The original documents are located in Box 10, folder "Domestic Council - Memoranda (2)" of the Philip Buchen Files at the Gerald R. Ford Presidential Library.

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FOR IMMEDIATE RELEASE

July 18, 1975

Coyota

Office of the White House Press Secretary

THE WHITE HOUSE

EXECUTIVE ORDER

ENVIRONMENTAL SAFEGUARDS ON ACTIVITIES FOR ANIMAL DAMAGE CONTROL ON FEDERAL LANDS

By virtue of the authority vested in me as President of the United States, and in furtherance of the purposes and policies of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the provisions of Section 1 of the Act of March 2, 1931 (46 Stat. 1468, 7 U.S.C. 426) and the Endangered Species Act of 1973 (87 Stat. 884, 16 U.S.C. 1531 et seq.), Executive Order No. 11643 of February 8, 1972, is amended to read as follows:

"Section 1. It is the policy of the Federal Government, consistent with the authorities cited above, to:

- (1) Manage the public lands to protect all animal resources thereon in the manner most consistent with the public trust in which such lands are held.
- (2) Conduct all mammal or bird damage control programs in a manner which contributes to the maintenance of environmental quality, and to the conservation and protection of the Nation's wildlife resources, including predatory animals.
- (3) Restrict the use on public lands and in Federal predator control programs of any chemical toxicant for the purpose of killing predatory animals or birds which would have secondary poisoning effects.
- (4) Restrict the use of chemical toxicants for the purpose of killing predatory or other mammals or birds in Federal programs and on Federal lands in a manner which will balance the need for a responsible animal damage control program consistent with the other policies set forth in this Order; and
- (5) assure that where chemical toxicants or devices are used pursuant to Section 3(b), only those combinations of toxicants and techniques will be used which best serve human health and safety and which minimize the use of toxicants and best protect nontarget wildlife species and those individual predatory animals and birds which do not cause damage, consistent with the policies of this Order."
- "Sec. 2. Definitions. As used in this Order the term:
- (a) "Federal lands" means all real property owned by or leased to the Federal Government, excluding (1) lands administered by the Secretary of the Interior pursuant to his trust responsibilities for Indian affairs, and (2) real property located in metropolitan areas.



more

- (b) "Agencies" means the departments, agencies and establishments of the Executive branch of the Federal Government.
- (c) "Chemical toxicant" means any chemical substance which, when ingested, inhaled, or absorbed, or when applied to or injected into the body, in relatively small amounts, by its chemical action may cause significant bodily malfunction, injury, illness, or death, to animals or to man.
- (d) "Predatory mammal or bird" means any mammal or bird which habitually preys upon other animals, birds, reptiles or fish.
- (e) "Secondary poisoning effect" means the result attributable to a chemical toxicant which, after being ingested, inhaled, or absorbed, or when applied to or injected into, a mammal, bird, reptile or fish, is retained in its tissue, or otherwise retained in such a manner and quantity that the tissue itself or retaining part if thereafter ingested by man, mammal, bird, reptile or fish, produces the effects set forth in paragraph (c) of this Section.
- (f) "Field use" means use on lands not in, or immediately adjacent to, occupied buildings."
- "Sec. 3. Restrictions on Use of Toxicants. (a) Heads of agencies shall take such action as is necessary to prevent on any Federal lands under their jurisdiction, or in any Federal program of mammal or bird damage control under their jurisdiction:
- (1) the field use of any chemical toxicant for the purpose of killing a predatory mammal or bird; or
- (2) the field use of any chemical toxicant which causes any secondary poisoning effect for the purpose of killing mammals, birds, or reptiles.
- (b) Notwithstanding the provisions of subsection (a) of this Section, the head of any agency may authorize the emergency use on Federal lands under his jursidiction of a chemical toxicant for the purpose of killing predatory mammals or birds, or of a chemical toxicant which causes a secondary poisoning effect for the purpose of killing other mammals, birds, or reptiles, but only if in each specific case he makes a written finding, following consultation with the Secretaries of the Interior, Agriculture, and Health, Education, and Welfare, and the Administrator of the Environmental Protection Agency, that an emergency exists that cannot be dealt with by means which do not involve use of chemical toxicants, and that such use is essential:
- (1) to the protection of the health or safety of human life;
- (2) to the preservation of one or more wildlife species threatened with extinction, or likely within the foreseeable future to become so threatened; or
- (3) to the prevention of substantial irretrievable damage to nationally significant natural resources.

(c) Notwithstanding the provisions of subsection (a) of this Section, the head of an agency may authorize the use, on an experimental basis, of sodium cyanide to control coyote and other predatory mammal or bird damage to livestock on Federal lands or in Federal programs, provided that such use is in accordance with all applicable laws and regulations, including those relating to the use of chemical toxicants, and continues for no more than one year.

"Sec. 4. Rules for Implementation of Order. Heads of agencies shall issue such rules or regulations as may be necessary and appropriate to carry out the provisions and policy of this Order."

GERALD R. FORD

THE WHITE HOUSE,
July 18, 1975

#



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

July 17, 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Proposed Executive Order amending environmental safeguards on activities for animal damage control on Federal lands

The following program has been developed to the point of announcement

- -- Resources devoted to currently used methods of killing coyotes, such as shooting from aircraft, will be increased by approximately 25%.
- -- Proceedings to register the M-44, sodium cyanide device at the Environmental Protection Agency (EPA) will be expedited with a view toward registration within the next six months.
- -- An extensive experimental/demonstration program involving use of sodium cyanide toxic collar utilizing up to 2,500 collars at any one time will be implemented.
- -- Funds devoted to research for the development of environmentally acceptable devices or techniques for dealing with animal predators will be increased.

We expect the following reaction from the groups most concerned with this issue:

- -- The wool growers: Officially, the Presidential response will not be satisfactory because, in their view,
 - Currently used methods of control are not as effective as the pre-Executive Order, indiscriminate use of poisons.
 - The M-44 device already has rather wide use so nothing new is being done.



- Toxic collar is an unworkable, "Rube Goldberg" device.
- No additional research is needed because pre-Executive Order poisoning methods worked.

Over time, it is hoped that your actions will be perceived among wool growers as effective.

-- The environmentalists: The Presidential response will be reluctantly acceptable, but they will be unhappy about any modification to Executive Order.

In the opinion of counsel, you are required to change the Executive Order to permit experimental/demonstration projects with the toxic collar and the M-44 device, both of which utilize sodium cyanide.

A single issue, not discussed in the meeting last week, is left for decision by you.

Issue

Whether the Executive Order should authorize an experimental program either for

- -- use for one year of only sodium cyanide for killing coyotes, or
- -- use of any chemical toxicant

provided that any such experimental program must be in accordance with law, i.e., the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) as administered by the Environmental Protection Agency.

In both cases, an experimental "use permit" would have to be secured pursuant to FIFRA from EPA and would have attached to it a series of conditions, such as prohibiting use on public lands, EPA believed necessary to protect the environment. Procedural safeguards such as notice, hearings and court review are available to environmental groups under EPA's regulations.

Arguments for the narrower "sodium cyanide/coyote" option

-- It implements the narrow, experimental use of sodium cyanide that you decided upon as a first step. It is broad enough to include the M-44 or any other use of sodium cyanide so that these alternatives may go forward as rapidly as possible. You are not committed to the collar beyond full test of its usefulness.

- -- The decision to exploit sodium cyanide, because of its lack of secondary effects, is the essence of your decision on toxicants. Because broader amendments to the Executive Order should be considered after the experimental data on the collar and M-44 are available, there is no need for broader authority at this time. A broad reference to any chemical toxicant, suggesting further research, makes it look like nothing has been decided and no meaningful action is being taken.
- -- We have no information to indicate that other chemical toxicants should be part of the program. The broader reference might suggest 1080 and strychnine, which are clearly not intended, possibly raising false hopes among the ranchers and inflaming environmental groups even though the Executive Order elsewhere prohibits use of these materials and it is highly unlikely that EPA would ever approve such use.
- -- The broader option throws the problem to EPA under its experimental use authority and the environmentalists believe EPA procedures have been abused by allowing operational programs under their aegis (e.g., M-44 experimental program in Texas).

This option is preferred by Messrs. Buchen, Frizzell, Peterson and Train.

Arguments for the broader "any experimental use approved by EPA" option

- -- Future developments that merit experimentation will not have to be brought to you one-by-one, with input of a number of agencies.
- -- The narrower option could appear to put you personally behind the "collar" technology, or perhaps the M-44, (either of which may "bomb") because it refers specifically to "sodium cyanide" and "coyotes" rather than indicating a willingness to undertake a number of initiatives.
- -- The language is consistent with the explanation of the programmatic initiative which is not limited to a single technology but rather is a broader attack.

This option is preferred by Messrs. Butz, Cannon and Lynn

If you choose the narrower option, please sign the Executive Order at Tab A; if you choose the broader option, please sign the Executive Order at Tab B.

James T. Lynn

Director

Enclosures



4

EXECUTIVE ORDER

ENVIRONMENTAL SAFEGUARDS ON ACTIVITIES FOR ANIMAL DAMAGE CONTROL ON FEDERAL LANDS

President of the United States, and in furtherance of the purposes and policies of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the provisions of Section 1 of the Act of March 2, 1931 (46 Stat. 1468, 7 U.S.C. 426) and the Endangered Species Act of 1973 (87 Stat. 884, 16 U.S.C. 1531 et seq.), Executive Order No. 11643 of February 8, 1972, is amended to read as follows:

"Section 1. It is the policy of the Federal Government, consistent with the authorities cited above, to:

- (1) Manage the public lands to protect all animal resources thereon in the manner most consistent with the public trust in which such lands are held.
- (2) Conduct all mammal or bird damage control programs in a manner which contributes to the maintenance of environmental quality, and to the conservation and protection of the Nation's wild-life resources, including predatory animals.
- (3) Prohibit the use on public lands and in Federal predator control programs of any chemical toxicant for the purpose of killing predatory animals or birds which would have any secondary poisoning effects.

- (4) Restrict the use of chemical toxicants for the purpose of killing predatory or other mammals or birds in Federal programs and on Federal lands in a manner which will balance the need for a responsible animal damage control program consistent with the other policies set forth in this Order; and
- (5) assure that where chemical toxicants or devices are used pursuant to Section 3(b), only those combinations of toxicants and techniques will be used which best serve human health and safety and which minimize the use of toxicants and best protect nontarget wildlife species and those individual predatory animals and birds which do not cause damage, consistent with the policies of this Order."
- "Sec. 2. Definitions. As used in this Order the term:
- (a) "Federal lands" means all real property owned by or leased to the Federal Government, excluding (1) lands administered by the Secretary of the Interior pursuant to his trust responsibilities for Indian affairs, and (2) real property located in metropolitan areas.
- (b) "Agencies" means the departments, agencies and establishments of the Executive branch of the Federal Government.
- (c) "Chemical toxicant" means any chemical substance which, when ingested, inhaled, or absorbed, or when applied to or injected into the body, in relatively small amounts, by its chemical action may cause significant bodily malfunction, injury, illness, or death, to animals or to man.

- (d) "Predatory mammal or bird" means any mammal or bird which habitually preys upon other animals, birds, reptiles or fish.
- (e) "Secondary poisoning effect" means the result attributable to a chemical toxicant which, after being ingested, inhaled, or absorbed, or when applied to or injected into, a mammal, bird, reptile or fish, is retained in its tissue, or otherwise retained in such a manner and quantity that the tissue itself or retaining part if thereafter ingested by man, mammal, bird, reptile or fish, produces the effects set forth in paragraph (c) of this Section.
- (f) "Field use" means use on lands not in, or immediately adjacent to, occupied buildings."
- "Sec. 3. Restrictions on Use of Toxicants. (a) Heads of agencies shall take such action
 as is necessary to prevent on any Federal lands under
 their jurisdiction, or in any Federal program of mammal
 or bird damage control under their jurisdiction:
- (1) the field use of any chemical toxicant for the purpose of killing a predatory mammal or bird; or
- (2) the field use of any chemical toxicant which causes any secondary poisoning effect for the purpose of killing mammals, birds, or reptiles.
- (b) Notwithstanding the provisions of subsection (a) of this Section, the head of any agency magnificant the emergency use on Federal lands under his jurisdiction of a chemical toxicant for the purpose of killing predatory mammals or birds, or of a chemical toxicant which causes a secondary poisoning effect for the purpose of killing other mammals, birds, or reptiles, but only if in each specific case he makes a written finding, following consultation with the

Secretaries of the Interior, Agriculture, and Health, Education, and Welfare, and the Administrator of the Environmental Protection Agency, that an emergency exists that cannot be dealt with by means which do not involve use of chemical toxicants, and that such use is essential:

- (1) to the protection of the health or safety of human life;
- (2) to the preservation of one or more wildlife species threatened with extinction, or likely within the foreseeable future to become so threatened; or
- (3) to the prevention of substantial irretrievable damage to nationally significant natural resources.
- (c) Notwithstanding the provisions of subsection (a) of this Section, the head of an agency may authorize the use, on an experimental basis, of sodium cyanide to control coyote and other predatory mammal or bird damage to livestock on Federal lands or in Federal programs, provided that such use is in accordance with all applicable laws and regulations, including those relating to the use of chemical toxicants."

"Sec. 4. Rules for Implementation of Order. Heads of agencies shall issue such rules or regulations as may be necessary and appropriate to carry out the provisions and policy of this Order."



EXECUTIVE ORDER

ENVIRONMENTAL SAFEGUARDS ON ACTIVITIES FOR ANIMAL DAMAGE CONTROL ON FEDERAL LANDS

President of the United States, and in furtherance of the purposes and policies of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the provisions of Section 1 of the Act of March 2, 1931 (46 Stat. 1468, 7 U.S.C. 426) and the Endangered Species Act of 1973 (87 Stat. 884, 16 U.S.C. 1531 et seq.), Executive Order No. 11643 of February 8, 1972, is amended to read as follows:

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- (3) Prohibit the use on public lands and in Federal predator control programs of any chemical toxicant for the purpose of killing predatory animals or birds which would have any secondary poisoning effects.

- (4) Restrict the use of chemical toxicants for the purpose of killing predatory or other mammals or birds in Federal programs and on Federal lands in a manner which will balance the need for a responsible animal damage control program consistent with the other policies set forth in this Order; and
- (5) assure that where chemical toxicants or devices are used pursuant to Section 3(b), only those combinations of toxicants and techniques will be used which best serve human health and safety and which minimize the use of toxicants and best protect nontarget wildlife species and those individual predatory animals and birds which do not cause damage, consistent with the policies of this Order."
- "Sec. 2. Definitions. As used in this Order the term:
- (a) "Federal lands" means all real property owned by or leased to the Federal Government, excluding (1) lands administered by the Secretary of the Interior pursuant to his trust responsibilities for Indian affairs, and (2) real property located in metropolitan areas.
- (b) "Agencies" means the departments, agencies and establishments of the Executive branch of the Federal Government.
- (c) "Chemical toxicant" means any chemical substance which, when ingested, inhaled, or absorbed, or when applied to or injected into the body, in relatively small amounts, by its chemical action may cause significant bodily malfunction, injury, illness, or death, to animals or to man.

- (d) "Predatory mammal or bird" means any mammal or bird which habitually preys upon other animals, birds, reptiles or fish.
- (e) "Secondary poisoning effect" means the result attributable to a chemical toxicant which, after being ingested, inhaled, or absorbed, or when applied to or injected into, a mammal, bird, reptile or fish, is retained in its tissue, or otherwise retained in such a manner and quantity that the tissue itself or retaining part if thereafter ingested by man, mammal, bird, reptile or fish, produces the effects set forth in paragraph (c) of this Section.
- (f) "Field use" means use on lands not in, or immediately adjacent to, occupied buildings."
- "Sec. 3. Restrictions on Use of Toxicants. (a) Heads of agencies shall take such action
 as is necessary to prevent on any Federal lands under
 their jurisdiction, or in any Federal program of mammal
 or bird damage control under their jurisdiction:
- (1) the field use of any chemical toxicant for the purpose of killing a predatory mammal or bird; or
- (2) the field use of any chemical toxicant which causes any secondary poisoning effect for the purpose of killing mammals, birds, or reptiles.
- (b) Notwithstanding the provisions of subsection, to find (a) of this Section, the head of any agency may authorize the emergency use on Federal lands under his jurisdiction of a chemical toxicant for the purpose of killing predatory mammals or birds, or of a chemical toxicant which causes a secondary poisoning effect for the purpose of killing other mammals, birds, or reptiles, but only if in each specific case he makes a written finding, following consultation with the

Secretaries of the Interior, Agriculture, and Health, Education, and Welfare, and the Administrator of the Environmental Protection Agency, that an emergency exists that cannot be dealt with by means which do not involve use of chemical toxicants, and that such use is essential:

- (1) to the protection of the health or safety of human life;
- (2) to the preservation of one or more wildlife species threatened with extinction, or likely within the foreseeable future to become so threatened; or
- (3) to the prevention of substantial irretrievable damage to nationally significant natural resources.
- (c) Notwithstanding the provisions of subsection (a) of this Section, the head of an agency may authorize the use, on an experimental basis, of any chemical toxicant to control coyote and other predatory mammal or bird damage to livestock on Federal lands or in Federal programs, provided that such use is in accordance with all applicable laws and regulations, including those relating to the use of chemical toxicants."

"Sec. 4. Rules for Implementation of Order. Heads of agencies shall issue such rules or regulations as may be necessary and appropriate to carry out the provisions and policy of this Order."

THE WHITE HOUSE

THE WHITE HOUSE WASHINGTON July 17, 1975

Jim:

I would appreciate your use of the attached as the statement of our views.

There may be no issue over the limitation to coyotes. Interior says there are other animals; if they recommend deleting the word coyotes, Phil is agreeable. The reference to protection of livestock should remain.

Thanks.



Arguments for the Narrower Sodium Cyanide/Coyote Option

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that you decided upon as a first step. It is broad enough to include the M-44 or any other use of sodium cyanide so that these alternatives may go forward as rapidly as possible. You are not committed to the collar beyond a full test of its usefulness.

cvanide

- The decision to exploit sodium, because of its lack of secondary effects, is the essence of your decision on toxicants.

 It gives the ranchers something they don't have an assures environmental groups that you are acting responsibly.
- -- We have no information to indicate that other chemical toxicants should be part of the program. The broader reference will suggest 1080 and strychnine, which are clearly not intended.

 It would raise false hopes among the ranchers and inflame environmental groups.
- -- Broader amendments to the Executive Order should be considered after the experimental data on the collar and M-44 are available, as you indicated. There is no need for broader authority at this time.
- A broad reference to any chemical toxicant, suggesting further, research, makes it look like nothing has been decided and no meaningful action is being taken.

July 17, 1975

DRAFT MEMORANDUM FOR THE PRESIDENT

FROM:

James T. Lynn

The following program has been developed to the point of announcement

- -- Resources devoted to currently used methods of killing coyotes, such as shooting from aircraft, will be increased by approximately 25%.
- -- Proceedings to register the M-44, sodium cyanide defice at the Environmental Protection Agency (EPA) will be expedited with a view toward registration within the next six months.
- -- An extensive experimental/demonstration program involving use of sodium cyanide toxic collar utilizing up to 2,500 collars at any one time will be implemented.
- -- Funds devoted to research for the development of environmentally acceptable devices or techniques for dealing with animal predators will be increased, substantially...

We expect the following reaction from the groups most concerned with this issue

- The wool growers: Officially, the response will not be satisfactory because, in their crew?

-- Currently used methods of control are not as effective as indiscriminate use of poisons.

- -- The M-44 device already has rather wide use so nothing new is being done.
- -- Toxic collar is an unworkable, "Rube Goldberg" device, that will never work.
- No additional research is needed because pre-Executive Order poisoning methods worked.

Unofficially, it is hoped that actions taken will, in due time, be perceived among wool growers as effective.

Over time,



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The environmentalists: Response is reluctantly acceptable, but unhappy about any modification to Executive Order.

In the opinion of counsel, the Executive Order should be changed to permit the experimental demonstration projects with the toxic collar and the M-44 device, both of which utilize sodium cyanide.

An issue, not discussed in the meeting last week, should

be decided, by you.

Issue

Whether the Executive Order should authorize an experimental program for either

- -- use for one year of only sodium cyanide for killing coyotes, or
- -- use of any chemical toxicant

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provided that any such experimental program must be in accordance with law, i.e., the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) as administered by the Environmental Protection Agency.

In both cases, an experimental "use permit" would have to be secured pursuant to FIFRA from the Environmental Protection Agency and would have attached to it a series of conditions, the Agency believed necessary to protect the environment.

Procedural safeguards, such as notice, hearing and court review, are available to environmental groups under EPA's regulations.

Arguments for the narrower) sodium cyanide/coyote option

-- No other chemical is available now that could qualify.

The more general reference might suggest a return to 1080, an environmental red flag, even though it is highly unlikely that EPA would ever approve such use.

The broader option throws the problem to EPA under its experimental use authority and the environmentalists believe EPA procedures have been abused by allowing operational programs under their aegis (e.g., M-44 experimental program in Texas).

This option is preferred by Messrs. Buchen, Peterson, Train, (check Cannon, Frizzel),

Arguments for the broader "any experimental use approved by EPA" option

-- Future developments that merit experimentation will not have to be brought to the President one-by-one, with input of a number of agencies.

The narrower option will have the effect of appearing to put the President behind the "collar" technology, or perhaps the M-44, (either of which may "bomb") because it refers specifically to "sodium cyanide" rather than indicating a willingness to undertake a number of initiatives, including additional initiatives if the collar does not work.

-- Consistent with the explanation of the programmatic initiative which is not limited to a single technology but rather is a broader attack. This option is preferred by Messrs. Butzyand Lynn.

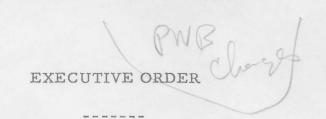
If you choose the narrower option, please sign the Executive Order at Tab A; if you choose the broader option, please sign the Executive Order at Tab B.



Meeting 7/16/79 5:30 p. m.

2:55 Dudley has contacted Jim Mitchell and Jim Lynn to come to the meeting this afternoon (Wed. 7/16) at 5:30 p.m. concerning the use of "any chemical toxicant" rather than "sodium cyanide" in the E. O. on coyotes.





ENVIRONMENTAL SAFEGUARDS ON ACTIVITIES FOR ANIMAL DAMAGE CONTROL ON FEDERAL LANDS

By virtue of the authority vested in me as President of the United States, and in furtherance of the purposes and policies of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the provisions of section 1 of the Act of March 2, 1931 (46 Stat 1468, 7 U.S.C. 426) and the Endangered Species Conservation Act of 1969 (16 U.S.C. 1531 et. seq.) Executive Order 11643, issued on February 8, 1972, is hereby amended as follows:

Section 1. The introductory paragraph of Executive Order 11643 is amended to read as follows:

By virtue of the authority vested in me as President of the United States, and in furtherance of the purposes and policies of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the provisions of section 1 of the Act of March 2, 1931 (46 Stat 1468, 7 U.S.C. 426) and the Endangered Species Conservation Act of 1969 (16 U.S.C. 1531 et. seq.) it is ordered as follows:

Section 2. Section 1 of Executive Order 11643 is amended to read as follows:

It is the policy of the Federal Government consistent with the authorities cited above, to

- (1) manage the public lands to protect all animal resources thereon in the manner most consistent with the public trust in which such lands are held;
- (2) conduct all mammal or bird damage control

 programs in a manner which contributes to the maintenance

 of environmental quality, and to the conservation and protection

 of the Nation's wildlife resources, including predatory animals;

- (3) prohibit the use on public lands and in Federal predator control programs of any chemical toxicant for the purpose of killing predatory animals or birds which would have any secondary poisoning effects;
- of killing predatory or other mammals or birds in Federal programs
 and on Federal lands in a manner which will balance the need
 for a responsible animal damage control program consistent
 with the other policies set forth in this order; and
- (5) Assure that where chemical toxicants or devices are used pursuant to Section 3(b), only those combinations of toxicants and techniques will be used which best serve human health and safety and which minimize the use of toxicants, best protect nontarget wildlife species and those individual predatory animals and birds which do not cause damage, consistent with the policies of this Order.
- Section 3. Section 2 of Executive Order 11643 is amended to read as follows:
 - Sec. 2. Definitions. As used in this order the term:
 - (a) "Federal lands" means all real property owned by or leased to the Federal Government, excluding (1) lands administered by the Secretary of the Interior pursuant to his trust responsibilities for Indian affairs, and (2) real property located in metropolitan areas.
 - (b) "Agencies" means the departments, agencies and establishments of the executive branch of the Federal Government.
 - (c) "Chemical toxicant" means any chemical substance which, when ingested, inhaled, or absorbed, or when applied to or injected into the body, ir relatively small amounts, by its chemical action may cause significant bodily malfunction, injury, or death, to animals or to man.

- (d) "Predatory mammal or bird" means any mammal or bird which habitually preys upon other animals, birds, reptiles or fish.
- (e) "Secondary poisoning effect" means the result attributable to a chemical toxicant which, after being ingested, inhaled, or absorbed, or when applied to or injected into, a mammal, bird, reptile or fish, is retained in its tissue, or otherwise retained in such a manner and quantity that the tissue itself or retaining part if thereafter ingested by man, mammal, bird, reptile or fish, produces the effects set forth in paragraph (c) of this section.
- (f) "Field use" means use on lands not in, or immediately adjacent to occupied buildings.

Section 4. Section 3 of Executive Order 11643 is amended to read as follows:

- Sec. 3. Restrictions on Use of Chemical Toxicants.
- (a) Heads of agencies shall take such action as is necessary to prevent on any Federal lands under their jurisdiction, or in any Federal program of mammal or bird damage control under their jurisdiction:
 - (1) the field use of any chemical toxicant for the purpose of killing a predatory mammal or bird; or
 - (2) the field use of any chemical toxicant which causes any secondary poisoning effect for the purpose killing mammals, birds, or reptiles.
- (b) Notwithstanding the provisions of subsection (a) of this section, the head of any agency may authorize the emergency use on Federal lands under his jurisdiction of a chemical toxicant for the purpose of killing predatory mammals or birds, or of a chemical toxicant which causes a secondary poisoning effect for the purpose of killing other mammals, birds, or reptiles, but only if in each specific case he makes a written finding, following consultation

with the Secretaries of the Interior, Agriculture, and Health,

Education, and Welfare, and the Administrator of the Environmental

Protection Agency, that any emergency exists that cannot be dealt

with by means which do not involve use of chemical toxicants, and

that such use is essential:

- (1) to the protection of the health or safety of human life;
- (2) to the preservation of one or more wildlife species threatened with extinction, or likely within the foreseeable future to become so threatened; or
- (3) to the prevention of substantial irretrievable damage to nationally significant natural resources.
- of this section, the head of an agency may authorize the use,
 on an experimental basis, of sodium cyanide to control coyote
 damage to livestock on Federal lands or in Federal programs,
 for a period of one year, provided that such use is in accordance
 with all applicable laws and regulations relating to the use of
 chemical toxicants and continues for no more than one year.

THE WHITE HOUSE

July , 1975.

W. FOROTORO

Wednesday 7/16/75

Meeting 7/16/75 5:30 p.m.

2:55 Dudley has contacted Jim Mitchell and Jim Lynn to come to the meeting this afternoon (Wed. 7/16) at 5:30 p.m. concerning the use of "any chemical toxicant" rather than "sodium cyanide" in the E. O. on coyotes.



THE WHITE HOUSE

Date 7/16

TO: Phil Buchen

FROM: DUDLEY CHAPMAN

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up on his proposal to

son any chromical toxicunt

rather than sodium equaide

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THE WHITE HOUSE WASHINGTON

Date July 15

For Dudley Chapman

From Andre Buckles

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EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

DRAFT -- 7/15/75

MEMORANDUM FOR: Tod Hullin

James L. Mitchell FROM:

SUBJECT: Executive Order Decision

Issue

Whether the Executive Order should authorize an experimental program for either

any use of sodium cyanide for one year, or

-- any chemical toxicant

provided any such experimental program must be in accordance with law, i.e., the Federal Insecticide, Fungicide and Rodenticide Act as administered by the Environmental Protection Agency.

In both cases, an experimental "use permit" would have to be secured from the Environmental Protection Agency and would have attached to it a series of conditions the Agency believed necessary to protect the environment.

Position

I strongly favor the broader option of "any chemical toxicant". The advantages of this broader option are:

The President regards This as a first

future developments that merit experimentation will not have to be brought to the President one-by-one, with input of a number of agencies

-- the narrower option will have the effect of appearing to put the President behind the "collar" technology, or perhaps the M-44, because it refers specifically to inevitable "sodium cyanide" rather than indicating a willingness to Distended undertake a number of initiatives including additional initiatives if the collar does not work.





As I see it, the arguments for the narrower, "sodium cyanide" reference are

- nothing else is around now that could qualify
- the more general reference might suggest a return to 1080, an environmental red flag

the broader option throws the problem of what can be done This is cedures have been abused by allowing operational programs under their aegis (e.g., M-44 experimental program in Texas). prigram.

I believe each of these objections is answerable:

- We know -since hundreds of thousands of dollars are being spent on of no ne. predator research, a significant portion of which is toxicant research, there is no reason not to expect additional advances in environmentally acceptable chemical toxicants -- and the Executive Order should allow experimentation with any such new developments
- no one reasonably informed about EPA could think that 1080 would be permitted on an experimental use basis, especially as EPA is now fighting a law suit in order to keep 1080 from being registered
 - if the environmentalists have problems with EPA procedures, we ought to deal with EPA procedures, not set up a rump procedure via the Executive Order which puts the President in the position of deciding whether to create new exceptions for new toxicants one-by-one.

politics virtually do Trios.



Thursday, July 10

5:30 p.m.

Mr. Buchen has been invited by the Domestic Council (Tod Hullin) to attend a meeting in the Cabinet Room at 9:15 a.m. Friday (7/11) morning hosted by The President on "Predator Control." In attendance will be:

Mr. Cannon
Sec'y Butz
Admin. Train
Mr. Peterson
Dir. Lynn
Mr. Marsh
Mr. Rumsfeld
Mr. Friedersdorf



THE WHITE HOUSE

WASHINGTON

July 3, 1975

MEMORANDUM FOR:

JIM CANNON

FROM:

DUDLEY CHAPMAN 36

SUBJECT:

Coyote Paper: Intermediate Options

Following are suggested substitutions for (1) the paragraph entitled Court Situation and (2) Option 1 of your July 2 Options paper:

* * *

Legal Factors

Federal control of pesticides affecting sheep growers derives from three sources:

- 1. Executive Order 11643, signed by President Nixon in 1972, bans all use of chemical pesticides on Federal lands subject to three very narrow exceptions for (i) the protection of human health or safety, (ii) the preservation of wildlife species threatened with extinction, or (iii) the prevention of substantial and irretrievable damage to nationally significant natural resources.
- 2. The Federal Insecticide, Fungicide and Rodenticide Act of 1947 (FIFRA) as amended by the Federal Environmental Pesticide Control Act of 1972 (FEPCA). This statute requires EPA to maintain a system of registration restricting permissible pesticide chemicals and their uses. The statute permits emergency exceptions for Federal and State agencies.
- 3. EPA Regulations. EPA has issued regulations under the above statute which presently prohibit the use of all chemicals that sheep growers want to use. It is expected that one of these chemicals will become available in time for the 1975 fall lambing season. The regulations also provide procedures for invocation of the emergency exception.

NOTE: <u>Litigation</u>. The EPA regulations are presently enjoined from being enforced in a suit brought by livestock interests on the ground that EPA did not file an environmental impact statement. The suit was filed in Wyoming but has nationwide implications, so that in practical effect all the EPA regulations are at least temporarily suspended. The Justice Department is appealing this ruling and expects to be successful. The analysis in this paper assumes that the regulations will be reinstated.

Appeals for Relief

Two levels of relief are being sought by livestock interests. The sheep growers are pressing for a change in the Executive Order only at this time. This change is supported by the Interior Department. Other livestock groups, supported by the Department of Agriculture, prefer that you rescind the Executive Order in its entirety and propose legislation to the Congress to eliminate restrictions on chemical toxicant use for predator control.

Discussion

The need for chemical toxicants is seasonal and will not arise again until the fall of 1975. By that time, one chemical may be approved for use under the existing EPA regulations and would, therefore, be available on non-Federal lands. An amendment to the Executive Order, as proposed by the sheep growers and Interior, would accomplish this. The effect of the amendment would be to add a new ground of exception based on economic impact on livestock owners.

In addition to amending the Executive Order, changes in the EPA regulations may be accomplished by executive action that could be completed by fall. The regulations, like the Executive Order, presently contain no provision for exceptions based on economic impact on livestock owners. Such an exception could be published for public comment and accompanied by an environmental impact statement (neither or which are required for a change to the Executive Order). This could provide a more permanent basis for considering economic impact on livestock owners under the regulations as well as under the Executive Order.



A change in the Executive Order alone is criticized by those favoring the Department of Agriculture's position on the ground that (a) it would have no effect outside Federal lands and (b) even on Federal lands, the EPA regulations would still apply. The sheep growers understand this but are willing to settle at present for an amendment to the Executive Order. The further step of amending the EPA regulations would probably draw both attacks and lawsuits from environmental interests.

* * *

OPTIONS

Option

- 1. (a) Amend the Executive Order to provide for exceptions based on economic considerations for temporary and limited purposes.
- (b) Direct EPA to revise its regulations to provide for exceptions based on economic considerations, with appropriate time limitations and safeguards.

cc: Phil Buchen Ken Lazarus Tod Hullin



THE WHITE HOUSE

WASHINGTON

July 2, 1975

MEMORANDUM FOR:

JIM CANNON

THROUGH:

PHIL BUCHEN $\mathcal{P}\omega$. \mathcal{B} .

FROM:

DUDLEY CHAPMAN DC

SUBJECT:

Coyote Paper

Three comments:

(1) The text does not explain the significance of the time lag between now and the 1975 fall lambing season—which is that the coyote problem will be in abeyance, providing time to work out this problem,

- (2) Option two appears rather precipitous. There are intermediate steps possible short of either rescinding the executive order or introducing legislation that could meet the sheep herders objectives at much less offense to the environmentalists.
- (3) The explanation of the court situation is misleading. The failure to file an impact statement is not just a technicality. The issue is whether one is required here and Justice thinks it is not. A more prudent statement would be as follows:

"The Justice Department expects to get a reversal of this decision, which held that EPA should have filed an environmental impact statement for its regulations."

cc: Tod Hullin



Om and

WASHINGTON

July 2, 1975

MEMORANDUM FOR:

JACK MARSH

ROBERT T. HARTMANN

PHIL BUCHEN

MAX FRIEDERSDORF

JIM LYNN

FROM:

JIM CANNON

SUBJECT:

Coyote Paper

My apologies for staffing a paper yesterday that was longer than a coyote's tail.

Attached is a shorter draft we have prepared for the President. I'd appreciate receiving your comments and recommendations this evening.

Thank you very much.

Attachment

THE WHITE HOUSE WASHINGTON July 2, 1975

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM CANNON

SUBJECT:

Coyotes

Background

The issue is whether, how and under what conditions the Federal government should permit the use of toxicants (poisons) to control sheep predators, primarily coyotes.

Executive Order 11643 of February, 1972, restricts the use of toxicants for predator control on public lands and in Federal programs.

After the Executive Order was issued, Congress enacted, and President Nixon signed, the Federal Pesticide Control Act of 1972. This legislation provided that the registration of toxicants by EPA on both private and public lands be based on their effect on the environment.

To date, EPA has not authorized the use of any toxicants for coyote control. Therefore, poisons are now banned on all private and public lands by the 1972 law.

Court Situation:

A Wyoming Federal Court on June 12, 1975 revoked EPA suspension of pesticide registration. But because the decision was based on a technicality (i.e, failure to file an environmental impact statement by EPA) it is doubtful that the suspension will last long.



Congressional Situation

Those members favoring action that would permit resuming the use of poison against coyotes primarily represent the Western states and include

Senators Mansfield, McClure, Garn, Moss, Domenici, Bentsen, Montoya, Fannin, Abourezk, Church, Tower, Bartlett, Laxalt, Curtis, McGovern, Hansen, Dole, Bellmon and Hatfield; and

Representatives Krueger, Runnels, Symms, Lujan, Abdnor, Hansen, Mahon, Melcher, Litton, Poage, Sisk, Burleson, Sam Steiger, Baucus.

Those members concentrating on the environmental concerns primarily represent the Eastern states and include Senators Javits, Hart, Buckley, Gravel, Proxmire, Stafford, Pell, Bayh, Cranston, Brooke, McIntyre, Nelson, Ribicoff, Weicker, Hugh Scott, Mathias, Schweiker, Williams, Pastore.

Max Friedersdorf indicates that the Congressional environmental forces are not active on the issue. On the other hand, the "Mansfield forces" are becoming more intense.

Options

L •	administration steps required to enable necessary predator decisions regarding use of one specialized toxicant to be made in time for the fall 1975 lambing season.
	Approve Disapprove
2.	Rescind Executive Order and introduce legislation seeking to eliminate Federal restrictions on chemical toxicant use for predator control.
	Approve Disapprove



Domestic Conneil

July 2, 1975

MEMORANDUM FOR:

TOD HULLIN

FROM:

DUDLEY CHAPMAN

SUBJECT:

Predator Control Decision Paper

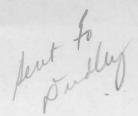
I have only one comment:

Page 8: The last "Con" at the bottom of the page is that environmentalists will probably bring suit to halt the effect of the action untilian environmental impact statement has been prepared. It would seem better to fereclose this risk by proposing such a statement be prepared as part of the option itself.



THE WHITE HOUSE
WASHINGTON

July 1, 1975



MEMORANDUM FOR

PHIL BUCHEN
ROBERT T. HARTMANN
JAMES T. LYNN
JOHN MARSH
MAX FRIEDERSDORF

FROM

TOD HULLING

SUBJECT

PREDATOR CONTROL DECISION PAPER

Jim Cannon has asked me to forward the attached decision paper on predator control to you for review, comment and your recommendation. This is a very sensitive issue with the environmentalists on one side and the livestock industry on the other. Emotions on both sides are strong.

It is out intention to get this paper to the President this evening. Your comments would be appreciated by no later than 3 p.m. today.



Date	July	3.	1975	
Date	o ary	~,	- /	

TO: Jim Cannon

FROM: DUDLEY CHAPMAN LL

Attached is a draft containing an intermediate option as you requested. There was not time to let Tod Hullin see it before COB Thursday, and I would urge that you give him a chance to suggest changes.

WASHINGTON

July 3, 1975

MEMORANDUM FOR:

JIM CANNON

FROM:

DUDLEY CHAPMAN &

SUBJECT:

Coyote Paper: Intermediate Options

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Legal Factors

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* * *

OPTIONS

Option

- 1. (a) Amend the Executive Order to provide for exceptions based on economic considerations for temporary and limited purposes.
- (b) Direct EPA to revise its regulations to provide for exceptions based on economic considerations, with appropriate time limitations and safeguards.

cc: Phil Buchen

Ken Lazarus

Tod Hullin



Drug abuse Oct. 8, 1975 To: Dawn From: Eva They apologized for getting this to us so late, and hopefully they would like to have it back by 4 o'clock this afternoon. Thanks. Ken advises its OK 4:35 so advised Judy Johnston

B. FOROLIBRAD

ACTION MEMORANDUM

WASHINGTON

LOG NO .:

Date: October 8

Time:

1200noon

FOR ACTION:

Phil Buchen

Robert Hartmann

Max Friedersdorf

Jack Marsh

General Scowcroft

Jim Lynn

cc (for information):

Jim Cavanaugh Warren Hendriks

Dick Parsons

FROM THE STAFF SECRETARY

DUE: Date: October 8

Time:

400pm

SUBJECT:

Proposed Presidential Statement Announcing the Report of the Domestic Council Drug Abuse Task Force

ACTION REQUESTED:

For	Necessary	Action
7 01	TARCESSOTIA	TIGHTORY

For Your Recommendations

Prepare Agenda and Brief

_ Draft Reply

X For Your Comments

___ Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jim Cavanaugh



WASHINGTON

October 8, 1975

MEMORANDUM FOR:

PHIL BUCHEN

ROBERT T. HARTMANN MAX FRIEDERSDORF

JACK MARSH

GENERAL SCOWCROFT

JIM LYNN

FROM:

JIM CANNO

SUBJECT:

Proposed Presidential Statement Announcing the Report of the Domestic Council Drug Abuse

Task Force

The Domestic Council Drug Abuse Task Force has prepared a comprehensive "White Paper on Drug Abuse," which was transmitted to the President earlier this week.

The White Paper has generated considerable Congressional and media interest.

We would like to publicly release the White Paper on Friday, before the Congressional recess.

Attached is a proposed Presidential statement which has been cleared by Paul Theis.

May I please have your comments.



DRAFT STATEMENT BY THE PRESIDENT

At my direction, the Domestic Council has conducted an intensive review of the drug abuse problem in the United States during the last six months. I initiated this review because I was concerned about reports of increasing availability and use of drugs. Specifically, I wanted to know the extent and nature of drug abuse in this country and the effectiveness of current programs in responding to this serious problem.

The Domestic Council Drug Abuse Task Force has completed its review and has prepared a "White Paper on Drug Abuse" for my consideration. I believe it outlines in realistic terms the drug abuse problem this nation faces, firmly pinpoints program shortcomings, and is comprehensive in suggesting ways in which the Federal response can be improved.

Drug abuse is a problem of deep personal concern to me and one which requires a careful but forceful policy both at home and abroad. In order to assure prompt implementation of this report, I am directing each Federal agency with direct program responsibility to analyze and respond to the White Paper within the next 60 days.

This Administration is firmly committed to improving the quality of life for all Americans. Clearly drug abuse has no place in our society. Yet, as the White Paper accurately points out, there are limits to what the Federal Government can do about this problem. State and local governments and the private sector must join with the Federal Government if we are ultimately to succeed.



Donnette Course

THE WHITE HOUSE

WASHINGTON

October 3, 1975

MEMORANDUM FOR:

JIM CONNOR

THROUGH:

PHIL BUCHEN P.W.B.

FROM:

KEN LAZARUS 🕊

SUBJECT:

Cannon Memo/White Paper

on Drug Abuse

This office has reviewed the draft Memorandum for the President and Report to the President from the Domestic Council Drug Abuse Task Force.

We concur in the judgment that the findings and recommendations of the task force form a solid base for a major Presidential address reaffirming the importance of Federal, State and local efforts to combat drug abuse. Moreover, since the report is comprehensive and artfully composed, it could serve as the work basis for specific legislative proposals and the reorganization of Federal drug control efforts.

The drug control program of the Nixon Administration was frequently the subject of attack by Democratic forces — led by Senator Bayh (drug control and juvenile delinquency are his principal crime issues). In view of the fact that Senator Bayh is now a candidate for the Presidency, we can expect renewed and stronger attacks on this issue in the months ahead. Thus, from a political dimension, it is also important for the President to develop a strong program in this area.

ACTION MEMORANDUM

LOG NO .:

September 25, 1975

Time:

ce (for information):

Phil Buchen Jim Lynn

FROM THE STAFF SECRETARY

DUE: Date: Monday, September 29

Time: 10 A.M.

SUBJECT:

Cannon memo (undated) re White Paper on Drug Abuse

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

____ Prepare Agenda and Brief

_ Draft Reply

X For Your Comments

Draft Remarks

REMARKS:



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jim Connor For the President WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM:

Jim Cannon

SUBJECT:

WHITE PAPER ON DRUG ABUSE

The Domestic Council Drug Review Task Force which you established in April has completed its work, and a detailed white paper summarizing the task force's assessment of the extent and scope of the drug abuse problem and outlining its recommendations for improving the Federal effort is ready to be printed.

The Vice President and I have reviewed the draft white paper and believe that it contains sound recommendations which you should consider carefully. Further, we believe that this paper will be effective in stilling some of the criticism this Administration has gotten concerning its commitment to the drug program, and its management of it.

This memorandum reviews the major themes which run throughout the white paper and highlights the most important recommendations of the task force.

BASIC THEMES AND RECOMMENDATIONS

Drug abuse continues to be a major domestic problem, a problem which has been getting worse rather than better over the past year and a half. In its white paper, the task force sets forth the directions it believes the Administration should take in dealing with the problem, drawing heavily on the lessons learned over the past six years.

Specifically, the white paper:

Acknowledges that total elimination of drug abuse is unlikely, but states that governmental actions can contain the problem and limits its adverse effects. In this regard, the white paper calls for toning down the rhetoric about "winning the war against drugs" and calls, instead, for realism in defining society's and the Federal government's objectives in dealing with what is likely to be a part of the American social scene for a long time to come.

- States that the problem is not one which can be dealt with by Federal efforts alone, and urges increased participation by State and local governments, community organizations and private industry.
- Confirms the validity of the basic Federal strategy of a balanced attack on both the supply and the demand for drugs. This is not only politically sound, but an impressive array of evidence suggests that the two efforts are mutually supportive and complementary.
- calls for Federal priorities which reflect the fact that all drug use is not equally destructive. Highest priority in utilizing limited resources should be placed on heroin, barbiturates and amphetamines, with marihuana and cocaine being somewhat less emphasized.
- e Recommends that supply reduction efforts be broadened beyond the current law enforcement focus. In particular, greater attention should be given to regulating and monitoring legitimate production of drugs such as barbiturates, which are also used illicitly.
- Recommends that a higher priority be given to development of international cooperation in preventing illicit production of drugs and that special attention be given to Mexico as the major source country for U. S. markets.
- Recommends that the current treatment focus of demand reduction efforts be supplemented with increased attention to programs which prevent the problem before it develops and to vocational rehabilitation for ex-addicts to enhance their ability to rejoin society as productive members.
- States that significant opportunities exist for improving the effectiveness with which the drug program is managed now that the period of rapid growth is over and the departments have had time to assimilate the increase in resources. Particular attention is required to strengthen management within agencies, improve coordination and cooperation among agencies and rigorously evaluate and follow up results.
- Endorses the concept of strengthening Cabinet management by reducing the degree of direct White House management of the program. The paper recommends several specific steps, including creation of a Cabinet Committee on Drug Abuse Prevention and continuation of a small OMB drug office.

Finally, although not specifically set forth in the white paper, it is the sense of the task force that these findings and recommendations form a solid base for a major Presidential address reaffirming the importance of Federal, State and local efforts to combat drug abuse.



WASHINGTON



October 17, 1975

MEMORANDUM FOR:

PHIL BUCHEN

FROM:

KEN LAZARUS V

SUBJECT:

Food Stamp Message

I spoke with Art Quern this morning about the attached draft message. Two points were covered:

- (1) The message does not make clear whether the anticipated \$1 billion reduction in costs which would result from the bill is part and parcel of the \$28 billion spending cut. Although it is not clear which way that issue will go, it will be clarified in the message.
- (2) The message makes specific reference to a parallel bill introduced by Senator Buckley and Representative Michel. This is not customarily in a Presidential message. However, Art tells me this was done at the direction of the President as a sop to the conservatives.

No further comments are warranted.



WASHINGTON

October 16, 1975

MEMORANDUM FOR:

PHIL BUCHEN

MAX FRIEDERSDORF ALAN GREENSPAN ROBERT T. HARTMANN

JIM LYNN
JACK MARSH
PAUL O'NEILL
BILL SEIDMAN

FROM:

JIM CANNON

SUBJECT :

Food Stamp Message

I would appreciate your comments on the attached draft message to Congress on the Food Stamp issue by 10:00 a.m. Friday, October 17, 1975.

Attachment



MESSAGE TO CONGRESS--FOOD STAMPS

I am pleased to submit today to Congress the Food Stamp Reform Act of 1975.

I call to the attention of the Congress the particular importance of this reform proposal for two reasons:

First, we--the Executive Branch and the Congress--must work together to reform a Federal assistance program that has been widely and flagrantly abused.

Second, we--the Executive Branch and the Congress--must begin now to work together to make those changes which will enable us to hold down federal spending in fiscal 1976 and meet the spending ceiling of \$395 billion for fiscal 1977.

My recommendations for dealing with the Food Stamp assistance program follow a fundamental principle on which I stand: The Federal government should help, within the limits of national resources, those who are in need; but we should not give one dollar of Federal assistance to those not in need.



The title of this proposal is identical to the title of a bill introduced by Senator Buckley in the Senate, Representative Michel in the House, and cosponsored by a number of other members of the House and Senate.

The Administration proposal and the Buckley-Michel bill are parallel in many respects, especially in limiting benefits to those who are at or below the poverty level.

Both proposals cut costs. Both concentrate benefits on the truly needy in a straightforward and fair manner. Both would achieve that most important objective of getting control over what has become the most rapidly growing cost in the Federal government.

The Administration proposal gives greater emphasis to the need for simplifying administration in order to reduce errors, eliminate abuses and reduce the costs of running the program.

In brief, the Administration proposal would:

- 1. Reduce costs by more than \$1 billion.
- 2. Limit eligibility to those whose net income-gross income less the standard deduction and withholding taxes--is below the poverty level. (\$5050 for armily of four).

- 3. Increase benefits only for those at the very lowest income level.
- 4. Require everyone who receives food stamps to spend 30% of his or her net income for the stamps.
- 5. Eliminate abuses and cut the cost of administration by replacing current variable and complex deductions with a standard deduction of \$100 a month.
- 6. Measure income over at least the preceding 30 days for purposes of eligibility determinations.
- 7. Eliminate categorical eligibility for recipients of public assistance.

I believe these proposed changes, which are based on extensive studies by Executive Departments responsible for administering and supervising the Food Stamp program, are essential to real reform.

You also have before you the proposed Buckley-Michel Food Stamp Reform Act and other proposals for reforming food stamps.

The need to control the growth and abuse of the food stamp program is broadly recognized.

What we need now is action by Congress.



WASHINGTON

October 27, 1975

MEMORANDUM FOR:

JIM CANNON

THROUGH:

PHIL BUCHEN

FROM:

DUDLEY CHAPMAN 126

SUBJECT:

Packer Bonding

I disagree with listing as a con to this legislation that it is contrary to regulatory reform. The common theme of our regulatory reform proposals is to avoid substituting the judgment of regulators for the working of the marketplace.

This bill would not replace market forces with regulation. Rather, it is in the legitimate tradition of government regulation designed to assure some measure of regularity in commercial dealings, as through financial reporting and disclosure, Federal Reserve requirements for bank reserves, and the like.

Politically, opposition to this bill under the banner of regulatory reform will undermine rather than further that program.



WASHINGTON

October 23, 1975

MEMORANDUM FOR:

JACK MARSH

PHIL BUCHEN

ROBERT T. HARTMANN

ALAN GREENSPAN

BILL SEIDMAN JIM LYNN

MAX FRIEDERSDORF

FROM:

SUBJECT:

JIM CANNON

Packer Bonding

The President has indicated that he would like to review his decision to oppose Packer Bonding legislation.

The attached draft decision paper provides the President with an opportunity to review the decision and to seek a compromise, if he so desires.

I would appreciate your comments and recommendations on this matter by COB, Monday, October 27.

Thank you very much.



WASHINGTON

October 22, 1975

MEMORANDUM FOR:

FROM:

SUBJECT:

Review of "Packer Bonding" Legislation Situation

PURPOSE

To respond to assurances you gave Governor Ray and others that you would review your earlier decision to oppose a bill to increase financial protection for livestock producers who sell to meat packers.

THE BILL

As currently drafted, it would protect livestock producers by:

- -- requiring that packers be bonded for the payment of amounts due for livestock purchased; and
- -- modifying the bankruptcy law to improve the status of claims against insolvent packers (and market agencies and dealers) by livestock producers.

BACKGROUND

In late July of this year you decided that USDA should testify in opposition to this bill (See Tab A for decision memo you reviewed at that time).

In late August you told Governor Ray and others that you would review that decision.

DISCUSSION

The Packers and Stockyards Act of 1921, and amendments, has established a scheme of Federal government regulation of meat packers, market agencies and dealers. This regulation is administered by the Packers and Stockyards Administration in the USDA.

While packers fall within the coverage of most of this regulation, they are not required to be bonded for the payments due for livestock purchased from producers. In contrast, market agencies, stockyards and dealers are required to be bonded. In earlier years this was of little consequence, since most sales were through bonded intermediaries. However, over the past decade or two, major changes in the economics of livestock sales have resulted in most sales now being directly from producers to packers.

In the last year, the approximately \$25 million of producer losses from packer failures have exceeded the total losses in the 1958-1974 period. This is principally a result of the major American Beef Packers bankruptcy. Because of this relatively large loss --- which may be non-recurring --- pressure has mounted for increased financial protection for livestock producers.

In addition to increased efforts to secure Federal bonding protection for producers, twenty-three States have adopted bonding requirements, but only half have more than token laws.

The proposed legislation would expand Federal regulation of packers by extending the Federal bonding scheme to packers. This increase in Federal regulation would require bonding for packers in the same way that it is now required for market agencies and dealers.

Political Considerations

Friends of the Administration, such as Governor Ray, cannot understand how the Administration can oppose this "good" regulation. They argue that innocent producers should be protected and that one Federal scheme of protection is better than many different State protection schemes.

While the Administration's decision to oppose the Packer Bonding legislation in July delayed Congressional action, it appears that some scheme for protecting producers will be passed by Congress, probably late this session or early next year. This protection will either be in the form of a Packer Bonding bill or some kind of insurance arrangement (somewhat similar to the Federal Deposit Insurance Corporation). An insurance scheme could be both more costly to administer and would threaten a potential further drain on the Treasury if indemnities exceeded premiums.



Possible Compromise

The Administration might compromise on this sensitive issue by attempting to delete the objectionable section which modifies the bankruptcy law and by making several other modifications in the Bill recommended by USDA and Justice. However, the packer bonding requirement would be retained.

If the decision is made to seek a compromise, the interested agencies (USDA, Justice, OMB) will "markup" an acceptable compromise and then USDA will take the lead in working to have this adopted by the Agriculture Committees --- with the major effort in the House Committee, which appears more amenable to a compromise.

Arguments

Pro

- -- This would eliminate the proposed change in the bankruptcy laws while allowing the Administration to support bonding.
- -- It could calm the displeasure of producers and their political representatives, many of whom are staunch supporters of the Administration.
- -- Supporters argue that innocent producers should be protected and that Federal protection is better than many different State protection schemes.
- -- The compromise would expand the coverage of the current Federal bonding scheme to include packers, who are already Federally regulated in other ways.
- -- Some protection scheme is likely to be passed by Congress and the Administration can have substantial influence on a bill if the decision is made to seek a compromise.

Con

-- There is no assurance that a "compromise" can be achieved and some likelihood that any attempt to compromise will be viewed as a total Administration capitulation.



- -- This is contrary to your effort to reform regulation since it will add new Federal regulation for packers.
- -- It is desirable to let the States regulate transactions that are essentially local in nature.
- -- This would authorize a new spending program with a Federal enforcement cost estimated by OMB to be \$600,000 to 800,000 annually.
- -- A Federal bonding requirement might risk incurring the blame for future failures of marginal packer operations.
- -- While a compromise would possibly placate the livestock interests, it should be noted that the Beef Protection Bill --- a piece of "special interest" legislation recently supported by the Administration --- narrowly cleared the House. Similar strong opposition might again arise for a Packer Bonding bill.

Decision		
Support Effort to Achieve Co.	mpromise	orderen or and the same
Continue to Oppose Any New R	Regulation	Re-4
See Me		



WASHINGTON

July 22, 1975

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM CANNON/

SUBJECT:

USDA Testimony on Legislation to

Regulate (Neat Packers

PURPOSE

Jim Lynn has asked for a decision on whether USDA should testify tomorrow in support of, or in opposition to, a bill which would increase financial protection for livestock producers who sell to meat packers.

THE BILL

It would protect livestock producers by:

- -- requiring meat packers to be bonded for the payment of livestock purchased.
- -- authorizing the Department of Agriculture to enforce the law by seeking temporary court injunctions against noncomplying packers or issuing cease-and-desist orders against insolvent packers, and
- -- modifying the bankruptcy law to improve the status of claims against insolvent packers by livestock producers.

BACKGROUND

Efforts at the national level to bond meat packers have been made for at least two decades. To date, 21 States require such bonding, but only half have more than token laws. American Beef Packers recently went bankrupt leaving \$20 million of liabilities to livestock producers. A large percentage of other packers also have highly leveraged balance sheets with great financial risk.

Until this year, meat packing companies have successfully opposed national bonding legislation. However, because State legislation is becoming so stringent and diverse, the companies are now indicating no opposition to a national, State-preemptive act. Sentiment among livestock producers and their representatives in Congress is so strong that both the House and Senate have coordinated on having hearings this week within a three-day period so that witnesses can be heard in both bodies on one trip to Washington.

ARGUMENTS

Pro:

- 1. This national legislation would preempt some stringent and diverse State legislation.
- 2. It would provide some protection for livestock producers who are innocent victims of packer financial problems.
- 3. Livestock producers and their friends in Congress support enthusiastically.
- 4. Packers are indicating no opposition.

Con:

- 1. This authorizes a new spending program with an enforcement cost estimated by OMB to be \$800,000 annually.
- 2. It is contrary to your regulatory reform effort since it provides for new Federal regulation.
- 3. It will have some inflationary impact, since meat packing costs are predicted to rise if the legislation is enacted.
- 4. It gives preference to livestock producers vis-a-vis other businesses who sell (i.e., extend credit) to packers.



DEPARTMENTAL AND STAFF COMMENTS

Support:

The Department of Agriculture--Strongly favors enactment of the bill. It believes the additional regulation is needed to remove the risk of serious financial loss by producers if packers fail to pay for livestock purchases.

No Objection:

The Department of Commerce.

Oppose:

The Department of Justice--Strongly

opposes supporting this bill. All
businesses face the risk of failure
and have the same means of protecting
themselves from debtors defaulting in
their obligations. There is no evidence
to justify extending preferential
bonding treatment to further protect
livestock producers.

Bill Seidman--Should be handled on a State basis; accordingly, national legislation is not recommended.

Max Friedersdorf--Vehemently opposes this
 bill, feels it is a budget buster.

OMB--Agriculture should oppose this bill.

DECISION

Agriculture should oppose this bill and indicate they would recommend a veto if enacted (Justice, Seidman, Friedersdorf, Lynn, Cannon).
 Agriculture should support this bill (Butz).



OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

July 21, 1975

MEMORANDUM FOR: DON RUMSFELD

FROM:

JIM LANN

SUBJECT:

H.R. 5493; S. 1532

Issue

The Department of Agriculture is being asked to testify in the House this Wednesday and in the Senate this Friday on a bill which would increase the financial protection of livestock producers by

- requiring meat packers across the country to be bonded for the payment of livestock purchased
- -- authorizing the Department of Agriculture to enforce the law by seeking temporary court injunctions against noncomplying packers or issuing cease-and-desist orders against insolvent packers, and
- -- modifying the bankruptcy law to improve the status of claims against insolvent packers by livestock producers.

OMB estimates Ag enforcement responsibilities would cost \$800,000 annually.

Background

Efforts at the national level to bond meat packers have been made for at least two decades. To date, twenty-one States require such bonding but only half have more than token laws. American Beef Packers recently went bankrupt leaving \$20 million of liabilities to livestock producers. Packers slaughtering over 90% of U.S. livestock have aggregate current liabilities in excess of aggregate current assets.

Until this year, meat packing companies have successfully opposed national bonding legislation. This year, because State legislation is becoming so stringent and diverse, the companies are indicating no opposition to a national, state-preemptive act. Livestock producers and their representatives in the Congress are uniformly enthusiastic about the bill -- as is the Department of Agriculture. Sentiment is so strong that both the House and Senate have coordinated on having hearings within a three-day period so that witnesses can be heard in both bodies on one trip to Washington.

Relationship to the President's Program

The bill presents several serious conflicts with the President's program -- it

- -- authorizes a new spending program
- -- runs counter to the President's emphasis on deregulation of industry
- -- has some inflationary impact since meat packing costs will be higher
- -- unjustifiably prefers livestock producers in their relations with purchasers over other sellers.

Opposing the legislation may well be tantamount to falling on one's sword. Supporting this kind of legislation seriously weakens other key Administration initiatives.

Signal please.

