

...place the \$2.5 billion in special contingency fund — along with \$10.3 billion in revenues from Carter's new oil-import fee — to be used for eventual tax cuts.

However, in its deliberations last

terday showed mixed reactions to the shift, with some lawmakers merely waiting to see what happens before publicly taking sides in the dispute.

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Fit Off, Hechinger Up

...didn't keep up with the inflation, said Woodies' Chairman Edwin K. Hoffman.

The dramatically different results from the two Washington-based retailers apparently reflect the way consumers change their buying habits because of inflation.

Consumers are holding back on buying clothing and the like, so department store sales have been soft for several months. Woodies' volume for the fourth quarter—including the Christmas season — increased less than 3 percent over the previous year.

When times get tough, however, consumers frequently spend more money to fix up their homes because that costs less than buying a new house. That phenomenon brings more

business to Hechinger and others in the home improvement field.

Hechinger executives said part of their increase in sales and profits came from opening three new stores last year, but sales from older units were also up significantly.

Much of the sales gain apparently came from a decision to match the prices of major competitors, the company said. Gross profit margins went down as a result, but sales increases more than made up for the decline.

Unlike Woodward & Lothrop, Hechinger reported business stayed strong through the final quarter of the year. Fourth-period sales increased 27 percent to \$37.7 million from \$29.7 million, and earnings

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of another House subcommittee. Rep. Benjamin Rosenthal (D-N.Y.), who heads a third panel, also has asked Federal Reserve officials to justify their actions.

All three subcommittee chairmen and a number of other House members say they oppose suspending any provisions of the federal truth-in-lending law or other consumer protection measures as part of the credit control plan.

Federal Reserve staff members are discussing temporarily setting aside provisions that require lenders to give consumers advance notice of any changes in the terms of credit plans. Several states have laws requiring consumers be given three to six months notice of such changes.

The state laws could keep consumers from feeling the pinch of credit restrictions for months and would delay the cut in borrowing the Federal Reserve is trying to produce.

Lenders have asked the Federal Reserve for relief from the notice requirements and also have called for suspending the state usury laws that put an 18 percent ceiling on the interest charged on most credit cards. The

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Proposed Bill Asks Agencies To List Major Rules' Costs

By Merrill Brown

Washington Post Staff Writer

Carter administration aides are circulating a potentially controversial bill that calls on all federal agencies to prepare a regulatory budget assessing the costs of all their major rules.

The legislation, if formally introduced and enacted into law, would set up the federal government's first system to assess the costs of federal regulation, a hotly debated political and economic issue.

Officials of the Office of Management and Budget who drafted the bill say the regulatory budget, patterned along the lines of the federal expenditures budget, would allow them to assess the costs to individuals, companies and state and local governments of complying with federal rules.

The bill and a summary prepared by OMB were obtained yesterday by the Washington Post.

Wayne Granquist, an associate director of OMB, said the proposal is part of the administration's regulatory-reform efforts and is designed "to build an official budget resource allocation method."

In connection with its regulatory monitoring activities, the OMB also has established an Office of Regula-

tory and Information Policy, which is headed by Jim Tozzi, who for seven years was in charge of the OMB's Environment Branch.

Tozzi, who is one of the authors of the bill, the Regulatory Cost Accounting Act of 1980, said that although high-level administration officials haven't approved the proposal, the OMB hopes it can convince them to introduce the bill within a year.

"The act would create a systematic body of data on the costs of complying with federal regulations which would identify key problems of regulation, and in this way would facilitate action through the political process on regulatory reform," the summary circulated with the bill said.

Opponents of the plan charge that such a proposal overlooks the benefits of regulations, particularly in the health and safety area, and only would provide ammunition to business interests hoping to gut those programs. Others say the project would cost agencies great amounts of money and resources.

The Environmental Protection Agency and Council on Environmental Quality already assemble a budget assessing the costs of complying with their rules.



Washington Gas Chairman Paul Reichardt answers a question at yesterday's annual meeting, where several employees criticized the scarcity of minorities in management. Story, F3.

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