# The original documents are located in Box 26, folder "Olympic Sports (4)" of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

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THE WHITE HOUSE

WASHINCTON

DECISION

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM CANNON

DAN McGURK (for Paul O'Neill)

SUBJECT:

Olympic Sports Initiative

You asked us to explore possible initiatives related to the Olympics that you could announce on Thursday in your meeting with the American athletes who participated in the Montreal Olympics.

# BACKGROUND

The current problem in American Olympic participation is not the identification of potential Olympic-class athletes, but rather giving them the support, training and top-flight coaching they need to realize their full potential. Most athletes in school have access to facilities and some level of coaching, but in the summer period and after graduation, it is difficult for promising athletes to work out the financial and physical problems of full competitive training and development.

## OPTIONS

We have explored the possibilities for assisting American athletes in future Olympic games and believe there are three options:

- 1. Announce a National Foundation on Olympic Sports to assist private organizations in assuring that Olympic class athletes receive the best available competitive opportunities and coaching, and to raise funds to defray the costs of that preparation for the Olympics;
- 2. Announce that you have directed the President's Commission on Olympic Sports to broaden its study and make recommendations to you on how this country can assure that American athletes



- will have even better opportunities for coaching, training and preliminary competition for the Lake Placid and Moscow Olympics in 1980 and all future international games.
- 3. Announce that you will expand the responsibilities of the President's Council on Physical Fitness and Sports to include activities to improve performance in the Olympics.

# Discussion

Option 1. National Foundation on Olympic Sports. Such a Foundation could be a Federal agency, a federally established private entity, or a private organization that would apply for and receive a Federal charter. It could provide full Federal funding for a range of activities related to Olympic sports, or it could provide Federal matching funds for private contributions. Federal funding could also be limited to administrative expenses for a fixed period. Alternatively, a Foundation could be created by private groups or through Federal legislation without Federal funding.

Option 2. Direct your Commission on Olympic Sports to not only address the problem of sports organization but also to recommend a clear mechanism for adequate funding of the training and development of Olympic class athletes. You would announce your commitment to propose the necessary steps -- after reviewing the report in December -- to assure that Americans who participate in the Lake Placid and Moscow Olympics in 1980 are of the highest caliber and have had the best coaching and preliminary competition possible.

Option 3. Announce an expansion of the responsibilities of the President's Council on Physical Fitness and Sports. The Council is now authorized by Executive Order. You could amend the existing Executive Order to assign the Council the responsibility for raising funds and working with the sports organizations, e.g., AAU, NCAA, and USOC, to facilitate Olympic participation in the future. The Council, however, has no statutory authorization for program activities. Expansion of the Council to allow it to make grants would require legislation.



## CONSIDERATIONS

- -- Announcing a Foundation could easily be misconstrued as a Federal takeover of higher level sports activities. This would be controversial, and might be opposed by AAU, NCAA, the U.S. Olympic Committee, and other sports federations and organizations.
- -- You gave the Commission on Olympic Sports
  the specific responsibility of analyzing
  "the organization and developmental problems
  of each Olympic sport," and "the financial
  and facilities requirements of each sport,"
  as well as recommending "ways to provide
  needed funds." An announcement now of a new
  Foundation or an expanded Council could undercut your Commission and draw criticism from
  the Congress and others as being premature.
- -- A proposal for additional Federal funding of sports by a new Foundation or expanded Council-even if limited--could result in drying up existing private sources of financial support for the Olympics. Moreover, in light of your public opposition and veto of certain congressional spending bills, e.g., the social programs in the Labor-HEW bill, seeking additional funds for sports could be criticized.
- -- A Presidential statement that there will be better funding for the training of future Olympic athletes, coupled with a Presidential directive to an existing commission to give you recommendations for an organizational structure to accomplish this, would meet your desire for a positive step now--and at the same time give us time to work out a complex and sensitive problem.

#### RECOMMENDATION

In view of the above considerations, we recommend that you use your meeting with the Olympic athletes to announce your new instruction to the Commission and your strong personal commitment to ensure that the final report of your Commission will cover the financial needs of Olympic sports. In that connection, you can point out the variety

of financing modes possible through the private sector to assure that American athletes have access to the best coaching and competitive opportunities before the Lake Placid and Moscow Olympics in 1980.

# DECISION / Option 1: Announce legislation to create the Olympic Sports Foundation. / Option 2: Announce an extension of the Commission and your personal commitment to take action based upon your review of the Commission's final report. / Option 3: Announce an expansion of the President's

Council on Physical Fitness and Sports

and necessary legislation, if any.



# PRESIDENT'S COMMISSION ON OLYMPIC SPORTS

Gerald B. Zornow, Chairman Donna de Varona
W. Michael Elliott
Dr. Barbara E. Forker
Dr. Jerome H. Holland
Lamar Hunt
Rafer L. Johnson
Captain Micki King
Dr. James A. McCain
Howard K. Smith
William A. Toomey
Dr. Ernest Vandeweghe
Willye White
Charles "Bud" Wilkinson

# U.S. Senators:

J. Glenn Beall, Jr.
John C. Culver
Ted Stevens
Richard (Dick) Stone

# U.S. Representatives:

Jack Kemp Ralph H. Metcalfe Robert H. Michel Norman Y. Mineta

Michael T. Harrigan Executive Director



Olympic



# THE UNDER SECRETARY OF THE TREASURY WASHINGTON, D.C. 20220

August 3, 1976

Dear Dick:

Warren Hendriks said the President will be receiving American Olympic participants, as well as extending a special tribute to Jesse Owens, this Thursday and asked for my comments.

This year's Olympics seemed to capture the hearts and minds of Americans more than ever before, prompted by the excellent television coverage, but also because there is, as President Ford has previously noted, a surge of nationalism in America during this Bicentennial.

In my opinion it would seem meritorious for the President to consider a public pronouncement that he plans to name a special citizens' committee (with personalities such as Bruce Jenner, John Naber, Phil Boggs, Shirley Babashoff, and Sugar Ray Leonard) to promote neighborhood physical development programs for our youth. This program would seek to assist young athletes throughout our nation, with a special emphasis on inner-city disadvantaged youth. The committee could work as a part of the President's Council on Physical Fitness and Sports or be an independent entity.

The possibility can be explored of encouraging the use of existing, already funded programs for expanding recreational facilities, physical plants in parks and local school systems. The Administration would be expressing its concern about the physical well-being of our citizens as well as their mental and emotional well-being. President Ford is a fine example of how athletics (physical well-being) is important throughout one's life.

It can be pointed out by the President that we did not have entrants in some of the Olympic events, particularly among women, and that under his program we will be assured of entrants in all events at the next Olympics in Moscow.

The President can pay tribute also to those dedicated young Americans who tried their utmost but did not make the Olympics. Many young people put in tedious hours of training

and did enormously well but were barely edged out in the trials for the Olympics. There might even be a Presidential certificate for young Americans who attain a certain level of physical skill in training for the Olympics.

If this program is carried to every neighborhood (rural, suburban, and inner city), it will be a viable way of lifting many young people out of an unproductive lifestyle into a participatory life where they would begin a new road of contributing measurably to our society. President Ford can be the catalyst for such a far-reaching program.

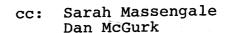
Yours sincerely,

Jerry Thomas

Honorable Richard B. Cheney Assistant to the President The White House Washington, D.C. 20500

cc: Messrs. Gergen, Cannon, and Hendriks







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Yours sincerely,

Jerry Thomas

Honorable Richard B. Cheney Assistant to the President The White House Washington, D.C. 20500

cc: Messrs. Gergen, Cannon, and Hendriks

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DRAFT DLMcGURK:ppd 8/4/76

## PRESIDENTIAL STATEMENT

# Welcoming American Olympic Participants

I would like to welcome you all back to America today, particularly here to the White House. I want to congratulate all of you for having achieved one of the great marks in sports activity — representing your country at the Olympic Games. From this time forward you will always be known as Olympic class athletes. I would also especially like to congratulate those of you who have won medals in Montreal. Winning an Olympic medal is something that will mark you for the rest of your life as an outstanding sports competitor.

The Olympics are fundamentally an individual sport activity. The Olympics were designed and still are operated to pick the best sports participants or teams in the whole world in a list of 28 specific sports. The only role that your country plays in the Olympic concept is to select individuals who are outstanding contenders for Olympic medals. On this basis, I am very proud of all of you who are able to win such a medal.

But despite the individual nature of Olympic participation,

the United States won \_\_\_\_ medals of which \_\_\_ were gold.

In terms of ratings among the countries, this placed us third.

Although a very creditable performance, I don't believe our standing as third really represents the capabilities of the athletes in the United States. I think our national Olympic potential is far higher than our national Olympic performance. The United States should do better for its athletes in terms of better selection and better assistance in development and training for its athletes. If we do that, then the athletes will bring redounding credit to the United States.

At the same time I reject out of hand the sort of government subsidy for certain selected athletes that many countries use. I don't believe it is the role of the Federal Government to have a national Olympic program with all of the costs underwritten.

There are really three parts to a sports program that will ensure a high level of Olympic success. The first of these is having a strong athletic program throughout the country for our young people. We now have that in the many sports activities of our schools and colleges throughout the country, combined with my physical fitness council headed by

Captain James Lovell. Together the school sports systems and our physical fitness emphasis helps to select, and start the training, of our many young athletes.

The second part is having the proper structure of sports organizations within the country to assist in identifying really outstanding young people and to interface properly with the international sports organizations that are the foundation of international Olympic competition. This problem is being addressed by the President's Commission on Olympic Sports headed up by Mr. Zornow, which has already presented one report and which will present an additional report on this problem in the coming months.

The third component of a successful international sports competition is the identification, coaching, and provision of competitive forums for selected athletes to hone their skills in preparation for international competition. This is the area where in other countries, the government takes over the training, the schooling, competition, and even the lives of its potential athletes as an explicit national policy.

Although many people think that the United States should embark upon such a program, I can't endorse it for the country. I much prefer our free enterprise system to be the sparkplug

in assisting young athletes of great potential to become strong international competitors. I think this can be done by

- o linking promising young athletes and outstanding coaches together;
- o seeking scholarships at the collegiate level for promising young athletes;
- o establishing centers for many of the individual sports by designation of existing facilities as an Olympic sports training center;
- o sponsoring summer clinics at such centers for the most promising of our athletes;
- o asking businesses who hire promising athletes to give them time to train at those centers.

In other words, I think the Federal Government can be the catalyst and organizing agent to establish a sports program designed to assist in the development and training of promising young athletes, and to promote the continued training of athletes in those sports of strength and endurance where post-school training will yield improved competitive results.

As a consequence, I am asking the Congress to extend the life of my Commission on Olympic Sports until January

of next year. In that time I asking them to not only address the problem of sports organization in the United States, but to also recommend a clear mechanism for adequate funding of training and development of Olympic class athletes. I would hope that they can come forward with some mechanisms for private sector funding of this activity such as

- o broken-time provisions for private sector employment;
- o appeal to industry, particularly professional sports, to support this program;
- o a "coin of the realm" program such as successfully implemented by Canada;
- o potential tax incentives for Olympic participants.

I hope that many of you will be returning to the Olympics in 1980 and perform even better than you did this time. And I am also confident that others not now identified can become well-known international sports figures through the voluntary support of individuals and organizations in our free enterprise system.

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#### DRAFT

Dear Colonel Miller:

I regret that it has taken me so long to get back to you, but I wanted to thank you for the exertions made by you and your colleagues to resolve the issue of the Republic of China's participation in the 1976 Summer Games. I am aware of the time you took to periodically brief my staff on developments at Montreal during a period when there were many demands on your time. I want you to know that I appreciate your assistance very much.

I regret that political concerns interfered with the conduct of the current Olympiad, and I hope that in the future their disruptive influence are removed from the Games. I have asked Phil Krumm to use his good offices with the United States Olympic Committee and the International Olympic Committee to eliminate political interference with the Olympics.

Thank you once more for your very informative assistance.

Sincerely,

Colonel F. Donald Miller
Executive Director
United States Olympic Committee
Olympic House
57 Park Avenue
New York, New York 10016

If al regret that it has taken me so long to get back to you but it wanted to you I've also should shill trans to the exertine and by you and your colleagues to regolve the crive of te republic of their participation is the 1976 suner Gamer. I am
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#### THE WHITE HOUSE

WASHINGTON

August 12, 1976

MEMORANDUM FOR JIM CANNON

FROM:

GEORGE KIDD/

SUBJECT:

Letter to Mr Hale of the Lake

Placed News

After talking with Lynn May and Sarah Massengale, and after reviewing the President's remarks on August 5 to members of the U.S. Olympic Team, I am submitting the attached redraft for your approval.

The letter (paragraph 3, in particular) has been left/substantially as it was since it (a) answers Mr Hale's basic question without making further committments, and (b) is in no way in conflict with the President's remarks of August 5.

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Dear Mr Hale:

Thank you for your kind letter regarding my son's visit to Lake Placid in June. From what I have been told, your description of hiking on some of your mountains is no exaggeration.

Regarding your question about Federal funding for the 1980 Winter Games at Lake Placid, I submitted to the Congress legislation for the construction of permanent sports facilities at Lake Placid for future American teams. This bill, which would cost approximately \$28 million, has been passed by the Senate. A larger authorization, sponsored by your Congressman Bob McEwen, has been passed by the House. This bill includes funds for the housing of Olympic athletes as well as the construction of sports facilities.

I proposed a limited Federal involvement in the funding of the Olympics because I believe the Federal Government should refrain from taking a major role in amateur sports matters. Further, I was concerned about setting a precedent for far more expensive international sports events being held in the United States in the future. I am aware, however, of the need for some form of housing for Olympic athletes and I have asked my staff to review the various options which have been suggested.

Once again, I thank you for your kind words and also for your invitation to visit Lake Placid during the 1980 Games. I am certain they will be a great success and I will certainly try to attend if I can.

Sincerely,

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DRAFT

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Whatever the final resolution of the funding, I am convinced that we can do more, in the long run, to train future American champions. To that end, I am asking the Congress to extend the life of my Commission on Olympic Sports until January 1977. During these next months, I will ask the Commission to examine the problems of sports organization in our country and to recommend effective funding mechanisms for training and development. I am confident we can find ways to preserve our athletes' bona fide amateur status avoid Government funding and still provide the means of Olympic training and development.

Once again, I thank you for your kind words and also for your invitation to visit Lake Placid during the 1980 Games. I am certain they will be a great success and am currently planning to attend.

Sincerely,



C Cympics

THE WHITE HOUSE

WASHINGTON

August 25, 1976

MEMORANDUM TO:

JIM CONNOR

FROM:

JIM CANNON

SUBJECT:

Presidential Letters (2)

Attached for the President's signature are two letters. One is to Colonel Miller thanking him for his help during the Summer Olympic Games. The other is to Mr. Hale who had written the President regarding funding for the Lake Placid Games. Both of these letters have been approved by Hartmann's office.

#### THE WHITE HOUSE

WASHINGTON

August 18, 1976

MEMORANDUM FOR:

ROBERT T. HARTMANN

FROM:

JIM CANNON <u>Jmc</u>

SUBJECT:

Presidential Letters (2)

Attached for your approval are two presidential letters. One is going to Colonel Miller thanking him for his help during the Summer Olympic Games. The second, to Mr. Hale who had written the President regarding funding for the Lake Placid Games.

Thank you for your attention.

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attachments

## Dear Colonel Miller:

Thank you for the fine efforts of yourself and your colleagues to resolve the issue of the Republic of China's participation in the 1976 Summer Games. The time you took to periodically brief my staff on developments at Montreal, during a period when there were many demands on your time is much appreciated.

I regret that political concerns interferred with the conduct of the current Olympiad, and I hope that in the future their disruptive influence is removed from the Games. I have asked Phil Krumm to use his good office with the United States Olympic Committee and the International Olympic Committee to eliminate political interference with the Olympics.

Thank you once more for your very informative and effective assistance.

Sincerely,

Colonel F. Donald Miller
Executive Director
United States Olympic Committee
Olympic House
57 Park Avenue
New York, New York 10016

# THE WHITE HOUSE WASHINGTON

Dear Mr. Hale:

Thank you for your kind letter regarding Mike's visit to Lake Placid in June. From what I have been told, your description of hiking on some of your mountains is no exaggeration.

Regarding your question about Federal funding for the 1980 Winter Games at Lake Placid, I submitted to the Congress legislation for the construction of permanent sports facilities at Lake Placid for future American Teams. This bill, which would cost approximately \$28 million, has been passed by the Senate. A larger authorization, sponsored by your Congressman Bob McEwen, has been passed by the House. The House bill includes funds for the housing of Olympic athletes as well as the construction of sports facilities.

However the funding is finally resolved, I am convinced that we can do more, in the long run, to train future American champions. To that end, I am asking the Congress to extend the life of my Commission to examine the problems of sports organization in our country and to recommend effective funding mechanisms for training and development. I am confident we can find ways to preserve our athletes' bona fide amateur status and still provide the means of Olympic training and development.

Again, I thank you for your kind words and your invitation to visit Lake Placid during the 1980 Games. I know they will be a great success and am currently planning to attend.

Sincerely,

Mr. Edward Hale Editor The Lake Placid News Lake Placid, New York 12946

# THE WHITE HOUSE WASHINGTON

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I regret that political concerns interferred with the conduct of the current Olympiad, and I hope that in the future their disruptive influence is removed from the Games. I have asked Phil Krumm to use his good office with the United States Olympic Committee and the International Olympic Committee to eliminate political interference with the Olympics.

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Sincerely,

Colonel F. Donald Miller
Executive Director
United States Olympic Committee
Olympic House
57 Park Avenue
New York, New York 10016

Mark The At

# THE WHITE HOUSE WASHINGTON

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Regard:

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Sincerely,

Mr. Edward Hale Editor The Lake Placid News Lake Placid, New York 12946





ARD HALE, Editor

Telephone: (518) 523-2 BARBARA M. HALE, General Man

June 11, 1976

The Hon. Gerald R. Ford The President of the United States The White House Washington, D.C.

Dear Mr. President:

Our staff was delighted to receive your letter of June 8. As parents, my wife and I know the difficulties of keeping up with the adventures of offspring. Your situation must make communication especially difficult.

Some background on the area your son visited: We in the Adirondacks are very fond of our mountains. But two of the high pea Street and Nye -- are pesky. Usually hikers aim to get up and down them cuickly. The blowdown is fierce; crawling is often the only way to progress. And while on their knees, even the best of Christi have called upon the Lord in vain. So your son has tackled one of the most trying of training grounds.

As you know, Lake Placid is counting on a visit from you in 1980. We hope you'll try one of our more hospitable mountains -Whiteface, for example -- before the 1980 Olympics.

Our major concern here centers on the federal funding author tionfor the '80 Games (House, \$49,040,000, and Senate, your \$28,000 proposal). If you could let this weekly know what your final resolu of the money level will be, we'd be most grateful. It's hard to be last to publish a story that has so much local impact. That story : we'd love to break along with your rationale for so doing. .. FOR

I wish you every success in your candidac ...

June 8, 1976

Dear Mr. and Mrs. Bale:

You will be interested to know that I have seen a copy of your Thursday, Hay 27, 1976, edition of The Lake Placid News in which you carried two articles regarding our son's experience of hiking on Street Mountain.

I very such appreciated reading the detailed stories of Mike's trip. You can imagine that Mike never related to us any of the specifics of the trip, and we are grateful to know what happened.

You will find enclosed a check in the amount of \$1.00. I am wondering whether it would be possible to purchase five additional copies of this edition of the paper. If so, would you please send them to the attention of my Fersonal Secretary, Mrs. Dorothy Downton.

Thank you again for your great stories and for your cooperation.

Sincerely,

Mr. and Mrs. Edward Hale Publishers The Lake Placid News Lake Placid, New York 12946

GRF: Downton

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RECEIVED
JUN 1 0 1976
CENTRAL FILES

34 Re, articles on mike's Trip to theset mountain

EDWARD I. KOCH 18TH DISTRICT, NEW YORK

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEES: FOREIGN OPERATIONS TRANSPORTATION

# Congress of the United States

House of Representatives

Washington, D.C. 20515

26 FEDERAL PLAZA
NEW YORK, NEW YORK 10007
PHONE: 212-264-1066

NEW YORK OFFICE:

**ROOM 3139** 

WASHINGTON OFFICE: 1126 LONGWORTH OFFICE BUILDING: PHONE: 202-225-2436

July 14, 1976



Hon. Gerald Ford President The White House Washington, D. C. 20500

Dear Mr. President:

I urge you that in the event the Olympics Committee fails to obtain a reversal of Canada's decision barring the Republic of China (Taiwan) from participating under its name in the Olympics in Canada, you have the United States withdraw its participation from the Olympic games.

To do otherwise would set a precedent that will have no end and will ultimately destroy the very nature of the Olympic Games by politicizing them. I happen not to be a supporter of the Republic of China and I hasten to add that I do not support the Peoples Republic of China either. I am opposed to tyranny whether it be on the left or the right. But that is not the question. If as a condition to participation in the Olympics, countries have to demonstrate either democratic values or at the very least non-repression of their own people, then there are perhaps two dozen of such countries that would pass either or both of those tests. And if we use those tests we will bar the Soviet Union and every Communist state as well as the military juntas that abound in Africa, Latin America and Asia.

While I deplore both the repression found in the Soviet Union and South Africa, I believe both should participate in the Olympic Games.

I urge you, therefore, to place Lord Killanin on notice that if there is any resolution other than full participation in the Games by the Republic of China that United States' participation will immediately end.

If we allow Canada, a democratic country, to impose its politics on the Olympics, what will be imposed when those Olympic Games are held in the Soviet Union in 1980? And will we be told then as we are told now that the Games must go on because so many athletes have their hearts set upon them? No, Mr. President, principle in this case as is generally the case is far more important than expediency.

All the best.

Sincerely,

Edward I. Koch

EIK:ndr

### THE WHITE HOUSE

Hympics)

WASHINGTON

August 30, 1976

Dear Ed:

The President asked me to reply to your letter on the Olympic question.

The President shares your concern about the Olympics being threatened by international politics. He, too, deplored Canada's decision to bar the participation of the Republic of China in the Games unless they met specific conditions, an action that violated the rules of the International Olympic Committee. He personally communicated his views to Philip Krumm, President of the United States Olympic Committee, and asked him to use his good office to resolve the impasse. The President, however, did not give any specific directions to Mr. Krumm because he has no authority over the actions of the U.S. Olympic Committee.

The President was very regretful that, while the Canadian Government relented somewhat in its terms, it did not permit unconditional entrance of the team from the Republic of China into Canada to compete, which prompted the Chinese withdrawal. The President has requested the U.S. Olympic Committee to work through the International Olympic Committee to eliminate political interference in future Olympic Games.

Despite the President's disappointment in the outcome of the Taiwan issue, however, he was grateful for the efforts of our Olympic Committee to resolve the issues and was pleased that American athletes, who trained with such dedication, were able to compete in the Olympics with great distinction.

Sincerely

Jame's M. Cannon

Assistant to the President

for Domestic Affairs

The Honorable Edward I. Koch House of Representatives Washington, D.C. 20515

D. Olympics

# THE WHITE HOUSE

WASHINGTON

September 1, 1976

MEMORANDUM FOR:

PHIL BUCHEN

ROBERT T. HARTMANN

BILL SIMON BILL SEIDMAN

JIM LYNN

FROM:

JIM CANNON

SUBJECT:

Culver Amendment

I would appreciate your recommendation on the attached decision memo by COB Thursday.

Attachment

DRAFT

#### THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE

THE PRESIDENT

FROM:

JIM CANNON

SUBJECT

Administration Position on Legislation

Establishing a Tax Credit for Olympic

Athletes, and a Tax Exemption for

Certain Amateur Sports Groups

# ISSUE

Senator John Culver (D-Iowa), a member of your Commission on Olympic Sports, has introduced legislation to provide a tax credit for athletes participating in Olympic or Pan-American sports, and to provide tax-exempt status for certain organizations promoting or fostering these sports.

The Commission participated in drafting of the legislation and supports its passage. Treasury also supports the legislation, but OMB has taken an Administration position that legislation of this kind should await the final report of your Commission.

## BACKGROUND

The bill is actually two amendments. The first would allow athletes, their spouses or their parents a tax credit of 20 percent against up to \$2,500.00 in non-reimbursable expenditures directly connected with Olympic or Pan-American competition. The maximum credit, therefore, would be \$500.00. Perhaps 10,000 athletes would be affected.

The second amendment proposes to add groups that "foster national or international sports competition" to the list of organizations defined as tax-exempt by Section 501(c)(3) of the tax code. This would put the sports groups themselves in the same tax classification as religious, educational and cultural organizations. Contributions would be tax deductible. OMB is particularly opposed to this proposal, since they feel its passage would have the effect of making membership fees in certain other organizations (yacht clubs, country clubs, etc) tax-deductible for the individual club members. Senator Culver, in testimony on the Senate floor, has said that he does not believe there will be such a problem.

### CONGRESSIONAL SITUATION

This legislation, proposed as an amendment to the tax bill, is co-sponsored by the three other Senate members of the Commission, Ted Stevens (R-Alaska), Richard Stone (D-Florida) and John Glenn Beall (R-Maryland).

## DISCUSSION

DECISION

Early in August, you initiated the extension of the Commission's term so that it could "not only address the problem of sports organization in the United States, but also . . . recommend effective mechanisms for funding training and development of our Olympic competitors."

This legislation, while it may be premature in the absence of the Commission's final report, is essentially the sort of response you had asked for in extending the Commission's life.

OMB, on the other hand, has taken a position against the legislation and thus committed the Administration to temporarily oppose a tax measure to aid athletes.

Since the legislation will apparently go to conference early next week, an early decision is needed.

DECIDION		
	Option 1:	Support both amendments.
	Option 2:	Oppose both amendments on grounds that they are premature.
	Option 3:	Support the tax credit and oppose the tax-exempt status for sports organizations.

THE WHITE HOUSE



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THE WHITE HOUSE

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# THE WHITE HOUSE

#### WASHINGTON

## TELEPHONE MEMORANDUM

September 1, 1976

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#### THE WHITE HOUSE

WASHINGTON

September 1, 1976



MEMORANDUM FOR:

PHIL BUCHEN

ROBERT T. HARTMANN

BILL SIMON
BILL SEIDMAN
JIM LYNN

FROM:

JIM CANNON

SUBJECT:

Culver Amendment

I would appreciate your recommendation on the attached decision memo by COB Thursday.

Attachment

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#### THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON

SUBJECT

Administration Position on Legislation

Establishing a Tax Credit for Olympic

Athletes, and a Tax Exemption for

Certain Amateur Sports Groups

#### ISSUE

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THE WHITE HOUSE WASHINGTON

Saty-Sept--6-

Monday. Sept. 6

#### Kris:

I sent the original of the attached back to Lynn May (in a computer folder), and he will be calling JMC to discuss with him, per JMC request.

cd



THE WHITE HOUSE TWO WASHINGTON

JMC

You asked that this be re-written in a way that did not pre-expt the President from announcing new initiatives before the Commission's recommendations were received.

I discussed the issue with Lynn and we agreed that it might make more sense not to send anything. The commission knows its life has been extended -- so the only purpose to be served is preserving formalities.

Are you agreed that we can forget about a letter at this time?

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YES	NO	(2) F
	-	

THE WHITE HOUSE

WASHINGTON

September 2, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

LYNN MAY -~~~

SUBJECT:

President's Letter to his Commission on

Olympic Sports

You requested the status of a letter to be sent from the President to the Commission's Chairman notifying him of the Commission's extension. I must apologize that when Sarah briefed me on this when I returned from leave, I thought she meant a letter to the Congressional Committees urging funding for the extension (hence the earlier memo on this subject).

Regarding the letter you have requested, I propose that it be sent when the President signs the Executive Order extending the Commission early next week. I have attached a draft of this letter.

Attachment

# Office of the White House Press Secretary

## THE WHITE HOUSE

#### EXECUTIVE ORDER

THE PRESIDENT'S COMMISSION ON OLYMPIC SPORTS

By virtue of the authority vested in me as President of the United States, Section 4(c) of Executive Order No. 11868 of June 19, 1975, is hereby amended to read as follows:

"Sec. 4(c) The second report shall be an analysis of the organizational and developmental problems in each Olympic sport. This shall be submitted no later than January 15, 1977, and contain an analysis of the financial and facilities requirements of each sport and recommend ways to provide needed funds.".

GERALD R. FORD

THE WHITE HOUSE,
Septemble 2 1976

# # # # # #

Dear Gerry:

Today, I have signed an executive order extending my Commission on Olympic Sports until January 15, 1977. As I indicated at a recent ceremony honoring Olympic athletes, I want the Committee to use this extra time to complete its task of analyzing the amateur sports system in this country and to develop and recommend effective mechanisms for funding training and development of our Olympic competitors.

I am convinced that America can produce a sports environment that develops athletes to the limit of their potential, without compromising their amateur status or requiring massive government intrusion that is contrary to our traditions. We may pre-super
want commenced to eagerly await the Commission's recommendations on this issue.

Yours truly,

GRF

The Honorable Gerald B. Zornow Chairman President's Commission on Olympic Sports 2025 M Street, Suite 3002 Washington, D.C. 20506

Files

THE WHITE HOUSE

washington August 24, 1976

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MEMORANDUM FOR:

JIM CANNON

FROM:

LYNN MAY

SUBJECT:

Presidential Sports Initiatives

The following is a summary of the current status of the President's Sports Initiatives:

The President's Committee on Olympic Sports. On August 8, 1976, the President asked the Congress to extend the life of its Commission on Olympic Sports to include a review of funding mechanisms for the training of U. S. Olympic athletes as part of the report. Subsequently, on August 13, HEW requested the Congress to reprogram \$180,000 to fund the prolonged life of the Commission (see attached letter) and OMB is currently drafting the Executive Order extending the Commission.

The amount of funding necessary for the Commission to complete its task is a matter of dispute between the Commission on one side and HEW/OMB on the other. The Commission claims it requires \$250,000 while the latter have determined that \$180,000 to be sufficient for the Commission's needs and the limit which HEW can afford. I have asked the Commission to prepare a budget justification for their claims, and I am hopeful that the matter can be resolved without recourse to a Presidential decision. Senator Stevens' staff have advised me that they see no problem with Congress reprogramming the funds once the bottom-line figure has been determined. Under these circumstances, I don't believe a Presidential letter to the Congress reinforcing HEW's reprogramming request would be advisable.

I am in the process of developing a series of possible Presidential events in the next few months to maintain his leadership in this area. Federal Funding for the Construction of Permanent Sports Facilities at Lake Placid for the 1980 Winter Olympics. Legislation providing funding for the construction of permanent sports facilities at Lake Placid will likely receive final passage within the next few weeks. The funding level reported by Conference is \$49.2 million, considerably higher than the \$28 million requested by the President. \$12 million of the additional expenditures, however, would revert to Federal use through the construction of Olympic housing at Raybrook which is to be taken over by the Bureau of Prisons as a Youth Correctional Facility following the completion of the 1980 Winter Olympics. The additional funds (approcimately \$9 million) would be used for the long-term support of the permanent sports facilities, like additional power lines, generators, etc.

In summary, it appears that the President's policy to commit Federal funds only for the construction of permanent sports facilities at Lake Placid for the training of future Olympic athletes will not be compromised if the projected Olympic housing can be recouped for Federal use. In that regard, the Bureau of Prisons has been working with the Lake Placid Organizing Committee to design facilities that would meet their specifications. One problem, however, has arisen — the State of New York has announced it may temporarily transfer prisoners from Attica and other prisons to Raybrook. Congressman McEwen's office is currently working through Mario Cuomo's Office to learn more abot this development and its potential impact on the development of Olympic housing at Raybrook.

The Honorable Daniel J. Flood Chairman, Subcommittee on Labor and Health, Education and Velfare Committee on Appropriations House of Representatives Washington, D. C. 20515

Dear Mr. Chairman:

On August 5, 1976, the President met with members of his Commission on Olympic Sports and members of the United States Olympic Team. He indicated to them that he would ask the Congress to extend the life of the Commission on Olympic Sports until January 1977.

The Commission is currently funded until the end of the Transition Quarter as part of the General Departmental Management appropriation of this Department. In order to extend the Commission until next January, we will need to provide them with an additional \$180,000 to be available from October 1, 1976, until January 15, 1977. We plan to include the \$180,000 as part of our financial plan that we will be providing to your Subcommittee in response to the language in the Conference Report on our FY 1977 appropriation bill. The Office of Management and Budget asked us to contact you prior to the submission of that plan to obtain a general go ahead from the Committee to extend the life of the Commission. In effect, we are asking you in advance to approve the allocation of \$180,000 to the Commission.

We would appreciate it if you would give us this commitment. We will provide you with the specifics of the financial plan within the next several weeks.

Sincerely yours,

[3] John D. Young

John D. Young Assistant Secretary, Comptroller

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IDENTICAL LETTER SENT TO THE HONORABLE WARREN G. MAGNUSON



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#### THE WHITE HOUSE

WASHINGTON

September 2, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

SUBJECT:

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Olympic Sports

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Yours truly,

GRF

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