHOD: Nominated to the Senate.

MEMBERS: Director of the National Science Foundation, ex-officio, and

twenty-four members who shall be eminent in the fields of the basic, medical, or social sciences, engineering, agriculture, education, research management, or public affairs; shall be selected solely on the basis of established records of distinguished service; and shall be selected as to provide representation of the views of scientific leaders in all areas of the Nation. The President is requested, in the making of nominations of persons for appointment as members, to give due consideration to any recommendations for nomination which may be submitted to him by the National Academy of Sciences, the National Association of State Universities and Land Grant Colleges, the Association of American Universities, the Association of American Colleges, the Association of State Colleges and Universities, or by other scientific or educational organizations.

CHAIRMAN: & VICE CHAIRMAN: Elected by the Board

TERM: SIX YEARS; except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. (NOT HOLDOVER)

~~SALARY:~~

Any person who has been a member of the Board for twelve consecutive years shall thereafter be ineligible for appointment during the two-year period following the expiration of such twelfth year.

~~PURPOSE:~~

SALARY: Members shall receive \$100 per day, WAF, including travel expenses.

REPORT: The Board shall render an annual report to the President, for submission to the Congress on or before the 31st day of January of each year.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 22, 1980

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}

Subject: Manufacturers' New Orders in March
(released Tuesday afternoon)

New orders for manufactured durable goods fell 3.2 percent in March. But most of the decline was in motor vehicles. Outside of this industry the decline was small -- about 1-1/2 percent, heavily concentrated in the primary metals industries. Orders for nondefense capital goods actually increased, and in March are still above the fourth quarter 1978, even after adjustment for inflation.

These data are consistent with a moderate decline in the economy as a whole -- sharp in autos, but so far failing to show up in business investment.

1:30 pm

THE WHITE HOUSE

WASHINGTON

April 22, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Patricia G. Gario
Deputy Press Secretary

SUBJECT: Your Meeting with Non-Washington Editors and Broadcasters, Wednesday, April 23, 1980, 1:30 p.m., The Cabinet Room

The meeting today includes 27 editors and 3 broadcasters from 12 states, including 16 from Texas. All represent outlets of the Harte-Hanks Communications chain.

David Rubenstein has prepared for you materials on political issues in Texas, which are likely to be the primary area of interest during the meeting. The Texas caucuses are on May 3.

Prior to meeting with you, the group will be briefed by Stu Eizenstat, Kitty Schirmer, Liz Carpenter (Department of Education), Bob Pastor, and Sarah Weddington. Following your session, Jody Powell and Charlie Schultze will meet with the group. A summary of the chain, a list of the attendees and an agenda are attached.

There will be the usual brief photo session for the White House press corps at the beginning of the meeting. I will stop the questioning after 25 minutes to allow time for photos.

Attachments

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HARTE-HANKS COMMUNICATIONS

While one of the smaller of the major communications chains, Harte-Hanks is important because of its impact in Texas. Of the 50 outlets in the chain, about 20 (40%) are in Texas. These include 16 daily newspapers, 1 weekly paper, 2 radio stations and 1 television station. The Corpus Christi Caller Times is the flagship paper for the chain, although corporate offices are in San Antonio. Dick Schlosberg is president and general manager of the Caller Times, and the person coordinating the group's day in Washington for this White House briefing and meeting with you.

The Harte-Hanks chain includes 27 daily papers, and most are represented in the group today. The largest are located in Corpus Christi and San Angelo (TX), Framingham (MA), Anderson (SC), and Yakima (WA). Total combined daily circulation is 560,000. There are 11 radio stations in the chain, but only those in Phoenix and Richmond are represented today. The chain also owns 4 television stations, in San Antonio (TX), Jacksonville (FL), Springfield (MO), and Greensboro (NC). Only the San Antonio station is represented today. Finally, there are 8 weekly papers in Arkansas, California, Georgia, Tennessee and Texas in the chain. Only the Georgia and Tennessee weeklies are represented.

Harte-Hanks is a rapidly growing publicly-owned corporation which is considered by industry observers to be well-run and innovative. The chain does not have a standard editorial policy (as do the Hearst or Copley chains, for instance).

ATTENDEES

ARIZONA

Paul McGonigle, news director, KOY-AM, Phoenix.

ARKANSAS

Bill Whitehead, editor, Malvern Daily Record. Small evening daily in Little Rock area.

Bill Newsom, Editor, Russellville Courier-Democrat. Evening paper in the Ozarks.

Perrin Jones, Editor, Searcy Daily Citizen. Small evening daily in Little Rock area.

DISTRICT OF COLUMBIA

Peter VanDevanter, staff reporter, States News Service. The Washington correspondent for Harte-Hanks.

GEORGIA

Bill Martin, President, Times-Free Press and Georgian, Carrollton. Weeklies.

MASSACHUSETTS

Bob Moore, editor, The Middlesex News, Framingham. The second largest daily in the chain, located in suburban Boston.

MICHIGAN

Joe Matasich, editor, The Ypsilanti Press. Small evening daily outside Detroit. Likely to ask about the plight of the domestic auto industry, growing unemployment in Michigan, and the controversial Michigan delegate selection process.

NEW JERSEY

Richard Bilotti, editor, The Gloucester County Times, Woodbury. Medium-size evening daily in Camden/Philadelphia area.

OHIO

Jim Blount, editor, The Journal News, Hamilton. In the Cincinnati area, coal development, acid rain and other environmental impacts of increased coal use, and the June 3 primary are issues of interest.

SOUTH CAROLINA

Dick Gorrell, executive editor, The Anderson Independent and Daily Mail. The third largest of the papers in the Harte-Hanks chain.

TENNESSEE

Larry Bowers, managing editor, Gatlinburg Press & Sevier. Weeklies in a resort area. Gatlinburg is the site for Park Headquarters for the Great Smoky Mountains National Park.

TEXAS

Dick Tarpley, executive editor, Abilene Reporter News. Medium-size daily.

Jim Davis, bureau chief, Harte-Hanks Austin bureau.

Tommy Hart, editor, Big Spring Herald. Small West Texas daily; site of Webb Air Force Base.

Bob Fleischer, editor, The Eagle, Bryan. Home of Texas A & M University (Texas Aggies).

Dick Schlosberg, president, Corpus Christi Caller Times.

Bob Rhodes, executive editor, Corpus Christi Caller Times.

Art Keeney, publisher, Corsicana Daily Sun. Located 30 miles south of Dallas.

Jenny Allen, managing editor, Corsicana Daily Sun.

John Crawford, editor, The Denison Herald. The birthplace of President Eisenhower.

Ann Farager, editor, The Herald Banner, Greenville. Located 30 miles east of Dallas.

Dave Kramer, publisher, The Huntsville Item. Very small daily, town located on the edge of Sam Houston National Forest in East Texas.

Ferrell Foster, managing editor, Marshall News Messenger.

TEXAS, cont.

David Sullens, managing editor, The Paris News. Small evening daily.

Fritz Wirt, executive editor, San Angelo Standard Times. The fifth largest paper in the chain, San Angelo is the site of Goodfellow Air Force Base and the home of a large number of retired military people.

Bob Rogers, news director, KENS-TV, San Antonio. CBS affiliate in the 51st largest television market in the country.

Dan Coleman, managing editor, Wichita Falls Times and Record News. On border with Oklahoma.

VIRGINIA

Dave Miller, capitol beat reporter, WRVA-AM, Richmond. Likely to ask about judgeship controversy with Senator Harry Byrd.

WASHINGTON

Jim Barnhill, publisher, Yakima Herald-Republic. The fourth largest paper in the chain. In south-central Washington, Yakima is near Mt. St. Helens and the Hanford energy research center. The large Yakima Indian Reservation dominates the area.

THE WHITE HOUSE

WASHINGTON

BRIEFING FOR HARTE-HANKS COMMUNICATIONS

EDITORS AND BROADCASTERS

April 23, 1980

AGENDA

8:30 a.m.	COFFEE	
8:50 a.m.	WELCOME	PATRICIA Y. BARIO Deputy Press Secretary Office of Media Liaison The White House
9:00 a.m.	THE WHITE HOUSE NEWS SUMMARY	JANET E. McMAHON Editor of the News Summary The White House
9:15 a.m.	DOMESTIC POLICY - AN OVERVIEW	STUART E. EIZENSTAT Assistant to the President for Domestic Affairs and Policy The White House
9:45 a.m.	NATIONAL ENERGY POLICY	KATHERINE P. SCHIRMER Associate Director for Energy and Natural Resources Domestic Policy Staff The White House
10:15 a.m.	BREAK	
10:30 a.m.	THE DEPARTMENT OF EDUCATION	ELIZABETH S. CARPENTER Assistant Secretary for Public Affairs Department of Education
11:15 a.m.	BREAK	

- more -

11:30 a.m.	FOREIGN POLICY ISSUES	ROBERT PASTOR Staff Member (North-South) National Security Council The White House
12:15 p.m.	WOMEN'S ISSUES	SARAH C. WEDDINGTON Assistant to the President The White House
12:45 p.m.	BUFFET LUNCH	
1:15 p.m.	EN ROUTE CABINET ROOM	
1:30 p.m.	Q & A WITH PRESIDENT CARTER	
2:00 p.m.	Q & A WITH JODY POWELL	
2:30 p.m.	EN ROUTE 160 OLD EXECUTIVE OFFICE BUILDING FILING TIME	
3:00 p.m.	ANTI-INFLATION PROGRAM	CHARLES L. SCHULTZE Chairman Council of Economic Advisers
3:45 p.m.	CONCLUDE	

1:25 PM

THE WHITE HOUSE

WASHINGTON

April 22, 1980

MEMORANDUM TO: THE PRESIDENT
FROM: GRETCHEN POSTON *gp*
SUBJECT: VISIT BY LUCIANO PAVAROTTI

Luciano Pavarotti, the foremost tenor in the world today, is appearing at the Kennedy Center with the Metropolitan Opera for this week. As expected, he appeared last evening to rave reviews. He has offered to do a concert at the White House which we are planning after the election.

He will be here for a visit with you on Wednesday, April 23, at 1:25 PM.

enclosed: clippings from the Washington Post and Star.

Slender 'Elisir'

Pavarotti and the Met

By Paul Hume

At last the Metropolitan Opera has made it to the stage of the Kennedy Center. Last night, bringing one of the world's superstars to brighten the proceedings, the Met opened its week-long run in the Opera House with Donizetti's "L'Elisir d'Amore."

Luciano Pavarotti was on hand to sing "Nemorino," a role tailor-made for his finest talents. And what a good thing for the production that the great tenor was there. Because Donizetti's "Elixir" is a slender flower, one that easily wilts on the vine. There is exactly one familiar aria in its entire course, even though there are streams of melodies for one, two and three singers, and plenty of chorus passages.

The curtain went up around 8:10, but it was not until 10:30 that the kind of fire that keeps opera houses warm

See L'ELISIR, B2, Col. 1

Slender 'Elisir'

L'ELISIR, From B1

around the world was kindled. That moment occurred when Pavarotti ambled to the center of the stage and gently worked his way through "Una furtiva lagrima."

Earlier, however, he had been the central figure every time a scene

took on some life. He has a wonderfully individual Nemorino gait, a kind of happy hop that expresses a barely repressed glee. Time after time, it was he who suddenly lifted the whole affair out of a kind of prim but stodgy routine. Perhaps the reason for the tedium lay in the fact that the company had not put the opera into production until last Thursday night in New York. This was its second performance.

Pavarotti was surrounded by an able company but one that, aside from Judith Blegen's Adina, lacked any real distinction in singing. Blegen's voice is lovely and she handles

it beautifully. Nevertheless there is a kind of restraint in her portrait, almost as if she really could not take all that foolishness seriously. Mario Sereni's Sergeant Belcoré is without any vocal or dramatic polish. Domenico Tremarchi has much of the best basso-buffo routine for Doctor Dulcamara and knocked off his patter song with Adina in fine style. His entrance, as he was borne in under a huge balloon, delighted the audience.

Loretta Di Franco sang Giannetta as well as could be imagined. Nicola Rescigno conducted with style,

but often there was not the ultimate coordination between stage and pit—again perhaps because the piece is not yet set. It was a safe reading.

"L'Elisir" is a pleasant, simple, old-fashioned opera. Nathaniel Merrill's production did nothing to upset Donizetti's aims but David Sell's direction was a pretty flat business. The sets and costumes of Robert O'Hearn were in the same conventional mold. Had the lighting cues worked, Gil Wechsler's designs would have been adequate.

All in all, it was not a great evening, aside from some of Pavarotti's singing. With tonight's "Otello," things move into high gear, musically speaking.

MUSIC

By Tim Smith

Special to The Washington Star

Pavarotti: Voice Made for Opera

It took almost a decade, but last night the Metropolitan Opera made its first visit to the Kennedy Center and, thanks in large part to Luciano Pavarotti, it was well worth the wait.

One might have expected the Met to open its engagement with some opulent dramatic opera, but, instead, the management took its cue from the season and presented Donizetti's vernal comedy, "L'Elisir d'Amore." The wisdom of that choice became obvious the moment Pavarotti opened his mouth to sing.

Up until then, however, the production did not have too much

going for it, what with simplistic sets, an inexplicably weak chorus, and a rather unsubtle orchestra (under the direction of Nicola Rescigno).

At first it seemed as though Washington was in for another of the listless tours which the Met used to regularly send out into the provinces, but Pavarotti changed all that with just a single note, perking up the whole cast and sending a thrill through the Opera House that lasted all evening.

His is the kind of voice for which opera was invented. With his improved use of *mezza voce* giving added depth to many a phrase, Pavarotti made the part of Nemorino, the lovesick villager, a virtual model from which future tenors will long be learning.

But singing is not everything in opera — or at least it is not supposed to be. The ability to act is equally important, perhaps moreso in a comic work, and here Pavarotti once

again was not found wanting. His characterization abounded in deft touches (reminiscent at times of Zero Mostel), and it was difficult to take one's eyes off of him, even when he was not vocalizing.

Having lost a good deal of weight (though still far from svelte), he was not at all reluctant about throwing it around, and the sight of him dancing nimbly with a bottle supposedly containing the secret elixir of love will not be soon forgotten.

What was especially remarkable during this delightful scene was how he managed to clown as cleverly with his voice as he did with his feet. A few minutes later, he managed to get more mileage out of the simple act of peeling an apple than many an old vaudevillian.

"L'Elisir d'Amore" is perhaps most famous for its main tenor aria, "Una furtiva lagrima," and it has been associated with Pavarotti for quite some time now. When the orchestra

See PAVAROTTI: D-1

Pavarotti: A Night to Cherish

Continued From D-1

began the plaintive melody, a hush descended over the audience. His delivery of it was everything one knew it would be, reaching particular heights at the start of the second verse when he produced an incredibly delicate sound that tugged at the proverbial heart strings as few things can.

One could fill pages discussing this man who so justly bears the title *primo tenore*, but one mustn't slight the rest of the company.

Soprano Judith Blegen offered a good deal to the production in the role of Adina, her bright and ever-accurate voice never failing to please — when it made it over the orchestra, that is. Several passages were regrettably lost altogether, but when the accompaniment was subdued, as in the tender aria that follows "Una furtiva," Blegen was outstanding.

The troublemaker in the opera, Doctor Dulcamara, was aptly portrayed by bass Domenico Trimarchi who, like Pavarotti, gave as much attention to his impersonation as to his vocalization. His separate duets with both tenor and soprano were among the finest efforts of the evening, and when he sailed away in the colorful balloon, a la Wizard of Oz, at the opera's end, one was sad to see him go.

Baritone Mario Sereni, now in his 23rd year with the Met, had a certain flair as the pompous Sergeant Belcore, but he did not always do the score full justice, handling the more florid phrases with something less than facility and failing to project over the pit from time to time.

The biggest disappointment of the production was often in that pit, with Rescigno having a certain difficulty keeping everyone together in several of the concerted numbers.

1:30
+Rubenstein

THE WHITE HOUSE

WASHINGTON

April 23, 1980

MEMORANDUM FOR PAT BARIO

FROM: DAVID RUBENSTEIN DR

SUBJECT: Texas Issues

I have reviewed the briefing materials prepared for the Vice President's recent trip to Texas, and have talked with Bob Strauss, Bob Beckel, now our campaign manager for Texas, and Sarah Weddington. Based on that, the following information about Texas issues should be of use:

1. There is no overriding State issue at this point. Texas is like most other states now: the major concern is the economy, particularly the looming recession and inflation; there is a great deal of concern about Iran, most residents of the State tending to favor much stronger action than has been taken to date; the Soviet invasion of Afghanistan has stirred latent patriotic, anti-Soviet feelings in the State; and the uncertain energy situation has naturally continued to be of prime interest, given Texas' role as the nation's leading oil producer.
2. Texas has been a booming State for the last several years. While inflation has been high, that has been of less concern in the State than elsewhere, for unemployment has been very low. Since the beginning of the Carter Administration, unemployment has dropped 12% (from 6.6% to 5.8%). In addition, Texas has been among the nation's leaders in the recent growth that has occurred in the energy industry, in construction and in agricultural exports (in 1979, \$2 billion for Texas). The recession has not yet fully hit Texas and many in the State feel that most parts of the State's economy are largely immune from recession. Two parts clearly are not - housing construction and agriculture. There has been a recent dramatic decline in housing starts, and Texas farmers are very similar to farmers in the Midwest in their credit problems.

3. The undocumented alien issue remains more important in Texas than probably any other state. The issue has attracted attention recently because of the census dispute about whether undocumented aliens are being counted (they are being counted); because another Mexican-American from Texas has been selected to head the INS, Matt Garcia (the official announcement of his appointment has been withheld pending FBI investigation, which has now finally resolved some difficulties; the announcement should be made shortly); because of recent reports that small children, caught with their parents illegally entering the country have been detained in jail with their parents instead of being sent to special detention homes (INS is now investigating these reports); and because a major undocumented aliens conference is scheduled for Mexico City next week (and Senator Kennedy is expected to appear there--he has already announced that he will be meeting Lopez Portillo next week).

To almost any question about undocumented aliens, the best response is that the issue is extraordinarily complicated, we are very concerned about the rights of the individuals involved and the Hesburgh Commission has been appointed specifically to study the undocumented aliens problem. Until the Commission reports in March of 1981, it would be premature to indicate precisely what the Administration will pursue. We are not now seeking alien legislation in the Congress.

4. The oil slick produced from the Mexican well has been capped after a nine-month effort. However, the beaches in southern Texas are still being polluted by the oil, and the tourist industry has suffered considerably in that area. Although the company which produced the oil drilling actually was owned by Governor Clements, he has largely managed to escape any blame for the incident.

Attorney General Mark White has been seeking \$20 million from the Administration for a study of the effects of the oil spill, and what might be done to compensate for them. At this point the Administration has announced only that we are studying the request. It is uncertain whether we will be able to meet the request.

5. The budget cuts have not caused an undue concern in Texas, since it is generally a wealthy State. However, Governor Clements has harshly criticized the elimination of LEAA funding. He has said over the past several days that the LEAA cut will mean a substantial cutback of his drug enforcement efforts. In response, it can be pointed out that there will be no immediate cutback in funding, for the cuts do not take effect until October. In addition, through other programs in the government, we are attempting to combat drug related problems, and will look at those programs in the states where federal resources might continue to be used very successfully. Our success in drug related problems thus far is reflected in the fact that the Justice Department has made drug crimes one of its highest priorities; that heroin deaths are down dramatically since the beginning of the Administration; and that the amount of imported heroin has also been reduced considerably since 1977.

6. Gun control remains an important issue, though it rarely gets raised in the state because few political candidates would dare to suggest any type of controls. Kennedy's record is known among those concerned about gun control, but because he is not seen as a major threat in the state, there has been no concerted effort to have the "gun lobby" mount an all-out attack on Kennedy.

7. The windfall profits tax is clearly not very popular in the state (like the Panama Canal Treaties), the tax has been accepted as a fact of life. But the less said about it, in the view of our supporters, the better.

On a related matter, the natural gas deregulation legislation is also not very popular. Not only does the legislation keep regulations in effect (due to the fact that regulations remain in effect until 1985) but the regulations developed by FERC are viewed as very complicated and cumbersome (the most recent appointee to FERC is from Texas - Sam Hughes).

8. A major, though somewhat localized, energy issue involves the transportation of coal from Wyoming to San Antonio. San Antonio officials are very upset about the ICC's decision to allow increased coal transportation rates to the Burlington and Northern Railroad which transports the coal. In the view of the San Antonio officials, they have been encouraged by our coal policy to use coal; they have made arrangements to do so and constructed coal-fired generating plants; and have now found themselves paying extraordinarily high amounts for the coal because of transportation rate increases sanctioned by ICC. DOE has met with the San Antonio

officials on a number of occasions. DOE has joined with San Antonio to appeal the latest ICC approved coal transportation rate increase. The appeal is now before the Federal Appeals Court in Washington, DC.

9. A subject of some pride in the State is the influence of Texans in the Administration - Bob Strauss, John White, Sarah Weddington, Charles Duncan and Ray Marshall.
10. Lastly, while it is not now an issue, the manner in which the Texas delegates will be selected was a major subject of debate in the legislature for many months. The final decision is somewhat unique: on May 3, a non-binding primary will be held; on the same day, caucuses (called conventions) will be held - they will elect the actual delegates (though without knowledge of the primary results).

10:15 Am

THE WHITE HOUSE

WASHINGTON

April 22, 1980

Q

MEETING WITH MEMBERS OF SENIOR STAFF
Wednesday, April 23, 1980
10:15 a.m. (30 minutes)
The Cabinet Room

From: Frank Moore *F.M.*

I. PURPOSE

To brief you on the FTC confrontation.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: It is essential that you have a good understanding of our possible confrontation with Congress over the FTC authorization. The bill now emerging from conference is one of the more blatant pieces of special interest legislation we have seen since you became President. However, your veto would almost certainly lead to temporary or permanent dissolution of the FTC.

We have met with the interest groups, and discussed the matter at some length internally. Chairman Pertschuk of the FTC has been involved. From these meetings, we have developed a bottom line position that Stu has communicated to Senators Ford and Cannon.

Our problems are essentially with the Senate conferees. The House is fairly close to our position, although Senator Ford has made serious inroads with the House conferees in recent days.

We have been working the issue hard for several months and our position enjoys wide editorial support. Nevertheless, the business lobbyists smell blood, and have taken particular advantage of Senator Ford's reelection campaign.

As matters now stand, Ford and Cannon have found our bottom line to be unsatisfactory in one or two important respects. Stu has told them he would talk to you about the conference report and get back to

them. At Wednesday's meeting, Stu, Esther Peterson and I will give you background on the issues and Hill situation. We will answer any questions you have and you can decide whether our bottom line is the one you want us to continue supporting in the pending negotiations.

For reference, I have attached a copy of the memo you received previously on the FTC.

B. Participants: The President, Stu Eizenstat, John White, Anne Wexler, Michael Cardozo, Al McDonald, Esther Peterson, Frank Moore, Jody Powell and Chairman Mike Pertschuk.

C. Press Plan: None

III. TALKING POINTS

Ask Stu to begin the briefing.

Summary of the Major Provisions of the Federal Trade Commission Legislation

The conferees have reached agreements in principle on the following issues which the Administration can support without reservation:

- o 3-year authorization for the FTC
- o Procedural Reforms - The FTC would be required to prepare a regulatory agenda, establish timetables for each rulemaking proceeding, conduct regulatory analyses on proposed regulations, and undertake periodic review of existing regulations.

The conferees have reached agreements in principle on the following issues which the Administration could reluctantly accept:

- o Agricultural Cooperatives - The FTC's antitrust jurisdiction over agricultural cooperatives would be explicitly limited to those activities which violate the Capper-Volstead Act. This would preserve an ongoing FTC case against Sunkist which would have been terminated under the House bill. No studies of agricultural marketing orders could be conducted by the FTC.
- o Attorney's Fees - Attorney's fees would be available for small businesses in actions involving the FTC only where the FTC's action was unreasonable, frivolous, meritless, or vexatious.
- o Standards and Certification - The FTC's standards and certification proceeding could continue but would be limited in what it could cover (only minimum procedural safeguards could be set; the FTC could not establish requirements relating to the substance of voluntary standards). In addition, there would be limitations on how the standard could be enforced (no civil fines could be set for violators; only cease and desist orders could be issued).
- o Generic Trademarks - The FTC could not exercise its authority under the Lanham Act to petition the Commerce Department to cancel a registered trademark on the ground that it had become the generic or common name of an article. This will have the immediate effect of terminating an ongoing case brought by the FTC against the Formica trademark.

The conferees have reached an agreement on the following issue which the Administration opposes:

- o Legislative Veto - Before any FTC regulation can go into effect, it must be submitted to Congress for a period of 90 days. The rule may go into effect unless Congress enacts a concurrent resolution (no Presidential signature required) disapproving the regulation.

The conferees have not reached agreement on the following issues:

- o Investigations of Insurance - The FTC would be barred from conducting any investigation or study of insurance unless specifically requested by either the Senate or House Commerce Committee. In addition, the Senate would also require that funds be specifically appropriated by Congress for any such study. We could reluctantly accept this limitation, but without the additional Senate requirement.
- o Funeral Home Regulation - The FTC could continue its rule-making proceeding on funeral home practices and States with protections equal to or exceeding those of the FTC could seek an exemption in order to preempt the FTC's regulation. However, the Senate insists that State courts, rather than the FTC, have the exemption authority and that the burden of proof reside with the FTC to show that the State requirement is not satisfactory. We believe the authority should reside in the FTC and that the burden be on the State.
- o Unfairness Doctrine and the Children's Advertising Rule (Kidvid) - The Senate would -
 - + Permanently limit the FTC's authority to set regulations governing commercial advertising by changing the existing authority to set regulations for unfair or deceptive acts to a narrower authority - false or deceptive acts.
 - + Terminate immediately the ongoing children's advertising proceeding.
 - + A new children's advertising proceeding could be initiated but only under the new standard (false or deceptive) or for advertisements for products declared to be unsafe by another federal agency.

- + The existing record, which includes 6 weeks of hearings, 10,000 pages of testimony, and 100,000 pages of written statements and exhibits could not be used.

The House would -

- + Place a three-year moratorium (life of the authorization) on the FTC's authority to use the unfairness standard. In the meantime, Congress would hold hearings to determine whether a permanent change is warranted.
- + The children's advertising proceeding would be suspended until a specific regulation is proposed (only options have been proposed as of now).
- + The existing record could be used once a specific regulation is proposed.

We could reluctantly accept the House provision.

THE WHITE HOUSE
WASHINGTON

April 17, 1980

Stu
J

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
FRANK MOORE *FM*
ESTHER PETERSON *Esther*
SUBJECT: FTC Conference Report

We are facing the possibility of a major confrontation with the Congress over special interest provisions in the FTC Authorization bill. The conflict could lead to effective dissolution of the agency and could have substantial political implications, as well. The conferees are attempting to conclude their work on the FTC Authorization bill. While we have actively kept them apprised of our views, they have tended to work among themselves in private meetings.

We have been meeting with Mike Pertschuk and representatives of consumer and labor groups who support the FTC to determine the parameters of a minimally acceptable bill that has a credible chance of acceptance by the conference. Before you sign any bill, we will want assurances from the Commission and these groups that they support your signing despite provisions which weaken the FTC's authorities.

The Senate conferees met privately yesterday to develop a package on the eight issues which are outstanding. Senator Ford, Chairman of the Senate conferees and his staff, met with Frank's and Esther's staff today to outline the package. We believe that it falls below the level of a minimally acceptable bill in several respects. Ford indicated that he had the support of Senators Cannon, Danforth and Heflin, a majority of the Senate conferees, and that they would not deviate from the package. Senators Magnuson, Packwood and Warner, however, oppose the Ford package and are prepared to communicate their feelings to you.

Background

For the last three years, the House and Senate have been unable to agree on a bill to reauthorize the FTC. The principal area of disagreement has been the legislative veto, with the House

consistently favoring a one-house veto provision, and the Senate, until this year, unwilling to include any type of legislative veto. This year, the Senate incorporated the so-called "Levin-Boren" provision in the FTC bill which is essentially a report-and-wait provision, requiring a joint resolution, including Presidential signature to veto a proposed regulation,

In addition, taken together, the House and Senate bills, as written, would terminate three ongoing rulemaking proceedings, two ongoing adjudicatory cases, and effect major changes in the basic authority of the FTC. Both bills also include helpful procedural reforms adopted from the Administration's regulatory reform initiatives.

Funding for the FTC over the last six months has been approved by a series of continuing resolutions. The House Appropriations Committee has made it clear that the FTC will not receive additional monies until a long-term authorization bill is enacted. The House conferees have pledged not to bring a conference report back to the House without a legislative veto provision. This factor, coupled with the very strong anti-FTC sentiment in Congress, has made it extremely difficult to forge a compromise bill which does not violate your pledge made at the Consumer Federation of America speech to veto any bill that cripples the ability of the FTC to protect American consumers.

Major Issues

Of the eight issues that still have not been resolved by the conferees, the conferees have an agreement in principle on three which we, the FTC, and the constituent groups believe is satisfactory. Those issues are:

(1) Standards and Certification: The Senate bill would prohibit the FTC from continuing its rulemaking proceeding under its Magnuson-Moss (consumer protection) authority, to require developers of voluntary standards to follow certain minimum procedures relating to notice to interested persons, participation, and complaint processing. Voluntary standards are often adopted by government and industry for procurement and regulatory purposes and can have an anticompetitive effect by precluding market entry. This is the most important issue for labor in this bill. The compromise would provide that the Commission could continue this proceeding under its residual rulemaking powers by adopting an "interpretative rule." The practical effect would be to add one additional step for the FTC in enforcing the standard and to authorize only cease and desist orders, rather than civil fines, for violators. If such an agreement can be reached, both the FTC and labor would be satisfied.

(2) Agricultural Cooperatives and the Sunkist Case: The House bill would remove the FTC's antitrust authority over agricultural cooperatives. The immediate effect of this provision would be to terminate a pending case against Sunkist which is alleged to have monopolized the western citrus fruit industry by, among other things, using exclusive dealing contracts with commercial packers. The proposed compromise would explicitly limit the FTC's jurisdiction over anticompetitive activities to those activities which violate the Capper-Volstead Act. This would preserve the Sunkist case.

(3) Attorney's Fees: The Senate bill would provide attorney's fees to small businesses which prevail against the Commission in administrative adjudications or civil actions brought by the agency, unless the FTC action was substantially justified. The Justice Department believes that such a loose standard would not only generate substantial litigation, but also would cost the government hundreds of millions of dollars if applied government-wide. While we would prefer and will continue to pursue no provision, the compromise would provide attorney's fees only where the FTC action was unreasonable, frivolous, meritless, or vexatious. This is a similar standard to the one applied by the Supreme Court in civil rights cases.

No Agreement as Yet

There are three important issues on which the conferees have not yet reached agreement:

(1) Children's advertising and unfairness: The Senate bill would terminate the pending children's advertising ("Kidvid") rulemaking and would modify the FTC's basic powers in setting rules governing all commercial advertising. Under existing law, the FTC can set standards for unfair or deceptive advertising. Under the Senate bill, standards could be set only for false or deceptive ads, thus removing authority over unfair advertising. A myriad of interests, including broadcasters and cereal, toy and candy manufacturers are anxious to halt the Kidvid proceeding. The tobacco industry, fearing an FTC proceeding on tobacco advertising, has worked hard to remove unfairness from the Commission's authority despite assurances from Mike Pertschuk that no such rule is contemplated.

The Senate will offer the House conferees a proposal which would permit regulation of "unfair" television advertising directed to children, but only to the extent that it is advertising of a product found by a Federal agency with jurisdiction over that product (such as the Food and Drug Administration or the Consumer Product Safety Commission) to be unsafe. If the Kidvid proceeding were to be reinstated under this new standard, the agency would have to begin again, without use of the evidence already gathered from 60 days of hearings.

Finally, FTC rules for all other commercial advertising could be based only on the false or deceptive standard (unfairness would be removed).

The FTC, the groups and we do not believe this to be satisfactory. A minimally acceptable provision would place a moratorium on the use of unfairness as the legal basis for new rulemakings involving commercial advertising for the life of the authorization (through FY 1982). New commercial advertising rulemakings could be initiated only under the "false or deceptive" standard. This moratorium on unfairness would give Congress time to reconsider the issue (Senator Ford announced late last year his intention to hold hearings in June on the unfairness standard).

(2) Funeral home rule: The House bill would terminate the FTC's rulemaking proceeding to set disclosure requirements and prohibit deceptive representations by funeral homes. The Senate will offer the House conferees a compromise which specifies that the only permissible standard that the FTC can adopt is one which requires price disclosure or prevents misrepresentation, boycotts, threats, tying arrangements, or the sale of services without prior approval from the consumer. It also would exempt states from FTC regulation if the state has a regulation in effect which provides protection equal to or exceeding that provided by the FTC's standard. In general, this is a satisfactory compromise. However, the procedure by which states can be exempted is left intentionally ambiguous. We believe that it should specifically indicate that the exemption authority lies with the FTC and not a state court and that the burden of proof lies with the state, not the FTC.

(3) Investigations of Insurance. The Senate bill would prohibit the FTC from conducting any studies or investigations of the insurance industry. As you know, the McCarran-Ferguson Act reserves for the states regulatory authority over the business of insurance. From time to time, however, the FTC has undertaken studies, such as the recent one on life insurance disclosure which make recommendations for changes in the regulation of insurance by the states. The Senate will offer the House conferees a proposal which would allow an FTC study of insurance only if so requested by a vote of either the Senate or House Commerce Committee and only if there is money appropriated to the FTC specifically for the purpose of conducting the study. The conferees are not receptive to authorizing an FTC study at the request of the President. While we are uncomfortable with any limitation on the ability of the FTC to conduct investigations, the requirement for specifically appropriated funds makes it extremely unlikely that any studies will ever be authorized.

The final two issues are troublesome, but for different reasons.

(1) Trademarks and the Formica Case: The House bill would prohibit the FTC from exercising its Lanham Trademark Act Authority to petition the Commerce Department's Trademark Trial and Appeal Board for cancellation of a registered trademark on the ground that it has become the generic or common name of an article. The immediate effect of this provision is to terminate the case brought by the FTC to cancel the trademark Formica on the ground that most consumers think it is the common name for all plastic laminates. Congressman Luken whose district includes Formica, is the swing vote on the House conferees. As such, Subcommittee Chairman Scheuer has agreed to include the "Formica" provision in exchange for Luken's continued support. While we may be able to limit this provision only to Formica, it will represent the only provision which terminates an ongoing FTC rulemaking or adjudication.

(2) Legislative Veto: The House conferees do not consider the Senate's "Levin-Boren" provision to be a true legislative veto. As a result, it appears as if the conferees will agree on a two-house veto without Presidential signature. Under the circumstances, this is the best that we can hope for. While you have signed bills in the past containing both one and two-house vetoes, this will be the first such measure which has agency-wide application. It also could serve as a precedent for the regulatory reform bill which will have government-wide application. However, in your signing statement, you could state your continued opposition to these unwise provisions, your belief in their unconstitutionality and your desire for an early court test. You can also indicate that you signed this bill only because the future of the FTC is at stake.

If we are going to be forced to sign a bill which contains a two-house veto, the other provisions of the bill should inflict minimal harm on the agency. In general, if we are able to achieve the compromise provisions outlined above (and summarized on the attached page), it is the best that we can do with a bad situation. The compromise being offered by the Senate, however, does not, in our judgment, meet that standard.

The alternative, of course, is to veto the bill. It is probable that the House would override the veto and it would be very close in the Senate. Senator Ford has threatened to lead an override fight, which he predicts would be successful. Senator Packwood believes with equal fervor that a veto would be sustained.

If the veto is not overridden, the FTC will be forced to seek an additional continuing resolution which would most certainly contain the same restrictions as the vetoed bill, and probably others that are more onerous. If you veto the appropriation continuing resolution and that veto is not overridden, FTC funding would expire and the agency would terminate.

Recommendation

We recommend that we communicate our bottom line position, as outlined above, to the conferees, and indicate that failure to reach agreement along these lines would result in a veto. Mike Pertschuk and the consumer and labor groups with whom we have spoken have agreed to support your signing should this minimally acceptable bill be sent to you for your approval.

Approve _____ ✓

Disapprove _____

We recommend that you then meet with Chairman Cannon, Senator Ford, Senator Packwood and Senator Danforth to see if the outstanding differences can be resolved.

Approve _____ ✓

Disapprove _____

In the meantime, we recommend you ask Lloyd Cutler, in cooperation with Justice and others, to research the precise conditions under which the agency would be legally unable to operate. As a precautionary measure, Cutler should also research the extent to which the FTC's functions could be assumed by other agencies in the event of temporary or permanent dissolution.

Approve _____ ✓

Disapprove _____

Also as a precautionary measure, we recommend Anne Wexler, Jody Powell, Jack Watson, Jim McIntyre and the three of us all prepare strategies to present your best case in the event you decide to veto the bill. This must be done in absolute secrecy in order to avoid undermining the possibility of accomodation with the conference.

Approve _____ ✓

Disapprove _____

I have to trust you on this issue. Give the studies/discussions. ✓
Steve, Frank, Esther

Outline of a Minimally Acceptable Bill

Agricultural Cooperatives and the Sunkist Case*: A provision would be included to restate and clarify existing law which specifies that if conduct is made exempt from the antitrust laws by virtue of the Capper-Volstead Act, then the FTC has no authority to prosecute an agricultural cooperative which engages in that conduct.

Attorney's Fees*: Attorney's fees could be awarded to a small business only where the FTC action is unreasonable, frivolous, meritless or vexatious.

Standards and Certification*: The FTC could not use its Magnuson-Moss rulemaking authority to set a rule governing standards and certification. However, it would be allowed to continue its proceeding under section 6(g) of the Act, the Commission's residual rulemaking authority. That rule could only set procedural requirements for the development of standards. In addition, standards organizations could apply to the FTC for an exemption if they have procedural safeguards that are "substantially similar" to those established by the FTC.

Funeral Home Rule: The FTC could adopt a funeral home rule which only requires price disclosure or prevents misrepresentation, boycotts, threats, tying arrangements, or the sale of services without prior approval from the consumer.

Investigations of Insurance: The FTC would be authorized to conduct an investigation on insurance when so requested by a vote of either the Senate or House Commerce Committee.

Generic Trademarks and the Formica Case*: The FTC would be prohibited from exercising its authority under the Lanham Trademark Act to petition the Commerce Department's Trademark Trial and Appeals Board for cancellation of a registered trademark on the ground that it has become the generic or common name of an article.

Children's Advertising and Unfairness: There would be a moratorium on the use of unfairness as a legal basis for new rulemakings involving commercial advertising for the life of the authorization--through FY 1982 (a one-year moratorium is preferable). The Kidvid rulemaking, however, would be allowed to continue and could employ unfairness as a legal basis for

*An agreement in principle along these lines is believed to have been reached by the conferees.

any final rule. However, the Commission would be required to suspend further activity on the proceeding until it had published the specific text of a proposed rule and the Commission could not ban truthful advertising.

Legislative Veto*: Before a rule could go into effect, it must be submitted to Congress. The rule could become effective unless within 90 calendar days of continuous session, a concurrent resolution is adopted (requiring an affirmative vote of both Houses, but no Presidential signature) prohibiting such rule from going into effect.

THE WHITE HOUSE
WASHINGTON

4/21/80

Mr. President:

Brzezinski has no comment.

Rick

THE WHITE HOUSE

WASHINGTON

April 21, 1980

C

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED MOSES *al*
SUBJECT: UN-Lebanese Resolution.

It is strongly recommended that we do not deviate from the position worked out over the weekend, on the pending Security Council vote on the draft resolution on South Lebanon. I believe we should veto the Resolution for the following reasons:

1. The Resolution is strongly one-sided -- it condemns Israel explicitly for its recent military action. While other critical language could be construed to encompass PLO actions, only the "de facto" forces (Haddad) are specifically named. By contrast, no mention is made of the PLO assault on Misgav Am or of the continued presence of PLO forces and staging areas within the UNIFIL area of operation.
2. The contending forces in South Lebanon are Haddad and the PLO. Israel is condemned in the Resolution for its support of Haddad but there is no reference to the analogous Syrian support of the PLO.
3. Our government and the U.N. support the full extension of GOL control throughout Lebanon. A weak GOL, combined with lack of support in the Arab world for strengthening the GOL authority throughout Lebanon, including South Lebanon, necessitates a continued UNIFIL presence. However, UNIFIL has acquiesced in a continued PLO presence in its area of operation leading to Israel's perception that it must support Haddad.

Under the circumstances we can expect continued violence in South Lebanon such as we have seen in recent weeks. Only a comprehensive approach that combines the strengthening of UNIFIL with strong diplomatic pressure on Israel, Syria, and the PLO lends hope for stability.

I can appreciate the anguish of the European troop contributors, and particularly the Irish, who are in a blood feud with local villagers. But I believe the balanced approach agreed on this past weekend, is still the best course of action, given our consistent position on Lebanon and the current status of the autonomy negotiations.

cc: Vice President Mondale
Dr. Brzezinski

THE WHITE HOUSE
WASHINGTON

April 23, 1980

9:15 a.m.

MEMORANDUM FOR THE PRESIDENT

FROM : AL MCDONALD *ay*
SUBJECT: Interest Rates

Chase Manhattan is opening this morning with a drop in the prime rate to 19 percent. This follows a very heavy drop of the Federal funds rate yesterday and with a steady decline in the other interest-bearing securities.

Electrostatic Copy Made
for Preservation Purposes

KV NAME Congressman Ralph Regula

1295

TITLE R-Ohio

FM/db

Requested by Frank Moore

CITY/STATE _____

Date of Request 4-17-80

Phone Number--Home () WH Operator

Work () 225-3876

Other () _____

INFORMATION (Continued on back if necessary)

You should call Congressman Regula to thank him for his vote on draft registration earlier today. You might also mention how important it is to get the bill passed next Tuesday.

NOTES: (Date of Call _____)

Cancel

THE WHITE HOUSE
WASHINGTON

23 Apr 80

Frank Moore

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

Rick Hutcheson

cc: Jack Watson

THE WHITE HOUSE
WASHINGTON

4-23-80

To Frank Moore

We should support
the APDC recom-
mendation re middle
route -

J

FROM THE DESK OF

3-31-80

PHIL JONES

Dear Rosalyn -

It would be very
much appreciated if
the enclosed could come
to Jimmy's attention. It's
very important to the
future of Sumter County.

We are proud of you
and Jimmy. Yours,
Phil

NEWS

from
the

GEORGIA DEPARTMENT of
TRANSPORTATION

TRANSPORTATION,
AMERICA'S LIFELINES

FOR IMMEDIATE RELEASE

April 19, 1979

*Info Copy
Jach*

After many years of frustrating effort to obtain funding for east-west transportation improvement south of the fall line in Georgia, the Georgia DOT has received some good news.

The Federal Highway Administration has approved the addition of a 239.1 mile highway from Columbus to Brunswick to the state's Priority Primary Program.

The 1978 Surface Transportation Act gave the U.S. Secretary of Transportation \$500 million in discretionary funds for Priority Primary projects during its four-year life. These funds will be applied to projects that have "legislative history."

The Georgia Congressional Delegation, particularly Congressman Jack Brinkley of Columbus, lost no time in announcing their intent to bring this route to the House floor during discussion of amendments to the Surface Transportation Act. This would give it "legislative history."

The highway will lie along the proposed route of the Kansas City to Brunswick Multi-Modal Transportation Corridor now being studied.

The addition of this route to Georgia's Priority Primary System, and the support of the Congressional Delegation will certainly expedite its construction.

State Transportation Planning Engineer Robert C. Kirk said the DOT could not speculate on the completion date for the entire route until the level of funding was known. He said the DOT was "ready to go, and could let the first contract within a year of first allocation of funds."

Kirk expressed optimism that the close cooperation between the Congressional Delegation and the DOT would expedite funding for this \$185 million project.

The highway will pass through 14 Georgia counties, serving a population corridor containing 460,000 people.

END

Jerry M. Stargel
Information Office
DOT

P.S. Georgia Department
of Transportation will decide actual
route.
Jach

A STUDY OF ALTERNATE ROUTES

SOUTH GEORGIA LIMITED HIGHWAY ACCESS

Prepared for: Coastal Area Planning and Development
Commission

Lower Chattahoochee Valley Area
Planning and Development Commission

Slash Pine Area Planning and Development
Commission

West Central Georgia Area Planning and
Development Commission

Prepared by: Traffic Planning Associates, Inc.
Atlanta, Georgia
May 1969

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Electrostatic Copy Made
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SUMMARY OF CONCLUSIONS & RECOMMENDATIONS

The following conclusions and recommendations are based on the analysis of the data contained herein. There conclusions and recommendations were reached after thorough study of many sources of information, most of which are included in this report.

1. The entire study was based upon the assumption that the proposed limited access facility would be part of an expanded Interstate System constructed to present Interstate design standards.
 2. It was assumed the western end of the proposed route would lie adjacent to U.S. 27 & 280 between Columbus (Muscookee County) and Cusseta (Chattahoochee County) with the eastern portion passing near Waycross (Ware County) and terminating at I-9: south of Brunswick (probably in Camden County).
 3. The primary emphasis of the study was the evaluation of alternative highway routes between Cusseta and Waycross.
 4. The criteria utilized in evaluating the alternative routes was the Bureau of Public Roads Memorandum entitled "Criteria for Selection of Interstate System Routes, 1955" which provided the basis for selecting the existing Interstate System.
 5. In order to determine the best potential route between Cusseta and Waycross three potential corridors were delineated for evaluation.
 - ✓ 6. The North Corridor represented the most direct route between Waycross and Cusseta and passed adjacent to Douglas, Fitzgerald, Cordele and Americus.
 - ✓ 7. The South Corridor represented the most direct route that directly served Albany, one of the principal urban areas in the State not presently served by an Interstate Highway.
8. The Middle Route represented a route which directly connected the majority of urban areas within the study area not presently served by an Interstate Highway
9. Based upon the analysis of the social and economic benefits of each of the alternative corridors, as well as service to traffic, it is recommended that future studies of specific alignments be limited to the Middle Corridor.
 10. In order for this route to be implemented it must be part of a continuous route extending through Alabama, Mississippi and at least to Memphis, Tennessee, preferably to Kansas City, Missouri.
 11. In order to obtain the impact necessary to justify the construction of such a facility it must be built to present Interstate standards.
 12. The implementation of such a facility is a large undertaking and must be approached from a base within each individual state. Therefore, groups interested in the implementation of this improvement must be organized and work within each of the states involved.
 13. In order to adequately promote the concepts and ideas embodied in this report, as well as Phase I, a separate organization must be established.
 14. To obtain maximum support it is recommended that an advisory committee be formed to react to proposals for implementation, serve as a liason between the citizens and a steering committee and staff, and to secure support for the program.
 15. A steering committee should be established to formulate an implementation program, develop a budget and hire an executive director.

• • • • •

Since no existing route follows the general alignment of the middle corridor, it is difficult to evaluate the traffic volume trend for this corridor separately. The above traffic volume trends indicate that the south corridor has experienced a greater rate of growth and a larger numerical increase west of I-75. Most of this increase can be directly attributed to the influence of Albany. This indicates the affect of a metropolitan area on the surrounding area.

TRAFFIC ASSIGNMENTS

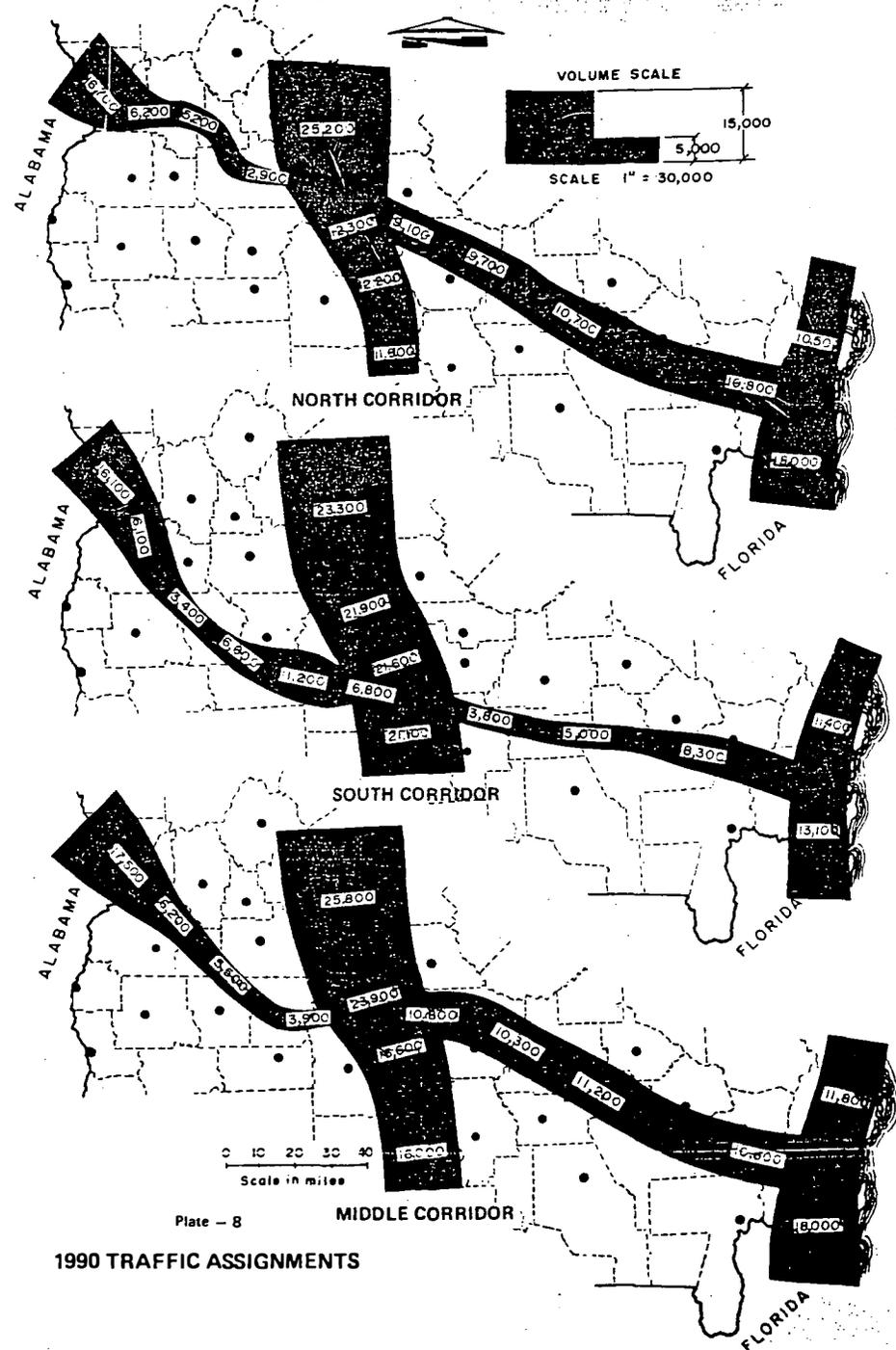
The consideration of any major highway improvement such as this proposal should include estimates of potential traffic volumes using the highway. This is the primary consideration in the location of such a facility.

In order to determine the potential traffic volumes which would utilize each of the corridors should they be constructed, traffic assignments for 1990 were made for each of the routes independently. The information on which to base the traffic assignment was provided by the Georgia State Highway Department. See Appendix #1 for a description of these procedures.

These estimated trip interchanges between counties within the state of Georgia and adjacent states are on the conservative side.

The three assignments shows the potential traffic which would be attracted to each route should travel speed be comparable to that found on the Interstate Routes. Plate 8 shows the three 1990 traffic assignments for I-75 and I-95 as well as the alternate routes.

Average daily traffic volumes between Cussetta and Waycross along the north corridor would be approximately 7,700 vehicles per day. Between county seats within this corridor, traffic volumes would vary from a low of 2,900 vehicles per day, Americus and Cordele, to a high of 10,700 vehicles per day, Douglas and Waycross. Traffic volumes between I-75 and I-95 exceeded 9,000 vehicles per day in every segment. The relatively high traffic volumes between Americus and Cussetta apparently reflect travel between Marion, Schley and Sumter Counties to and from Columbus. The low assignment of trips between Americus and I-75 is probably due to the lack of origin and destination data in this sector.



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these urban areas. The major disadvantage of the limited access facility located in the north corridor is that it does not provide service to Albany. Consequently, the route does not serve one of the major purposes of the Interstate System, to provide service to the maximum number of metropolitan areas within the nation.

The south corridor provides direct service to Albany and to its surrounding military establishments and war industry. Due to the influence of Albany, most of the other criteria are well met by this corridor. The major disadvantage of a facility located in this corridor is that many of the other urban areas, particularly those over 5,000 population, are not served as well. This route, while serving Albany, does not provide service to Douglas, Fitzgerald and Americus, all of which have the potential of becoming major urban centers within the region.

The middle route, by design, was selected to take the advantages of both the north and south corridors and combining them into one route, maximizing their advantages and minimizing their disadvantages. The alignment east of I-75 generally follows the north corridor while the alignment west of I-75 generally follows the south corridor. Thus the various urban centers over 5,000 population, not presently served by an Interstate Highway, will be provided direct service by a limited access facility. At the same time, direct service is provided to Albany. Between Albany and Columbus, the south corridor has been modified to some extent in order to provide direct service to Americus, one of the larger unserved urban areas within south Georgia. Providing the service with only a minimum increase in length of the route seems to be valid. It appears the middle corridor would best meet all the Interstate Criteria outlined by the Bureau of Public Roads.

POTENTIAL TRAFFIC VOLUMES

Service to traffic must be a major consideration in the selection of the route. Table 8 has been prepared to show the potential traffic volumes for various links within the alternative routes. It should be remembered that these volumes represent the volumes found at the lowest points between successive cities. The traffic assignments do not include local trips which would certainly use the proposed facilities.

Table 7. INTERSTATE CRITERIA COMPARISONS

Criteria for Route Location	Corridor Ratings		
	North	South	Middle
1. Service to Cities of Various Population Groups	2	1	3
2. Service to Principal Metropolitan Areas	1	3	2
3. Density of Rural Population	1	2	3
4. Distribution of Whole Population	1	2	3
5. Relation to Manufacturing Activity	1	2	3
5. Relation to Agricultural Production	3	1	2
7. Relation to Concentrations of Motor Vehicle Ownership	1	2	3
8. Relation to Routes of Strategic Importance*	-	-	-
9. Relation to Military & Naval Establishments and War Industry	1	3	2
10. Relation to Routes of Highest Traffic Volume	1	3	2
11. Relation to Principal Topographic Features **	-	-	-
TOTAL	12	19	23
AVERAGE	1.3	2.1	2.6

*This criteria is met by all corridors

**This criteria was used only in selection of the alternate corridors.

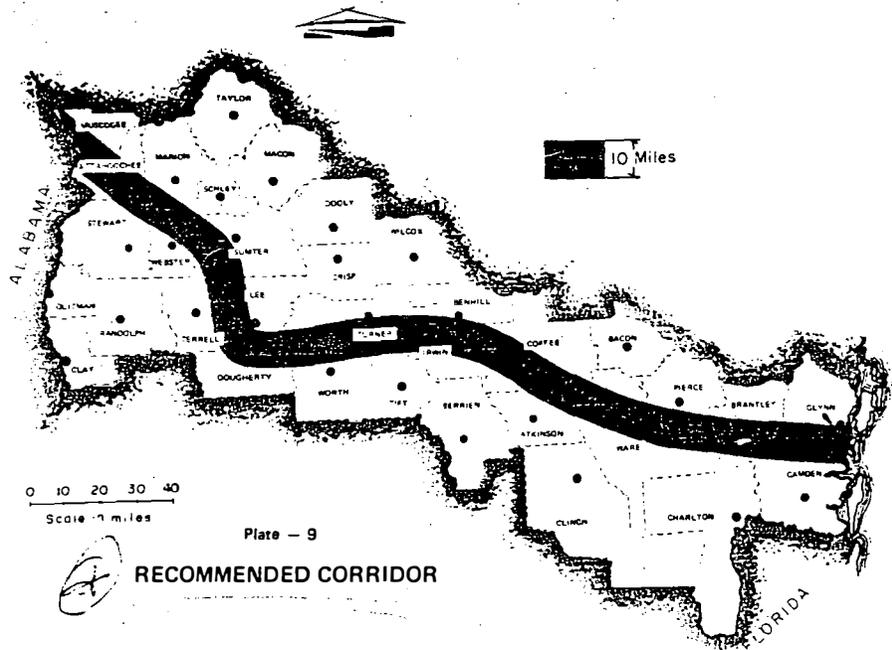
A comparison of assignments along I-95 and I-75 with the South Georgia Limited Access Facility also shows these facilities will increase considerably. Evaluation of the traffic assignments to all three alternate corridors indicates that a facility located along the middle corridor would maximize the through traffic flow on Interstate Routes within the South Georgia area. Thus, a facility located along this corridor would best serve the State of Georgia and its citizens as well as the nation as a whole.

RECOMMENDED CORRIDOR

Based upon the previous documentation, it is recommended that future studies for a South Georgia Limited Access Highway be concentrated along the middle corridor. Although analysis of social and economic benefits, as well as traffic benefits, have been on a broad scale they provided a reasonable basis for recommending the middle corridor.

Plate 9 has been prepared to show the recommended corridor for future study. Previous analysis was based upon a corridor width of 20 miles and indicates the primary impact area of such a facility. In order to provide a clearer indication of the potential alignment of such a facility, the recommended corridor shown on Plate 9 has been shown as a ten mile corridor. It is felt that the centerline of the future highway should be located somewhere within this corridor. Total length of the road in Georgia would be approximately 230 miles. This includes the 20 miles between Columbus and Cusseta, 175 miles between Cusseta and Waycross and 35 miles between Waycross and I-95 south of Brunswick.

It is assumed that U.S. 27 and U.S. 280 through the Fort Benning Military Reservation in Chattahoochee County, would be improved to meet Interstate requirements. The connection between Fort Benning, Columbus and Alabama will require more detailed study by the Columbus metropolitan area and the State of Georgia and Alabama. Possibly the route could connect with the Macon Road Bypass, east of Columbus, and be extended across Lake Oliver and north of Columbus connecting with I-85 and Birmingham. A possible alternative might be the extension of such a facility across the Chattahoochee River, south of Columbus and providing portions of a future perimeter road.



The proposed corridor would extend eastward from Cusseta along the Marion and Webster County line and turn south approximately 5 miles west of Americus. It would proceed parallel and several miles west of U.S. 19 to Albany. The route would then turn easterly, several miles north of the present Albany City Limits, and cross the Flint River north of the Naval Air Station. It would then extend through Worth County, five to ten miles north of Sylvester, and interchange with I-75 in Turner County. This interchange could be just south of Ashburn or possibly between Sycamore and Inaha.

From I-75 the route would extend eastward, generally to the north of Georgia 32, between Fitzgerald and Oscila. The route would continue eastward, south of Douglas, to Waycross. The route would pass Waycross to the north, and connect with I-95 south of Brunswick, possibly near Spring Bluff in Camden County.

The above generally describes the centerline of the proposed ten mile study corridor. It is recommended that future studies of specific alternative alignments be limited to this corridor.



8:00 AM

THE WHITE HOUSE

WASHINGTON

April 22, 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

ALFRED E. KAHN

fed

SUBJECT:

Agenda for the inflation breakfast, April 23, 1980

I attach an informational memorandum on

1. Recent developments in prices and wages that suggest a troublesome increase in the underlying inflation rate, including information about the OCAW and steel settlements;

2. The liberalization of the price standard proposed by our Price Advisory Committee;

3. Recent enforcement and compliance actions; and

4. The status of our program to expand and intensify price monitoring, including expansion of the CWPS staff.

You may wish to discuss some of these, and perhaps the Mobil situation.

Attachment

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

April 22, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED E. KAHN
ROBERT RUSSELL
SALLY KATZEN

Fred

SUBJECT: Inflation Breakfast

As background for the Wednesday breakfast, we thought it might be useful to summarize several important inflation trends and to bring you up to date on recent developments in the wage/price program. We do this for your information only; we ask for no decisions.

I. The Rate of Inflation

As you know, the overall rate of increase in the CPI has accelerated to 18 percent in the last three months. More troubling (since much of the recent surge in the overall rate is probably ephemeral) is the marked ratcheting up of the underlying inflation rate and emerging evidence of a surge in labor costs. It looks as though our fear that the energy price surge would spread throughout the rest of the economy has materialized.

- o The 4-percentage-point surge in the overall inflation rate in the first quarter of 1980 is attributable primarily to two components: energy and mortgage-interest costs.
 - Price increases for energy commodities and services exceeded the 60-percent annual rate posted at the mid-1979 peak.
 - Mortgage interest costs have risen at annual rates of more than 50 percent for the last 6 months.
- o Far more disturbing is the acceleration in the underlying rate of inflation, during the last few months -- by two to four points, depending on the measure. Throughout 1979, the CPI less food, energy, home-

purchase costs and used cars accelerated modestly -- from an annual rate of 7.5 percent in the first quarter to 8.6 percent in the fourth. In the first three months of 1980, in contrast, it was a steady 12.7 percent. This acceleration is evident in other measures of the underlying rate as well.

- The Personal Consumption Expenditures Index, less food and energy, accelerated from about 8.4 percent in 1979:IV to 10.7 percent in 1980:I.
- The PPI-based measure (finished goods less food and energy), after reaching peaks of 10 percent in the first and last quarters of 1979, grew at an annual rate of more than 16 percent in 1980:I. When adjusted to exclude the direct effect of the recent surges of gold and silver prices, however, it drops to about 14 percent.

The four-point increase shown by two of these measures is probably an exaggeration. Much of the acceleration reflects the direct passthrough of the soaring costs of energy, and to some extent of other raw materials; some deceleration is therefore to be expected, with a lag, if inflation in the prices of these inputs abates, as it should.

- o Recent increases in hourly wages and total compensation suggest that the long-expected acceleration of wages, in response to the high CPI rates of the last 15 months, has finally materialized.
 - Over the past six months, the hourly earnings index has grown at an annual rate of more than nine percent; that is one percentage point above the increase posted during the previous six months.
 - In the last half year, wages plus private fringe benefits have increased at a 9.6-percent annual rate, up from 8.2 percent during the previous half year.

The outlook for wage increases during the remainder of the second program year is bleak but not hopeless. There is tremendous pressure on both union leaders and employers of non-union labor to push for and grant double-digit increases in the face of accelerating price inflation. It appears also that the long period of uncertainty about where the second year standard would finally be

fixed resulted in a considerable erosion in the disposition of employers to take the program seriously.

Also, while the two big settlements that have received a lot of publicity -- OCAW and Steel -- evidence restraint, they are nonetheless very costly. OCAW, which does not have cost-of-living adjustments, is above the new pay range, at 10-1/2 percent; if it is granted an exception, that could signal double-digit increases for all non-COLA workers. (We have not yet been able to reach a formal decision, first because of the long time required for ratification, and now because we are awaiting a promised documentation by the companies of their asserted claim to a self-administered tandem exception under the liberalized definition recommended by the Pay Advisory Committee. We will press for an early resolution.

Steel, on the other hand, is near the bottom of the range, but only because of the prescribed 7.5-percent evaluation of the COLA clause. Under a reasonable inflation forecast (13 percent, 10 percent, and 9 percent in the three successive years of the contract), the increase is on the order of 33 percent, or an annual rate of 10 percent. (Actually we make it 32.6 percent but that figure may reflect some undercounting of the cost of maintaining health benefits, under the guidelines.) Nevertheless, the settlement is comparable with the results in automobiles and Teamsters, more modest than rubber, more modest than the 1977 steel agreement (at identical inflation rates), and considerably more modest than the new standard would have allowed.

Market pressures, as we move into recession, should help to hold increases down: there is no doubt in our minds this was the main factor causing the steel industry to hold that settlement some two percentage points per year below what the new standards would have permitted. But the settlement is still in double digits; and large numbers of employers seem determined to be as generous to their employees as possible, in the interest of morale and fending off unionization.

II. The Price Standard

On April 16, the Price Advisory Committee recommended relaxation of the second-year price standard as a result of the relaxation of the pay standard. The recommended amount of relaxation of the basic price limitation is 3/4 percentage point -- 1/2 percentage point for the relaxation of the pay standard from the interim 8 percent (7 percent plus the 1-percent non-COLA catch-up) to the 8-1/2 percent mid-point of the range, and 1/4 percentage point for the apparent slowdown in trend productivity growth.

Both of these adjustments derive from a strict application of the nexus between the pay and price standards that was used in developing the first-year standards. The principal motivation for the Committee's recommendation appears, however, to be that it fears a wholesale abandonment of the price limitation in favor of the profit limitation, which is harder to administer and greatly attenuates a company's incentive to hold down costs. The Committee has also argued that relaxing the price limitation may result in more price restraint, since it will prevent some companies from qualifying for the profit limitation, which in some circumstances permits even larger price increases.

Arguing on the other side is your statement on March 14 that the price standard would be left where it was, despite the relaxation of the pay standard. In addition, we lack any quantitative basis for testing the factual premise of the Price Advisory Committee, that the additional price latitude that their recommended change would give to companies remaining on the price limitation would be smaller than their allowable price increases under the profit limitation. There can be no doubt that a general relaxation of the price limitation will give some companies wider latitude than they need. Finally, considering the relatively limited amount of relaxation of the price standard they propose, and the limited amount of time left in the second program year (five months), it is not clear that the adjustment is worth the administrative burden it would impose; or that any boost it would give the program by its appearance of greater evenhandedness between business and labor would offset the harmful appearance of an Administration endorsement of an acceleration in the inflation rate.

There is a consensus among your economic advisers that we should accept the principles but (as diplomatically as possible) reject the specific recommendations, stating instead that (1) we will be more receptive to demonstrations by individual companies and industries that they need a relaxation of their own specific price limitations because of the relaxed pay standard, and (2) that we will make the realignment between the pay and price standards at the start of the third program year. We do not envisage any serious political problems with this approach, particularly if we consult with Al Sommers and the other members of the Committee (and -- possibly a tougher nut -- the business members of the Pay Advisory Committee) before making any public statement about our deliberations.

III. Monitoring Activities

On April 11, we distributed a memorandum setting forth, among other things, the steps we intend to follow in trying to bring non-compliers into line. This includes the recently developed

informal procedures for involving senior Administration officials in urging companies to cooperate with the program. Three corrective price actions were announced during the last two weeks, by Diamond International (a major paper company), Phillips Petroleum, and Grocers Supply Company. In addition, Ford instituted corrective pay action by taking the excess UAW pay increase out of the pay increase for its management group, and our proposed resolution of the Mobil case is in your hands.

IV: Implementation of the March 14 initiatives

In your March 14 speech, you stated that there would be an intensification of the price monitoring program. We have already lowered the reporting threshold from \$250 million to \$100 million in annual sales or revenues, as you announced, and we have had a series of meetings with companies in this range to explain the standards and procedures. In addition, as you know, we have regularly scheduled industry meetings -- health care four weeks ago, industrial chemicals two weeks ago, nonferrous metals this week. We also have been developing a strategy for the prenotification program, and expect that we will be able to announce the details within the next two weeks.

The critical staff build-up, however, is in deep trouble. Our recruitment program has identified more than 100 people to whom we are prepared to make offers, but we still don't have the funds. OMB has identified an interim source of funds for salaries and associated costs (DOE), but asked us to get clearance from the CWPS and DOE Appropriations and Authorization Committees before we use them. Senator Proxmire balked, because he says that he is worried about the prospects for our supplementals for both FY 1980 and FY 1981 in his Senate Banking Committee. He believes that CWPS will be reauthorized, but that it will not be easy, and that we will not get all the funding we request. In fact, he believes that a continuation of our currently authorized staff size and funding levels is the most likely outcome. This is of course deeply troubling; we think it would also be highly irresponsible. The House is much more sympathetic, so that a compromise would undoubtedly emerge from conference. After several discussions, Proxmire told us yesterday that he would not complain publicly if we used the DOE funds, but suggested that we hold off until the CWPS appropriations bill is marked up on May 4 or 5.

The bottom line, however, is that, since your March 14 speech, we have not hired anybody, and we expect that this delay will receive press attention shortly. We have already received numerous press inquiries about our expansion.

SELECTED MEASURES OF THE UNDERLYING RATE OF INFLATION

	FISCAL YEARS			FIRST PROGRAM YEAR (PY) ^{1/}				SECOND PY ^{1/}	
	1977	1978	1979	Change over Previous Quarter					
				78:IV	79:I	79:II	79:III	79:IV	80:I
CPI-Adjusted Rate ^{2/} _{4/}	6.0	6.1	7.5	7.2	7.5	7.2	8.1	8.6	12.7
PPI-Adjusted Rate ^{3/} _{4/}	6.2	8.1	8.5	7.7	10.3	8.5	7.6	10.1	16.1
Fixed-Weight Price Indices ^{5/}									
Nonfarm Business	6.8	7.2	9.7	7.7	8.5	11.3	11.2	9.0	N/A
Personal Consumption									
Expenditures Less Food									
and Energy	6.1	6.6	7.3	6.7	7.8	6.8	7.8	8.4	10.7
Unit Labor Costs ^{5/}	5.8	8.2	10.8	7.6	14.1	12.8	8.8	8.6	9.9 ^{e/}

^{1/} Seasonally adjusted, annual percentage rates of change.

^{2/} The Consumer Price Index excluding the costs of home purchase, finance, taxes and insurance; and food, energy, and used cars.

^{3/} The Producer Price Index for finished goods excluding food and energy costs.

^{4/} The CPI and PPI measures of the underlying rate are based on monthly data; annual figures are September-to-September changes, and program year figures measure three-month changes during the program period.

^{5/} Fiscal-year figures measure third-quarter-to-third-quarter changes for the nonfarm business sector.

^{e/} Estimate.

SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; and U.S. Department of Commerce, Bureau of Economic Analysis.

SELECTED MEASURES OF EMPLOYMENT COMPENSATION (PRIVATE NONFARM SECTOR) */
(Seasonally Adjusted, Percentage Changes)

	FISCAL YEARS			FIRST PROGRAM YEAR (PY)				SECOND PY	
	1977	1978	1979	Change over Previous Quarter				79:IV	80:I
				78:IV	79:I	79:II	79:III		
AVERAGE HOURLY EARNINGS	7.7	8.6	8.1	10.0	8.4	6.1	8.7	8.6	7.7
HOURLY EARNINGS INDEX	7.3	8.4	7.9	8.4	8.0	6.9	9.6	9.2	9.5
EMPLOYMENT COST INDEX	7.2	8.0	7.7	7.8	8.2	7.8	8.7	9.9	N/A
Union	7.7	7.9	8.4	8.2	7.4	8.7	7.6	10.8	N/A
Nonunion	6.9	8.0	7.3	4.5	8.7	7.8	7.8	9.5	N/A
TOTAL HOURLY COMPENSATION	7.9	8.6	8.9	8.7	10.3	7.9	8.6	8.8	9.7 e/
Private Hourly Compensation	7.8	8.4	8.5	8.9	8.9	8.1	8.2	9.5	9.6 e/
Wages & Salaries per hour	7.1	8.2	8.1	8.7	8.8	7.3	7.5	8.7	9.1 e/
Fringe benefits per hour	13.8	10.3	12.1	8.5	10.0	15.7	14.6	18.6	13.9 e/
Employer Contributions to Social Insurance Per Hour	9.8	11.6	14.6	7.4	33.4	5.2	14.5	-2.1	11.7
LABOR PRODUCTIVITY	2.0	0.3	-0.7	1.1	-3.3	-4.3	-0.2	0.1	-0.2 e/
UNIT LABOR COSTS	5.8	8.2	10.8	7.6	14.1	12.8	8.8	8.6	9.9 e/
REAL HOURLY EARNINGS INDEX	0.7	0.1	-3.9	-0.7	-5.1	-5.5	-3.3	-4.1	-7.1
REAL SPENDABLE EARNINGS (Weekly)	4.2	-3.2	-4.4	-0.4	-1.3	-9.5	-4.3	-5.6	-12.3

*/ The Employment Cost Index and all hourly-and real-earnings series are based on monthly data; annual figures are September-to-September changes, and program-year figures measure three-month changes during the program period. Hourly-compensation, productivity and unit-labor-cost series are for all employees in the nonfarm business sector, annual figures measure third-quarter-to-third-quarter changes.

e/ Estimate.

SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; U.S. Department of Commerce, Bureau of Economic Analysis, and the Council on Wage and Price Stability.

The Honorable Jimmy Carter
April 22, 1980
Page 2

Similarly, the prospects for profit for hog farmers are quite dim. The prices received by farmers today for their hogs are off about 43 percent from last year. This means one thing, reductions in supply and higher prices for pork this fall.

What can be done to help? First, for the grain farmer everything should be done to see to it that he has the credit needed at reasonable rates to get this year's crops planted. The money put forth through the Farmers Home Administration will help, but it will help only a very limited number. I have suggested that you immediately direct the Secretary of Agriculture to implement an emergency production credit program which would utilize the existing authority of the Commodity Credit Corporation. Basically, this would allow farmers to get advance loans against their 1980 crop at 13 percent interest. The real cost of such a program would be minimal since most of the crop will probably go under loan this fall anyway, and virtually all loans will be paid back.

Second, I would immediately take action to raise the commodity loan levels to prices more in line with the current costs of production and the price levels which existed immediately preceding the embargo. This would give bankers more confidence in the cash flow statements being presented to them by farmers and at the same time renew the confidence of farmers that their government really is serious about offsetting the cost of the Soviet sales suspension to them, not just the cost to the grain companies.

Further effort should be made to see to it that the credit needs of the cattle industry are being met. By freeing up the rural banks from major production credit responsibilities through the previously outlined program, additional capital will be made available to the cattle industry.

The Department of Agriculture must make a renewed effort to purchase and promote the sale of pork products in order to hasten the absorption of the current over-production. In addition, USDA must make every effort to counsel pork producers to assure the pendulum of production does not swing disastrously in the opposite direction.

Finally, I believe a renewed effort must be made to assure our farmers that we will do everything possible to see to it that our allies will not take advantage of the sales suspension at our cost.

The Honorable Jimmy Carter
April 22, 1980
Page 3

It does little good for a farmer to be told he must suffer for the national good and at the same time learn that a Canadian farmer is earning big profits from grain sales we could have made.

These are solutions which are workable and attainable. I hope you will give them every consideration.

Yours very truly,

THOMAS F. EAGLETON
United States Senator

TFE:rh

23 Apr 80

Stu Eizenstat

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

Rick Hutcheson

cc: Lynn Daft

United States Senate

WASHINGTON, D.C. 20510

April 22, 1980

The Honorable Jimmy Carter
The White House
Washington, D.C. 20500

Dear Mr. President:

It has been the economic policy of your Administration to bring about a reversal in the growth of the inflation rate in our country. This is a laudable goal which every American shares with you. I am convinced, however, that some of the policy decisions which have been made to date will do more to add to the rate of inflation in the long run than they are helping to control inflation today.

My concern specifically lies with the area of agricultural policy. The farm sector of our economy and to be sure the economy of rural America which is dependent on the farm sector, is already in a deep recession and teeters precipitously on the edge of a depression. Every prediction I have seen or heard is that farm income is going to collapse this year at the same time that prices of all farm inputs are going through the ceiling. USDA's own prediction of net farm income using real dollars for calendar year 1980 is 34 percent below that of calendar year 1979.

Grain farmers faced with a tight and costly credit market are being forced to sell their 1979 crop in order to obtain operating capital. This is compounding the negative price impact caused by the suspension of the sale of grain to the Soviet Union and is thwarting USDA's efforts to offset the impact of that action. In order to economize, farmers are likely to use less chemicals and fertilizer, thus dramatically increasing the possibility of substantially reduced yields.

The cattle industry is at the critical low point in the cattle cycle which usually means higher prices and increased stimulus for herd expansion. What is occurring instead is that at a time when beef production is at the lowest level it has been for the past ten years, the prospects for profit the balance of this year and into next continue to be very poor. This may very well translate into further reductions in beef supply and even higher prices later this year.

*Sta (Lynn)
draft brief
reply for
me
J*