

The original documents are located in Box 36, folder “Office of Management and Budget - General (4)” of the Philip Buchen Files at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald R. Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

Date: April 6, 1976

Time:

FOR ACTION:

cc (for information):

Phil Buchen

Brent Scowcroft

Jim Cannon

Bill Seidman

Max Friedersdorf

Dr. Lukash

Jack Marsh

Tim Austin (Morton)

FROM THE STAFF SECRETARY

DUE: Date: Thursday, April 8

Time: 10 A. M.

SUBJECT:

James T. Lynn memo 4/5/76 re Variable
Incentive Pay for Physicans

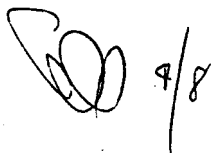
ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

REMARKS:

Support Option 1.

Ken Lazarus 4/7/76


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.

James E. Connor
For the President

Date: April 7, 1976

Time:

FOR ACTION:

cc (for information):

Phil BuchenDoug Bennett

Jim Cannon

Bob Hartmann

Jerry Jones

Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: Monday, April 12

Time: 10 A.M.

SUBJECT:

Lynn memo re 1975 Presidential Management
Improvement Awards

ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

REMARKS:

Agree with recommendation of Jim Lynn.

Also note that participation in such a ceremony would have some political utility balancing those Presidential statements which have been seen as indicating some dissatisfaction with the Washington "bureaucracy".

Ed Schmultz

4/9/76



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

ASSOCIATE DIRECTOR
OFFICE OF MANAGEMENT AND BUDGET

4/12/76

TO: Phil Buchen

FROM: Don Ogilvie

Jim Lynn asked me to clear this proposed response to Proxmire with you.

copy to: Jack Marsh

*Called Ogilvie
on 4/13 to add
a para.
No further
communication
necessary*





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

Honorable William Proxmire
United States Senate
Washington, D. C. 20510

Dear Senator Proxmire:

In response to your letter of March 10, the memorandum to which you refer was an internal paper prepared by OMB staff to respond to questions raised by the Director of OMB during the consideration of the 1977 Defense Department budget request.

As you undoubtedly know, OMB staff annually prepare extensive papers and analyses for consideration by the Director and the President in reaching budgetary decisions. Such materials contain the opinions, advice, and recommendations of the OMB staff. Staff papers such as the one you referred to, together with all associated backup materials are not distributed outside the Executive Office of the President. To do otherwise would, over time, restrict the open and free exchange of information provided to the OMB Director in the budget review process.

Congress itself recognized the need to protect the decision-making processes of Government agencies in the context of the Freedom of Information Act (5 U.S.C. 552). That Act exempts from mandatory disclosure documents containing intra-agency advice and recommendations. In construing that exemption earlier this year, the Supreme Court reiterated its view that "human experience teaches that those who expect public dissemination of their remarks may well temper candor with a concern for public appearances . . . to the detriment of the decision making process." (NLRB v. Sears, Roebuck & Co. 421 U.S. 132)

For these reasons, I do not believe it is appropriate to provide any internal OMB budget review documents.



With respect to your second question, there is no so-called Rumsfeld add-on as such in the President's budget. The President reviewed all of the OMB recommendations as well as the Defense Department appeals. His decisions were made on an item-by-item examination of what was needed to secure the defense of our country. The cumulative amount which resulted from the review became the President's future budget. As with the OMB staff papers, I believe it is inappropriate to provide the confidential recommendation of the Secretary of Defense to the President.

Sincerely yours,

James T. Lynn
Director

CHARLES A. ...

JOHN L. MCCLELLAN, ARK., CHAIRMAN

WARREN G. MAGNUSON, WASH.	MILTON R. YOUNG, N. DAK.
JOHN C. STENNIS, MISS.	ROMAN L. HRUSKA, NEBR.
JOHN G. PASTORE, R.I.	CLIFFORD P. CARE, N.J.
ROBERT C. BYRD, W. VA.	HIRAM L. FONG, HAWAII
GALE W. MC GEE, WYO.	EDWARD W. BROOKS, MAINE
MIKE MANFIELD, MONT.	MARK O. HATFIELD, OREG.
WILLIAM PROXMIRE, WIS.	TED STEVENS, ALASKA
JOSEPH M. MONTOYA, N. MEX.	CHARLES MC C. MATHIAS, JR., MD.
DANIEL K. INOUE, HAWAII	RICHARD S. SCHWEIKER, PA.
ERNEST F. HOLLINGS, S.C.	HENRY BELLMON, OKLA.
BIRCH BAYH, IND.	
THOMAS F. EAGLETON, MO.	
LAWTON CHILES, FLA.	
J. BENNETT JOHNSTON, LA.	
WALTER D. HUDDLESTON, KY.	

United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, D.C. 20510

RECEIVED
 OFFICE OF THE
 MANAGER OF THE BUDGET
 MARCH 10, 1976

TOP PRIORITY

JAMES R. CALLOWAY
CHIEF COUNSEL AND STAFF DIRECTOR

Mr. James T. Lynn
Director, Office of Management and Budget
Executive Office Building
Washington, D.C. 20503

CONGRESSIONAL MAIL	
TO: <i>Mr. Ogilvie</i>	
Prepare reply for: <i>MR. LYNN</i>	
Log No: <i>0021</i>	Due Date: <i>2 2 MAR 1976</i>
Copies to: Congressional Relations	

Dear Mr. Lynn:

In response to a question regarding the OMB memorandum referring to a \$3 billion "cushion" in the Defense budget request, the Secretary of Defense informed me that he had heard of this memorandum and additional backup material as attached to a preliminary FY 1977 Budget briefing package last summer.

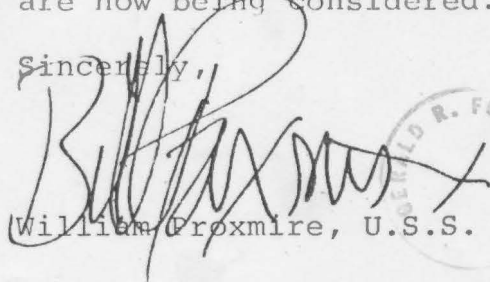
Would you be good enough to forward that particular memorandum plus all back up materials to me?

In addition I have heard that the so-called Rumsfeld \$2.7 billion "add-on" was in effect the selection of a higher option contained in OMB recommendations outlining several alternatives. Would you please clarify the difference between the "add-on" and the "cushion" and determine whether or not they are mutually exclusive.

Furthermore, I would appreciate receiving the breakout of the programs involved in each of the above mentioned items so that it will be possible to see program alignments under each proposal or option.

If you have any questions, please have your staff contact Dr. Ronald Tammen in my office. I would appreciate receiving these materials as soon as possible since the Defense budget target ceilings are now being considered.

Sincerely,



William Proxmire, U.S.S.



WP:rtj

No objection. Would suggest, however, that all of the references to "we" be changed to

"I" in first

and second
paragraphs

Ken Lazarus 4/22/76

and fourth paragraphs.

Agree [Signature]

①
②

Schmitt

Buchen



Date: April 21, 1976

Time:

FOR ACTION:

cc (for information): Jim Cannon

Phil Buchen
Bill Seidman

Bob Hartmann

Jack Marsh
FROM THE STAFF SECRETARY

DUE: Date: Soon As Possible

Time:

SUBJECT:

Reply to James H. Rademacher
President of the National Association of
Letter Carriers

ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

REMARKS:

Because of your earlier remarks the attached letter
has been revised. Would appreciate your quick
approval of the revised version attached.No objection. Would suggest, however, that all of the references
to "we" be changed to "I" in the first and second paragraphs and
in the fourth paragraph.P.W.B.Philip W. Buchen
Counsel to the PresidentPLEASE 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

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

APR 19 1976

MEMORANDUM FOR: JIM CONNOR
FROM: Paul H. O'Neill *Phen*
SUBJECT: Reply to James H. Rademacher
President of National Association of
Letter Carriers

As you requested, we have redrafted the reply to Mr. Rademacher. We have substantially shortened the reply, and avoided any discussion of Rademacher's arguments, as suggested by Jack Marsh.

Attachment



Dear Mr. Rademacher:

Thank you for your letter of March 12 regarding appropriations for the Postal Service. ^IWe appreciate receiving your comments and suggestions.

We certainly recognize the problems facing the Postal Service and are aware that the current trends in costs and revenues indicate that there will have to be some significant changes. The changes might include cost reductions, increases in rates, increased subsidies, or some combination of these actions. The proposals in Congress have focused primarily on increasing subsidies as the solution to the problems. ~~We~~ ^I believe that it is premature to conclude that an increased taxpayer subsidy is the only answer.

The Postal Service problems need to be studied more carefully, and we need to consider a wide range of possible solutions. We are now pursuing such a study and will be considering several alternatives for action during the next few months. Based on Postal Service projections of costs and revenues, it will be able to continue effective operations for at least another year, without another rate increase, without major service reductions and without an increase in appropriations if the Postal Service borrows the amount authorized by statute for operating purposes. This provides time for a reasoned consideration of the issues.

^{I am}
~~We~~ are not convinced at this time that the independent
Postal Service is an unworkable concept, and ^I~~we~~ believe that
it should not be changed in haste. This issue deserves more
thorough consideration, and I can assure you that it is being
carefully considered.

Sincerely,



NATIONAL ASSOCIATION OF LETTER CARRIERS

LETTER CARRIERS' BUILDING

100 INDIANA AVENUE, N.W.

WASHINGTON, D. C. 20001

JAMES H. RADEMACHER
PRESIDENT

AREA CODE 202
EXECUTIVE 3-4395

March 12, 1976

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

Dear Mr. President:

With all respect, and with a genuine concern for the future of our country and its postal system, I ask you to reconsider your announced position against an increased postal appropriation. I make my request with the deepest seriousness.

I am a postal career professional of many years' standing. My father retired from the letter carrier ranks; my brother has long years of service as a letter carrier. For almost 35 years, I have been an officer in my Union from the local level to the presidency. By background, training and experience, I submit that I have acquired a relatively thorough knowledge of postal affairs. I sincerely hope all those who are advising you in the area of postal appropriations are similarly equipped.

It is my considered judgment that unless a substantial postal subsidy, such as that proposed in the beleaguered legislation (H.R. 8603, S. 2844), sponsored by Chairman James M. Hanley of the House Postal Service Subcommittee and Chairman Gale W. McGee of the Senate Post Office and Civil Service Committee, respectively, is soon approved, the postal establishment is going down the drain. And should that come to pass, the resulting misery will be total, both for the American people and the members of our organization.

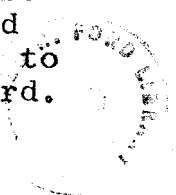
It seems to be a modern fallacy that says the Post Office should pay its own way. Respectfully, I ask, Why? Does the Department of Health, Education and Welfare have to pay its own way? Or the Department of Commerce? The price support program of the Commodity Credit Corporation? Does the Federal Aviation have to pay its own way? Why only the Post Office?

Those opposed to realistic postal appropriations will say that the Service imposes specified charges on identifiable patrons, and that makes it a business -- and businesses must pay their own way. May I submit that the Department of the Interior imposes specified charges on those who use our National Parks. Does anyone suggest those charges should be sufficiently high to pay for the entire cost of maintaining those facilities at a break-even basis? If such a policy were placed in effect, the usage fee would have to be about \$1,000 a person, with few applicants for admission.

The Postal Service is the greatest system of communications in our society. I am sure you are of the same opinion. I am certain, too, that you share with me the conviction that everything possible should be done to preserve and strengthen the present system. In my opinion, it is as illogical to demand that the Postal Service exist entirely on its revenue as it is to ask the University of Michigan to exist solely on its tuition fees.

No postal service in the free world comes anywhere near breaking even. Great Britain loses about 14 million pounds a year; and its supposed to be a postal administrator's dream with short distances, low wages, small volume, and a tightly impacted population. West Germany, France and Switzerland -- that model of neatness, efficiency, and financial wizardry -- have the same kind of deficit record. How can the United States expect to break even with our huge distances, our comparatively scattered population, and our enormous volumes of mail -- we handle more than half of the total world volume?

And, then, there are those who advocate turning over the postal operation to private enterprise. These are particularly misled, because they simply do not understand the mission of our postal service, or postal economics. What private industry would undertake the task, unless it were permitted to concentrate its collection, transportation, and delivery services on the densely populated urban areas and ignore entirely the remote areas where mail service is ruinously expensive? One of the most cherished blessings of our democracy has been the right of every citizen to easy access to the mails at a cost the average person can afford. That is what a free society is all about.

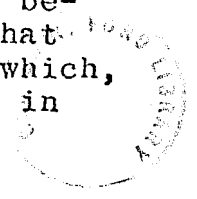


Mr. President, may I ask why a subsidy to the United States Postal Service is repellent, while a subsidy to the railroads, the airline industry and to such other Federal agencies as the Commodity Credit Corporation's Price Support program, the Federal Aviation Administration, the Department of Housing and Urban Development, Urban renewal and a host of other subsidies are not only not repellent but are part of our national policy? There was no suggestion that the railroads or airlines reduce weekend service rather than increase those subsidies.

Finally, Mr. President, permit me to address myself to those who say the cost of operating the mails should be borne solely by those who use the mails. I think they are wrong. The recipient of a letter, who pays nothing for that privilege, benefits just as much as the sender, who pays for the stamp. One might ask, should the cost of operating our lighthouses be borne only by the maritime traffic which directly profits by them? Or should the cost be borne through general taxation? Should the cost of the Federal Aviation Administration be borne only by those who use planes? I think not.

In checking recent annual reports of the Postmaster General, we find that postal worker productivity is on the upgrade. Last year, 39,000 less employees sorted and delivered 4.5 billion more pieces than were handled five years ago at the time of postal reorganization. We are proud of our performance. We are proud of the services we render. However, we cannot be proud of service reductions which cause additional burdens upon our shoulders in the form of complaints from an angry public.

We are also a responsible lot, having foregone lucrative wage and fringe benefit increases in our most recent negotiations because we recognized the financial plight of our Employer. That plight was created by unanticipated, uncontrolled inflation which, it appears, your Administration has been successful recently in abating.



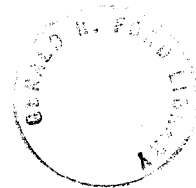
Mr. President, the National Association of Letter Carriers (AFL-CIO) sincerely hope and pray that you will re-think this problem and give thought to the arguments I have placed before you. There has been too much fuzzy rhetoric, petty partisan and aimless finger-pointing at the Postal Service and its employees. The Service does have problems, but they are not insoluble. Direction and compassionate understanding of our problems by your high office will go a long way toward solving our temporary problems.

Very truly yours,

A handwritten signature in cursive script, appearing to read "J. H. Rademaker".

President

JHR/kh
opeiu #2



THE WHITE HOUSE
WASHINGTON

April 26, 1976

MEMO FOR: PHIL BUCHEN
FROM: KEN LAZARUS
SUBJECT: Lynn Memo re US Postal
Service Financial Problem

Suggested Response:

I believe that both the merits and the politics of this issue favor Option 1. Additionally, I would suggest that the President acknowledge that some portion of the debt may have to be canceled only if pressed on the question -- there would appear to be no immediacy to this aspect of the problem. Finally, although the President would not veto legislation to create a postal study commission, I would hesitate to make this representation publicly -- such an approach appears indecisive and supportive of a system which appears, from the public's perspective, to be totally inept.

Approve

P.W.B.

Disapprove _____



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 24, 1976

Time:

FOR ACTION:

cc (for information):

Phil Buchen

Alan Greenspan

Jim Cannon

Jack Marsh

Max Friedersdorf

Bill Seidman

FROM THE STAFF SECRETARY

DUE: Date: Monday, April 26

Time:

2 P.M.
~~4 P.M.~~

SUBJECT:

James T. Lynn memo (undated) re U.S. Postal
Service Financial Problem

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Jim Lynn will be meeting with the President early on
Tuesday morning on this subject -- for that reason
we must have your comments at the time requested.
Thank you.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jim Connor
For the President



ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: James T. Lynn
SUBJECT: U.S. Postal Service Financial Problem

BACKGROUND

Since the U.S. Postal Service commenced operations on July 1, 1971, it has failed to achieve one of the basic goals of postal reform, a balancing of costs with revenues. Through fiscal year 1975 the Postal Service has accumulated a deficit totaling over \$1.6 billion and it is now expected to sustain an additional \$1.4 billion loss this fiscal year. There are numerous factors which have contributed to the continuing yearly deficits in postal operations.

On the cost side, postal management's efforts to maintain high levels of service, coupled with a period of double digit inflation, lagging productivity and liberal wage settlements have driven up the costs of operating the Postal Service by nearly 50 per cent since reorganization. Labor costs, which account for 86 per cent of all postal costs, have gone up 42 per cent, representing the largest single item impacting postal expenses. The average postal employee is now making \$13,574 a year compared to the comparable GS-5, step 5, civil service salary of \$10,117.

On the revenue side, there has been a leveling off in mail volume, due in part to the recession, higher rates, and new forms of electronic communication. This has blunted the traditionally expected 6 per cent annual growth in postal income. The rate setting process has also proven to be slow and generally unresponsive to these problems. As a result, postal revenues have continued to lag about 10 per cent behind expenses.



The mounting deficit in postal operations has produced a complete erosion of the Service's initial equity position. As a result of this decline, postal management has begun to consider steps to control costs. For the most part, however, management has relied on its borrowing authority to maintain operations. Under the Reorganization Act the Postal Service can borrow up to \$1.5 billion annually for capital purposes and up to \$500 million to defray operating expenses. There is a \$10 billion statutory ceiling on the total amount of debt which the Postal Service can have outstanding. By the end of this fiscal year the Service will have accumulated \$3.0 billion in outstanding debt, one half of which will have gone to finance general postal operations. The other half has gone into capital expenditures, including a heavy investment of over \$1 billion in bulk mail facilities in an unsuccessful attempt to compete with United Parcel Service.

While the overall financial condition of the Postal Service has seriously weakened, there is no immediate danger that it will be unable to meet its current obligations. The Postal Service's own financial analysis confirms that there is no short term crisis. While the deficit is increasing, the projected quarterly balances of the Service show a positive cash position through the third quarter of fiscal year 1979. This projection assumes:

- . Stable revenues (no increase in rates);
- . No increase in the current level of Federal subsidies;
- . No appreciable change in mail volume;
- . Maximum utilization of the Service's borrowing authority; and
- . No change in the Service's planned capital investment program.

Implementation of cost reductions and a stretch out of the Postal Service's planned capital investment program would improve this projection. Without further rate increases or higher subsidies, however, the Postal Service's outstanding debt would increase to \$8.9 billion by the end of 1979.



The Postal Service's financial condition has raised Congressional concerns. Complaints of poor service, increasing rates, and the threat of major service reductions have further intensified those concerns and increased pressures on the Congress. The House passage of legislation last session, which would return control of all postal monies to Congress, evidenced the growing dissatisfaction with the current situation in general and postal management in particular. Thus far the Senate has taken no action, but Senator McGee has introduced legislation and held hearings on his bill which would increase Federal subsidies to the Postal Service by \$1.5 billion a year over the next three years, while a "study commission" explores the role of public service appropriations in supporting postal operations.

There is underlying sentiment of support in the House and Senate Post Office Committees for additional Federal subsidies for the Postal Service. The announcement of a series of "possible" cost saving measures which postal management is exploring has further strengthened that sentiment. Possible savings mentioned include the closing of some small rural post offices, reductions in residential and city deliveries, ending Saturday delivery and transferring excess employees to other offices. While these are legitimate areas for seeking savings, the proposed actions under consideration will contribute little to resolving the overall financial problems facing the Service. The announcements have, however, generated considerable pressure by the mailers and postal unions on Congress to appropriate additional funds. Thus far the House budget committee has not included any additional funds in its fiscal year 1977 planning figures, but the Senate budget committee has allowed about \$1 billion for additional direct appropriations to the Postal Service. There is some indication from congressional committees that they may be willing to compromise at about half that amount.

In addition to the immediate financial problems of the Service, it almost certainly will be facing serious long-term problems due to fundamental changes in forms of communications, such as increased use of telecommunications. The prospects are that written communications will likely decline or remain stable, while the costs to the Postal Service of maintaining a national service will continue to increase along with the population. OMB is currently studying the postal situation in an attempt to more specifically define the financial problems of the



Postal Service. This study will provide an identification of the key problem elements and possible short and long range solutions to these problems. It is expected that the study will identify some possible solutions for further analysis.

OPTIONS

At this time we see the following options for dealing with the Congress on the current postal financial problem:

- #1. Continue our current position, providing assurances of continued borrowing rights for Postal Service and acknowledgement that some portion of the accumulated debt may have to be canceled.
- #2. Same as option #1 above, but support legislation to create a postal study commission to look into the postal situation. As a part of its charter, the commission would deal with the question of the disposition of the accumulated postal debt.
- #3. Same as options #1 and #2 above, but also indicate that you would not veto a provision adding up to \$500 million in additional Federal operating subsidies for fiscal 1976, 1977, and 1978.

DISCUSSION OF OPTIONS

Option #1 - Under this option we would continue our current position that postal users, not the taxpayers, should bear the costs of providing postal services. We would continue to press for cooperation on the part of the Congress and the Postal Service to think through the current postal problems and look at the alternative solutions for achieving self-sufficiency. At least until such a review is made, the Federal government would not support additional subsidies or other stop-gap legislative approaches. The Postal Service is in no danger of running out of funds over a reasonable period of time, during which a study and legislative action based on the study could be undertaken.

In order to satisfy Congressional and postal management concerns during the period of a study it would be envisioned



under this option that the Service and the Congress would be provided with written assurances from the Administration of continued Federal borrowing rights, so that the Postal Service can continue to meet its obligations. It may also be necessary to acknowledge that ultimately any accumulated debt that cannot be reasonably recouped by the Service will have to be canceled by the taxpayers, one way or another.

PRO

- . This option would maintain our present posture of support for the underlying principle that postal costs should be borne by the mail users.
- . It would indicate to the Congress our willingness to deal realistically with the current postal financial situation, by assuring continued borrowing rights and an open mind on possible forgiveness of some of the accumulated postal debt.
- . It would keep the pressure on postal management to explore possible cost savings measures.
- . If successful, it would forestall an increase in the public service subsidy, thereby avoiding a higher floor for future subsidies and a premature change in the current public service concept.

CON

- . This option would leave the Congress without any action on its part. In our meetings with Congressman Derwinski and Senator McGee they advised us that members of Congress are looking for some form of a crutch, that is, a specific piece of legislation which takes some positive step and can be pointed to as dealing with the current postal problems. Assurance of continued borrowing rights would very likely not satisfy the Congress.
- . The availability of borrowing rights is not a real concern for the Postal Service. Postal Service believes that as long as it is within



its statutory borrowing limit it will be able to continue to get financing. The Postmaster General is more interested in obtaining operating funds to give postal management a cushion.

- . Even with the assurances of borrowing rights and possible cancellation of a portion of its accumulated debt, the Postal Service may respond with the announcement of major service reductions and/or another increase in postage rates within the next few months. Major service reductions or another announced rate increase would place heavy pressure on both Congress and the Administration to prevent such actions by providing additional subsidies.
- . It would indicate some commitment on our part to cover a portion of the Service's accumulated debt, which could cost \$2 billion.

Option #2 - Under this option we would continue to oppose the need for stop-gap subsidies, as in option #1, but would either propose or support legislation to establish a public postal study commission to review the financial problems of the Service over the next nine months to one year. The commission would be instructed to include in its report a recommendation for handling that portion of the Service's debt which cannot reasonably be expected to be recouped through postage revenues. This may, for example, result in a recommendation that any increase in operating debt accumulated during the period of the study would be written off (this would probably be \$500 million to \$1 billion), or that the entire accumulated operating debt (expected to be about \$2 billion) would be written off. It might be possible to write off the debt as an "off-budget" transaction, in order to avoid the impact on the budget deficit, although this would be inconsistent with current budget practices. This is discussed further in the attachment to this memorandum. A sub-option would be to agree now to legislation to cancel a portion of the operating debt, if this would be helpful in obtaining Congressional agreement.

We would continue under this option to provide the same Administration assurances, as in option #1, of continued Federally-supported borrowing rights to take the Service through the study period.

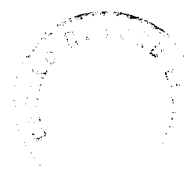
The principal purpose of this approach would be to try to obtain Congressional agreement to delay subsidy increases or other major changes during the next several months, while the study is underway.

PRO

- . This option would help to satisfy Congressional desires expressed by Senator McGee for some form of action on their part to deal with the postal problem.
- . If agreement is reached, it would avoid increased operating subsidies, at least until the Commission has completed its study.
- . It would add Congressional pressure on postal management to control costs.
- . It would provide time for a reasoned study of both the short and long term problems facing the Service before making any major changes.
- . Cancellation of a portion of the debt would be preferable to increasing operating subsidies. It would be helping the Service to recover from past problems, rather than providing a subsidy for future mailers.
- . It would avoid any specific commitment at this time to cancel any portion of the postal debt.

CON

- . Establishing a public study commission with a charter to deal with the postal financial problem in general and postal debt in particular, could result in unacceptable recommendations by the Commission for increased taxpayer support of postal operations.
- . Congress may not be willing to settle for just a study commission without some additional direct funds for the Postal Service. Without strong assurances from the Hill, we could end up with a study commission as well as additional subsidies. Congressman Derwinski has indicated



his desire to work out some arrangement to delay or prevent a confrontation on this issue, and Senator McGee expressed an interest but was basically noncommittal. It is not clear that the Senator would accept this approach.

- . It is anticipated that most members of Congress would expect the Postal Service to not take any actions until the commission made its report, but there is no assurance that this approach would forestall major service reductions or a rate increase by the Postal Service while the commission was carrying out its study.

Option #3 - This option is essentially the same as option #2, but would also include a tacit indication to the Congress that you would not veto a provision in the legislation establishing the public study commission that would provide the Postal Service with an additional interim operating subsidy of up to \$500 million a year over the next three years.

PRO

- . This approach would improve chances of getting Congressional agreement. It would provide the Congress a more clearly delineated action dealing with the postal problem, thus satisfying Congressional concerns and avoiding the major increases in public service subsidies now being proposed.
- . It would contribute significantly to reducing the Postal Service's estimated operating deficit. It would improve Congressional chances of extracting from the Postal Service a delay in the need for major service reductions or another increase in rates.

CON

- . Such action would run contrary to our established position. It would provide taxpayer assistance to the Postal Service to subsidize service costs which should ultimately be borne by the mail users.



- . It would establish a higher level of subsidy, which after three years, would make it virtually impossible to return to existing subsidy levels; that would require either a sudden large increase in rates or major cost reductions. It would be appropriate to assume, therefore, that the higher level of subsidy would become the base.
- . It would establish a precedent for future requests from postal management for further increases in subsidies to bail it out of financial problems.
- . It would reduce pressures on the Postal Service to control or reduce costs, at least for the next three years. It would establish the practice of covering Postal Service deficits with appropriations, which could reduce or remove any incentives on postal management to develop a more efficient operation.

RECOMMENDATION

I recommend that we pursue option #2, but I would like to discuss this issue with you before you make a decision.

DECISION

_____ Option #1. Continue our current position, providing assurances of continued borrowing rights for Postal Service and acknowledgment that some portion of the accumulated debt may have to be canceled.

_____ Option #2. Same as option #1 above, but support legislation to create a postal study commission to look into the postal situation. As a part of its charter, the commission would deal with the question of the disposition of the accumulated postal debt.

_____ Option #3. Same as options #1 and #2 above, but also indicate you would not veto a provision adding about \$500 million in additional Federal operating subsidies for fiscal 1976, 1977, and 1978.

Attachment



Options for Dealing with Postal Service Debt

There are basically two approaches to dealing with the Postal Service's accumulated debt. The first would involve a regular appropriation "on-budget" to the Postal Service for purposes of retiring the debt now held by the Federal Financing Bank (FFB). The full appropriation would count as a budget outlay. The second approach would involve an appropriation to the Postal Service or the Federal Financing Bank "off-budget" accounts which would not be counted as a budget outlay.

The "on-budget" approach would be the normal way to account for such a Federal transaction under the unified budget concepts. As a general rule the Federal budget is expected to be a comprehensive document encompassing the complete range of Federal activities for full public and Congressional scrutiny. The major problem that would accompany any full counting of the debt write off "on-budget" is the impact it would have on the budget totals, adding up to \$2 billion in Federal outlays. This could make a significant increase in the budget deficit in any one year.

Currently the general operations of the Postal Service and the credit operation of the Federal Financing Bank are not counted as part of the Federal budget totals, but are carried as annexed or "off-budget" operations. The governmental activities which are shown "off-budget" are limited and for the most part have been removed from the Federal budget totals by statute. The Postal Service was placed "off-budget" to reflect its conversion to independent status consistent with the 1970 Reorganization Act and its self-financing nature. It is therefore technically possible to make a case for appropriating funds to the Service or the FFB to deal with an "off-budget" problem. The off-budget approach has the advantage of avoiding any sizable increase in Federal budget deficit. This is however, the only advantage. Despite the "off-budget" treatment of the Postal Service's general operations, the Federal payments and subsidies provided to the Service since reorganization have always been counted in the budget totals. To write off the debt through an "off-budget" transaction would be inconsistent with our treatment to date. It would violate the concepts of the unified budget, and would also set a "government-wide" precedent for similar financing of other governmental activities. It would therefore make it difficult for the Administration to resist Congressional efforts to pursue similar type off budget financing arrangements in other areas. Lastly, there are no persuasive arguments that could be made publically for supporting this type of a budget approach.



OMB

THE WHITE HOUSE

WASHINGTON

May 24, 1976

MEMORANDUM FOR: JIM CONNOR

FROM: PHIL BUCHEN *P.*

SUBJECT: Budget Request for
Camp David FY 1977

Attached is a memo from Bill Nichols of OMB to me. I would appreciate your obtaining such clearances for Nichols' proposed reply as you may think are appropriate. I believe we should be forthright in replying.

Attachment





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

May 21, 1976

MEMORANDUM FOR: PHILIP W. BUCHEN
FROM: WILLIAM M. NECHES *Richard*
SUBJECT: Budget Request for
Camp David FY 1977

In response to a request from Senator Stevenson, the Library of Congress has asked the amount of the budget estimate for Camp David for fiscal year 1977. Senator Stevenson forwarded a constituent's letter to us recently requesting the same information. We replied that the amount was contained in the budget for the Department of the Navy.

Mr. Cronin, of the Library of Congress, was not interested in our suggestion that he obtain the information from the Senate Appropriations Committee. I believe that any attempt to withhold this data could be skewed to reflect adversely upon the President.

Since, to our knowledge, this budget figure has not been made public in the past, I would appreciate your coordinating the response to Mr. Cronin in the White House, as you think necessary.

I will be out of the office next week. In my absence, Mrs. Jane Finn (ext. 5600) will be handling this matter.

Attachment



Mr. Richard P. Cronin
Foreign Affairs and National
Defense Division
Congressional Research Service
Library of Congress
Washington, D.C. 20540

Dear Mr. Cronin:

This is in response to your request for the budget estimate for Camp David for fiscal year 1977.

As you know, this funding is contained in the budget for the Department of the Navy, which maintains this facility for the use of the President and as a conference and meeting place for various governmental departments and agencies. The request for the operation of Camp David in the coming fiscal year is \$638,000.

Sincerely,

William M. Nichols
General Counsel



THE WHITE HOUSE

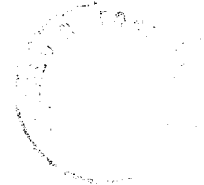
WASHINGTON

May 31, 1976

JMB

MEMORANDUM FOR: BILL NICHOLS
FROM: PHIL BUCHEN *P.*
SUBJECT: Budget Request for
Camp David FY 1977

In response to your memorandum of May 24, I have cleared your suggested reply on this subject to Mr. Cronin of the Library of Congress. Therefore, I presume you will promptly send the letter.



THE WHITE HOUSE
WASHINGTON

May 26, 1976

TO: Bill Gulley

FROM: Eleanor Connors

Bill, Jim has no objection to
this going out from OMB.
What do you think?

encl.

*No objection
we had other
to B.G.*



MEMORANDUM

THE WHITE HOUSE
WASHINGTON

May 26, 1976

MEMORANDUM FOR: PHIL BUCHEN
FROM: JIM CONNOR
SUBJECT: Budget Request for Camp David FY 1977

I have checked with the appropriate offices, and there is no objection to Bill Nichols' proposed reply concerning the budget for Camp David.

encl.

UNITED STATES GOVERNMENT
R. FORD LIBRARY

HOLD

THE WHITE HOUSE

WASHINGTON

May 24, 1976

MEMORANDUM FOR: JIM CONNOR

FROM: PHIL BUCHEN *P.*

SUBJECT: Budget Request for
Camp David FY 1977

Attached is a memo from Bill Nichols of OMB to me. I would appreciate your obtaining such clearances for Nichols' proposed reply as you may think are appropriate. I believe we should be forthright in replying.

Attachment





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 21, 1976

MEMORANDUM FOR: PHILIP W. BUCHEN
FROM: WILLIAM M. NICHOLS
SUBJECT: Budget Request for
Camp David FY 1977

In response to a request from Senator Stevenson, the Library of Congress has asked the amount of the budget estimate for Camp David for fiscal year 1977. Senator Stevenson forwarded a constituent's letter to us recently requesting the same information. We replied that the amount was contained in the budget for the Department of the Navy.

Mr. Cronin, of the Library of Congress, was not interested in our suggestion that he obtain the information from the Senate Appropriations Committee. I believe that any attempt to withhold this data could be skewed to reflect adversely upon the President.

Since, to our knowledge, this budget figure has not been made public in the past, I would appreciate your coordinating the response to Mr. Cronin in the White House, as you think necessary.

I will be out of the office next week. In my absence, Mrs. Jane Finn (ext. 5600) will be handling this matter.

Attachment



Mr. Richard P. Cronin
Foreign Affairs and National
Defense Division
Congressional Research Service
Library of Congress
Washington, D.C. 20540

Dear Mr. Cronin:

This is in response to your request for the budget estimate for Camp David for fiscal year 1977.

As you know, this funding is contained in the budget for the Department of the Navy, which maintains this facility for the use of the President and as a conference and meeting place for various governmental departments and agencies. The request for the operation of Camp David in the coming fiscal year is \$638,000.

Sincerely,

William M. Nichols
General Counsel



OM 13

THE WHITE HOUSE

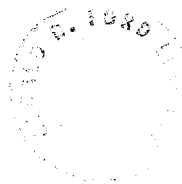
WASHINGTON

June 11, 1976

MEMORANDUM FOR: JIM CANNON
PAUL O'NEILL
KEN LAZARUS

FROM: PHIL BUCHEN *P.*

Attached is material which came from the Department of Interior relative to the basis for the appropriation of funds to pay claims arising out of the failure of the Teton River Dam.



PARK

disposition under laws relating to national parks and are not covered by the reclamation fund, as provided in the Act of July 19, 1919. C.L. 865, 20.

ed shall affect any valid claims of the United States, for other purpose whatsoever, for entryman to the full extent with the primary purposes of the Act and one, applicable to the national forests and the national forests in applicable to the lands on February 26, 1931, 46 Stat.

in the Text. The Act of March 3, 1915, and the Act of September 6, 1950, to the location of rights to national parks and the lands for irrigation and other purposes as provided in the text, appears in chronological order.

SUNDRY CIVIL EXPENSES APPROPRIATIONS ACT FOR 1916

[Extracts from] An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and sixteen, and for other purposes. (Act of March 3, 1915, ch. 75, 38 Stat. 822)

* * * * *

RECLAMATION SERVICE

The following sums are appropriated out of the special fund in the Treasury of the United States created by the Act of June seventeenth, nineteen hundred and two (Thirty-second Statutes, page three hundred and eighty-eight), and therein designated "the reclamation fund":

[Damage payments.]—For * * * payment of claims for damage to or loss of property, personal injury, or death arising out of activities of the Bureau of Reclamation; * * * (38 Stat. 859)

EXPLANATORY NOTES

Provision Repeated; Evolution of Wording. A provision for the payment of damage claims has appeared in each annual appropriation act for the Bureau of Reclamation beginning with the Act of March 3, 1915. The shortened form shown above was first used in the Act of September 6, 1950, 64 Stat. 687. It has been carried in each subsequent annual Interior Department Appropriation Act through fiscal year 1955, and thereafter in each annual Public Works Appropriation Act through the most recent one, the Act of October 15, 1966, 80 Stat. 1008.

As first enacted in 1915, the provision read: "payment of damages caused to the owners of lands or private property of any kind by reason of the operations of the United States, its officers or employees, in the survey, construction, operation, or maintenance of irrigation works, and which may be compromised by agreement between the claimant and the Secretary of the Interior."

The appropriation act for fiscal year 1927 and subsequent acts inserted the word "other" before "private property" and added "or such officers as he may designate" at the end. The appropriation act for fiscal year 1939 and subsequent acts dropped the last clause "and which may be compromised by agreement between the claimant and the Secretary of the Interior or such officers as he may designate." The appropriation act for fiscal year 1948 and subsequent acts revised the provision to read "payment of claims for damage to or loss of property, personal injury, or death,

arising out of the survey, construction, operation or maintenance of works by the Bureau of Reclamation". The Act of September 6, 1950, substituted "activities of" for the phrase "the survey, construction, operation or maintenance of works by".

Comparable Provision, Indian Irrigation Projects. The Act of February 20, 1929, 42 Stat. 1252, 25 U.S.C. § 388, provides for similar payment in connection with Bureau of Indian Affairs irrigation works.

Remedy Solely Discretionary. The remedies provided by the appropriation acts and the Act of February 20, 1929, have been construed to be matters entirely within the discretion of the Secretary of the Interior, rather than statutory rights to compensation. Solicitor White Opinion, 60 I.D. 451, 454 (1950); Bill Powers, TA-271 (Ir.), 71 I.D. 237 (1964).

Procedures for Administrative Determinations. Each Regional Solicitor is authorized to determine, under the annual Public Works Appropriation Act, claims not exceeding \$15,000 for damage to or loss of property, personal injury, or death arising from activities of the Bureau of Reclamation. The Regional Solicitor is likewise authorized to make determinations for claims under \$15,000 arising from the survey, construction, operation or maintenance of irrigation works on Indian irrigation projects. Appeal lies to the Solicitor, upon written notice of appeal filed with the Regional Solicitor within 30 days of receipt of the determination. Solicitor's Regulation No. 5, amended October 5, 1965.

3d Congress. H.R. Rept. No.



Relation to Tort Claims. The annual appropriation acts, and the Act of February 20, 1929, 45 Stat. 1252, 25 U.S.C. § 388, relating to claims for damages caused by Indian irrigation projects, provide only for the administrative determination of claims which do not sound in tort, as the Federal Tort Claims Act is considered to provide the exclusive remedy for all tort claims. As a matter of procedure, when a claim is submitted for administrative determination it is considered under both the annual Public Works Appropriation Act and the Federal Tort Claims Act, to determine if a remedy is available under either Act. For cases and determinations involving tort claims, see the Act of June 25, 1948, herein and notes thereunder.

Relation to Claims for Taking of Property. Where the reclamation activities result in a "taking of" property, rather than

in "damages to" property (admittedly a difficult distinction to draw), the landowner is entitled to just compensation under the Fifth Amendment to the Constitution. If such property is not acquired by the Bureau of Reclamation by purchase or condemnation, the property owner may bring suit under the Tucker Act in the Court of Claims or the United States District Court. Selected cases are noted herein under the Fifth Amendment to the Constitution, and extracts from the Tucker Act appear herein in the Appendix.

Editor's Note, Annotations of Administrative Determinations. The annotations of administrative determinations which follow should not be considered an exhaustive treatment, as the proceedings in this field are voluminous. However, an attempt has been made to select illustrative decisions spanning the range of fact situations.

NOTES OF OPINIONS

- Canal breaks 3
- Canal seepage 4
- Direct causation 1
- Fire 14
- Floods 2
- Indian irrigation projects 7
- Land purchase contract release clauses 8
- Livestock losses 6
- Property, what constitutes 12
- Reservoir water releases and escapes 5
- Roads and bridges 15
- Silting 10
- Subirrigated lands 11
- Transfer of facilities 13
- Wells 9

1. Direct causation

The Government is not liable under the Federal Tort Claims Act for property damage resulting from water escaping through a sudden break in an irrigation canal which was constructed according to plans prepared by engineers based upon the best engineering practices available, and inspected regularly with reasonable diligence and skill after being placed in operation. However, the Government at its discretion may compensate injured parties in these circumstances under the Interior Department Appropriation Act where the cause of the damage is shown to be the direct result of activities of the Bureau of Reclamation. *Northern Pacific Railway Co., et al., T-560 (Ir.) (May 10, 1954).*

Where action of claimant in removing dirt from banks of irrigation ditch was shown to have been a proximate cause of a break in the ditch resulting in the flooding of his land, no damages may be recovered against the United States under appropria-

tion act provision available therefor. *C. F. Burbridge, M-32045 (January 30, 1942).*

Recovery for alleged damages was denied when the claimant failed to show by a preponderance of the evidence that alleged contamination of his spring was caused by an increase in the alkaline or salt content of irrigation waters pumped, "damages resulting from remote or consequent causes being held not to come within the purview of the statute. *Columbia Basin Orchards Co., M-31669 (November 19, 1942).*

2. Floods

The Government is not liable, under the Federal Tort Claims Act, for damage caused to crops by a flood diverted to claimant's land by the existence of a Bureau of Reclamation canal because the original damage to build the laterals without placing converters under them was within the discretionary function exception of the Act. The Flood Control Act, 33 U.S.C. § 702c, and immunity statute, applicable only when liability would exist without it, and as there was no liability, the Flood Control Act does not bar the payment of claims under the Public Works Appropriation Act. In this instance the flood waters would not have been diverted onto claimant's land but for the lateral, thus the damage done was the direct result of non-tortious activities of the Bureau of Reclamation. Claim allowed. *Powers, TA-271 (Ir.) 71 I.D. 237 (1942).*

Where flooding of land was the result of a rainstorm of unprecedented or cloud-like proportions, and not the result of a direct act or omission, or negligence in construction, operation or maintenance of a drainage ditch, claimants cannot recover

from the Gov
S. L. Tooke
1942).

No recover
United States
operation of
rent irreat
of c
transfer bu
board and
above
of wat
from the res
operated eff
utilize th
full-st pe
d control
for the rese
work, and th
would have
Leona Sing
26, 1940).

claimants
landowners
Grande Riv
1942, constr
on the
owned their
flooded, the
holding that
part of the
River which
only of the
United State
to pro
the River
made in dam
of the
March 29, 1

Floods of
claimants are a
Government has
cannot be he
March 2, Febru

Canal br
Damage c
claimants occur
cannot be

Appr
claimants dire
Bureau of
and M
March 6

1942
claimants a c
of the
of the

claimants over
control.
March 27
claimants c
March 27



to" property (admittedly a cation to draw), the landowner just compensation under the ment to the Constitution. If is not acquired by the Bureau on by purchase of condemna- property owner may bring suit cker Act in the Court of Claims ed States District Court. Se- are noted herein under the ment to the Constitution, and the Tucker Act appear herein dix.

Note, Annotations of Admin- erminations. The annotations tive determinations which fol- ot be considered an exhaustive s the proceedings in this field ous. However, an attempt has to select illustrative decisions : range of fact situations.

vision available therefor. *C. E. M-32045* (January 30, 1945). for alleged damages was denied imant failed to show by a fair ce of the evidence that alleged on of his spring was caused by in the alkaline or salt content of waters pumped, "damages re- a remote or consequent causes" not to come within the purview tute. *Columbia Basin Orchard 69* (November 19, 1942).

ernment is not liable, under the t Claims Act, for damage caused y a flood diverted to claimant's e existence of a Bureau of Rec- anal because the original decision he laterals without placing cul- er them was within the discre- tion exception of the Act. The trol Act, 33 U.S.C. § 702c, is an statute, applicable only where ould exist without it, and as there bility, the Flood Control Act does e payment of claims under the rks Appropriation Act. In this he flood waters would not have rted onto claimant's land but for l, thus the damage done was the lt of non-tortious activities by the eclamation. Claim allowed. *B. A-271* (Ir.) 71 I.D. 237 (1964). flooding of land was the result of m of unprecedented or cloudbur- ortions, and not the result of a : or omission, or negligence in the on, operation or maintenance of e ditch, claimants cannot recover

from the Government for property damaged. *S. L. Tooke, et al., M-31871* (August 22, 1942).

No recovery may be had against the United States where it was shown that the operation of certain reservoirs of a Govern- ment irrigation project did not cause the flooding of claimants' lands during a severe rainstorm but that in fact they reduced, im- peded and retarded the flood waters of a creek above the reservoirs; that large quan- tities of water were not suddenly released from the reservoirs; that the reservoirs were operated efficiently and in such manner as to utilize the available storage capacity to the fullest possible extent for the regulation and control of the flood waters; and that but for the reservoirs, the flood waters in the creek, and the damage resulting therefrom, would have been appreciably greater. *Lenora Simpson, et al., M-30564* (February 16, 1940).

Claims filed against the United States by landowners on the west side of the Rio Grande River who alleged that the Alamo levee, constructed by the United States in 1933 on the east side of the River, had caused their lands to be flooded, were dis- allowed, the Under Secretary of the Interior holding that the alleged damaged lands were a part of the flood plain of the Rio Grande River which would be flooded independ- ently of the Alamo levee, and that the United States had a right to construct the levee to protect its property against floods in the River even if such construction should result in damage to the lands on the opposite side of the river. *Norberto Butler, et al., August 29, 1935.*

Floods of unprecedented occurrence and volume are acts of God over which the Gov- ernment has no control and for which it cannot be held liable. *Palmyra Longuemare, et al., February 21, 1930.*

3. Canal breaks

Damage caused by flooding when a canal break occurred due to gopher burrowing could not be compensated under the Public Works Appropriation Act since the break was not directly caused by the activities of the Bureau of Reclamation. *Wilbur B. Cas- sady and Mary A. Cassady, and Farmers Insurance Group, TA-235* (Ir.), 69 I.D. 195 (1962).

When a canal dike breaks because of the activities of ground squirrels, the direct cause of the break is the presence of *ferae castorae*, over which the United States has no control, thus no liability can attach. *Anna Barnes, 57 I.D. 584* (1942).

Damages caused by water escaping from a Government canal to railroad trestles and

embankments is compensable under the annual appropriation act as the direct result of activities of the Bureau of Reclamation. *Northern Pacific Railway Co., et al., T-560* (Ir.) (May 10, 1954).

Flooding caused by tumbleweeds, which sank and rolled along the bottom of a cuivert of an irrigation lateral, clogging a drain and causing claimant's land to be overflowed, was held to have resulted from the manner in which the canal was main- tained by the Government, to be "damage due to unavoidable causes in which the element of negligence does not appear," and claimant accordingly was permitted to re- cover for damage resulting therefrom. *George H. Munro, M-31573* (January 24, 1942).

4. Canal seepage

When an award for damage to property is rendered as a result of seepage from an irrigation canal, and that award is based on the permanent depreciation in value of the property due to the seepage, no addi- tional award may be rendered unless the extent or intensity of the seepage has in- creased since the first award to a degree which has caused further permanent depreciation in the value of the property. *Norma Streit, et al., T-1100* (Ir.) (Febru- ary 4, 1964). For the earlier award, see *Arnold Streit, T-476* (Ir.) (Supp.), 62 I.D. 12 (1955).

Claimant contended that seepage water from Bureau of Reclamation ditches and canals had rendered grazing land useless and caused damage to cattle from falls suffered by ice formation. The record showed several other sources for the seep- age, however, namely heavy irrigation and rainfall on adjacent upland farms and two springs in the area; therefore the claim was denied. The damages must be the direct result of activities of the Bureau of Reclama- tion, which required in this context that seepage water from project facilities alone, without contribution from other sources, be sufficient to cause the damage. *Howard D. Galletine, T-980* (Ir.), 67 I.D. 191 (1960).

Claimant had conveyed the right of way for a canal to the United States, which subsequently caused damage to the base- ment of his home and his crops by seepage. Upon a showing of damage directly caused by activities of the Bureau of Reclamation, measured by the difference in appraisal value of the property with and without the seepage condition, compensation was made to claimant, past rulings to the contrary being reversed. *Arnold Streit, T-476* (Ir.) (Supp.), 62 I.D. 12 (1955).



5. Reservoir water releases and escapes

The claimant contended the formation of accumulated ice jams, caused by the fluctuation of river flow in the winter resulting from irregular power releases made through the powerplant, damaged his irrigation diversion dam. However, previous ice jams had developed on the river during periods of continuous water release from the powerplant, ice jams had occurred during the same winter on nearby rivers with no apparent relationship to continuous or fluctuating flows, and reservoir intake records showed the natural flow of the river would have varied over 550 per cent during the period the damage occurred. Therefore, it could not be established that damage to claimant's dam was the direct result of non-tortious activities of employees of the Bureau of Reclamation. *Hanover Irrigation District*, TA-256 (Ir.) (February 20, 1964).

Spillway gates at a Bureau of Reclamation dam gave way, permitting a large volume of water to escape from the dam. Failure of the gates was traced to a defective anchor bolt common to two of the gates, but even a close inspection would not have revealed the defect, therefore there was no negligence on the part of the Government. An award for damage claims for flooded lands could be made from the current Interior Department Appropriation Act (1951), however, even though the damage occurred in 1942, as Congress has provided no statute of limitations for this discretionary power. Solicitor White Opinion, 60 I.D. 451 (1950).

The Government was held not liable for damage caused by flooding when an unprecedented accumulation and flow of heavy ice loosened the structure and caused a dam to break where it was shown that the dam was properly designed and constructed to withstand such pressure as it would be likely to meet based on past experience. *Nashua Booster Club, et al.*, M-30446 (September 13, 1940).

Where a large volume of water from a reservoir was discharged in order to clean and repair it, causing a greatly increased flow of water in the river below the dam and reservoir which overflowed the banks of the river and resulted in damage to owners of adjoining lands, it was held that the one was a direct consequence of the other and that claimants could therefore recover. Dec. Comp. Treasury, June 15, 1915.

6. Livestock losses

Claimant's damages were caused by loss of livestock through drowning in an unfenced irrigation canal. Applicable state law,

which determined the result for a negligence theory of liability under the Federal Tort Claims Act, did not require a landowner to fence his land or be liable to the owner of livestock injured while upon that land, therefore the claim was denied under the Federal Tort Claims Act. A long-established policy of the Department did not consider livestock drowning in irrigation facilities to be the direct results of Government employees' activity, thus the claim was denied under the statute relating to claims for damage caused by Indian irrigation works. *John C. Brock*, TA-249 (Ir.), 70 I.D. 397 (1963). For other determinations under the appropriation acts denying awards in cattle drowning cases, see *Dale Jones*, TA-185 (Ir.) (April 23, 1959); *Ray Strouf*, TA-180 (Ir.) (February 9, 1959); *Alfred Koeltzow*, TA-18 (Ir.) (July 25, 1949).

7. Indian irrigation projects

The criteria for an award under the annual Public Works Appropriation Acts and those for awards under the Indian project act are the same, thus determinations made under the one may be used as precedent for the other. Therefore, a claim for losses of livestock by drowning in an Indian irrigation project canal must be denied. *John C. Brock*, TA-249 (Ir.), 70 I.D. 397 (1963).

Realignment of telephone poles brought about through wind action after the footing of the poles had been softened by submersion in water, and through the action of ice formed during the winter in lifting the poles from their settings, in an area inundated by the construction of the Wild Horse Dam on the Duck Valley irrigation project, Nevada, held due to direct acts of Bureau of Indian Affairs employees in the survey, construction, operation or maintenance of irrigation projects for which damages were recoverable under the 1929 act. *Essex County Telephone and Telegraph Co.*, M-31026 (January 17, 1941).

8. Land purchase contract release clause

Where there was no indication that the original appraisals of a canal right of way purchased by the Government were increased because of inclusion in the contract of a clause requiring claimant to accept the purchase price as full payment for all damages, and no evidence that future damage was within the contemplation of the party when the purchase price was paid, then upon proof of damage by canal, no compensation will be allowed. *Streit*, T-476 (Ir.) (Supp.), 62 I.D. (1955).

Notwithstanding an agreement in a land-purchase contract to accept the



ET, 1916

he result for a negligence under the Federal Tort Act require a landowner to be liable to the owner while upon that land, was denied under the Act. A long-established right did not consider in irrigation facilities results of Government, thus the claim was statute relating to claims by Indian irrigation Act, TA-249 (Ir.), 70 or other determinations appropriation acts denying owning cases, see *Dale* (r.) (April 23, 1959); 80 (Ir.) (February 6, 1959), TA-18 (Ir.)

1. projects

in award under the an Appropriation Acts and under the Indian project as determinations made be used as precedent for a claim for losses of an Indian irrigation project must be denied. *John C.* (r.), 70 I.D. 397 (1963). telephone poles brought action after the footings were softened by submergence through the action of ice water in lifting the poles in an area inundated of the Wild Horse Dam irrigation project, direct acts of Bureau employees in the survey, on or maintenance of which damages were the 1929 act. *Elko and Telegraph Co.*, M-941).

contract release clauses no indication that the Government right of way inclusion in the contract claimant to accept the payment for all damage that future damage contemplation of either chase price was fixed, damage by canal seepage will be allowed. *Arnold* (Supp.), 62 I.D. 22

in agreement in a contract to accept the pur-

chase price as full payment for all damages for entry upon the property and the construction, operation and maintenance of reclamation works thereon, a vendor may be awarded damages under the provisions of the annual Interior Department appropriation act when the contract gives the vendor the right of possession until a certain date, and before that date the Bureau of Reclamation overflows the land and destroys the crops growing upon it. *Ruth O. Wiles*, T-462 (Ir.), 61 I.D. 109 (1953).

9. Wells

Claimants alleged their water wells went dry as a result of the construction of a drainage ditch by the Bureau of Reclamation. The record showed the wells went dry within a short time after the drainage ditch was constructed, the wells had supplied water for several years before the ditch was constructed, substantial water was encountered during construction of the ditch past claimant's properties, and the water table had been lowered noticeably since construction. This was enough to constitute a *prima facie* case in favor of the causal relationship between the ditch construction and the drying up of the wells; and in the absence of rebuttal evidence, and particularly because of the difficulty in drawing conclusions with mathematical certainty regarding subterranean water, this showing entitled claimants to recovery under the current Public Works Appropriation Act. *Ed Brewer, et al.*, TA-253 (Ir.), 71 I.D. 84 (1964).

10. Silting

Where silt, exposed by the lowering of the water surface of a Bureau Reservoir, was blown over adjacent lands by the prevailing winds, no claim for damage resulting therefrom could be allowed because the damage was not the direct result of the operation of Government employees. *W. E. Bartlett, et al.*, 57 I.D. 415 (1941).

11. Subirrigated lands

Diversion by the Government of waters of a lake, thereby depriving meadowland of its moisture derived from subirrigation, even though the land was not contiguous to the meander line of the lake, constitutes a valid claim for damages within the contemplation of the appropriation act provision. However, where the meadowland is damaged by the diversion of waters of a lake, the landowner is not entitled to general damages to his remaining lands, as incidental to the damage to the former, if the latter were not directly benefited by those waters prior to their diversion. *George W. Myers and Lillie A. Myers*, 49 I.D. 106 (1922).

12. Property, what constitutes

Claimants sought damages because the construction and operation of a reclamation project had increased the volume of water in a lake, thereby diluting its dissolved mineral content and making claimant's business of extracting salts from the water more expensive. The claimant was denied on the grounds no valid property right was damaged, since claimant had never appropriated the dissolved minerals in the lake or obtained a license or permit from the city or state for that purpose. *Roxie Thorson and Marie Downs*, T-710 (Ir.), 63 I.D. 12 (1956).

13. Transfer of facilities

A damage claim submitted for seepage from a canal which resulted in waterlogging land belonging to claimants was undisputed insofar as the damage or its cause was concerned. However, responsibility for the operation and maintenance of the structures was transferred to the Department of Agriculture by agreements made under the Water Conservation and Utilization Act, as soon as the Bureau of Reclamation had finished constructing the main and branch canals and the laterals. The Bureau of Reclamation's original plans called for construction of drainage systems also, anticipating the seepage problem, but its responsibilities for construction were terminated before these structures were built. Therefore, the funds appropriated for the Bureau of Reclamation should not be charged with damages resulting from a failure by other entities to fully execute a plan of construction the Bureau was not allowed to complete. *Marilynn Truscott and Solveig C. Evans*, T-453 (Ir.), 61 I.D. 88 (1953).

14. Fire

Claimant may recover damages from the United States for property damage resulting from a forest fire which occurred during the construction of a reservoir where the forest fire resulted from a shift of the wind during land-clearing operations by burning and was not due to negligence on the part of Government employees. *The Shevlin-Hixon Co.*, 58 I.D. 189 (1942).

Claimant may recover damages from the United States for property damage where during the burning of dry willows necessary to the maintenance of an irrigation ditch a sudden wind came up and carried the fire into adjacent cut-over meadow lands. *Race Harney*, M-31661 (February 4, 1942).

15. Roads and bridges

Damages for the extraordinary use of a public highway bridge by Government personnel in the course of constructing the various units of the Kendrick project,



Wyoming, are compensable from funds made available in the Interior Department Appropriation Act, 1954, for the payment of claims for damage to property arising out of activities of the Bureau of Reclamation. The measure of damages for injury to a public highway bridge ordinarily is the cost of repairing the injured bridge. How-

ever, where the bridge is out of date and has become a safety hazard because of the extraordinary use which causes the damage, the estimated cost of repairs may be applied against the cost of a new bridge designed to meet present day traffic requirements. *Claim of Natrona County, Wyoming, T-512(Ir.), 61 I.D. 264 (1955).*

* * * * *

[Jackson Lake enlargement.]—Jackson Lake enlargement work, Idaho-Wyoming: For maintenance, operation, continuation of construction, and incidental operations, conditioned upon the deposit of this amount by the Kulin Irrigation and Canal Company and the Twin Falls Canal Company to the credit of the reclamation fund, \$476,000; (38 Stat. 860).

EXPLANATORY NOTE

Provision Repeated. A similar provision is contained in the Sundry Civil Expenses Appropriation Act for 1917, approved July 1, 1916, 39 Stat. 304.

* * * * *

[Expenditures and obligations not to exceed appropriations or amount in reclamation fund.]—Under the provisions of this Act no greater sum shall be expended, nor shall the United States be obligated to expend, during the fiscal year nineteen hundred and sixteen, on any reclamation project appropriated for herein an amount in excess of the sum herein appropriated therefor, nor shall the whole expenditures or obligations incurred for all of such projects for the fiscal year nineteen hundred and sixteen exceed the whole amount in the "reclamation fund" for that fiscal year. (38 Stat. 860)

EXPLANATORY NOTES

Provision Repeated. A similar provision is contained in each subsequent annual Sundry Civil Expenses Appropriation Act through fiscal year 1922, and each annual Interior Department Appropriation Act thereafter through the Act of October 12, 1949, 63 Stat. 781.

Cross Reference. Section 16 of the Reclamation Extension Act of August 11, 1914, 38 Stat. 690, provides that after July 1, 1915, no expenditures shall be made out of the reclamation fund except out of appropriations made by Congress. The Act appears herein in chronological order.

* * * * *

[Interchange of appropriations.]—Ten per centum of the foregoing amount shall be available interchangeably for expenditure on the reclamation projects named; but not more than ten per centum shall be added to the amount appropriated for any one of said projects. (38 Stat. 861)

EXPLANATORY NOTE

Provision Repeated. This provision is repeated in each subsequent annual Sundry Civil Expenses Appropriation Act through fiscal year 1922 and each annual Interior Department Appropriation Act thereafter through the Act of October 12, 1949, 63 Stat. 781, with the following modifications:

The Act of May 24, 1922, 42 Stat. 500, and subsequent acts include additional authority for emergency repairs; and the Act of July 1, 1946, 60 Stat. 367, and subsequent acts insert the words "for operation and maintenance projects" after "going amounts."

* * * * *



OMB

THE WHITE HOUSE
WASHINGTON

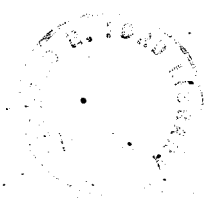
6/15/76

Mr. Seidman has signed off on
this & Jim Jura has asked also
for Mr. Buchen's.

When that is done, would you
return directly to Jim Jura in
OMB.

per Roger Porter

OK.
P.W.B.





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUN 10 1976

Honorable Dewey F. Bartlett
United States Senate
Washington, D.C. 20510

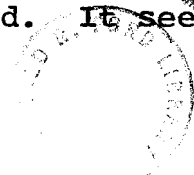
Dear Dewey:

Following up on my conversation with you and Warren King regarding the possible use of the private sector management task force approach to Federal management improvements, let me say initially that I fully concur with the idea that we should aggressively seek ways to reduce the administrative costs of government. Moreover, I wholeheartedly agree that we should consider any promising new techniques in our search for greater efficiency and lower costs.

In this light we have reviewed the private sector task force technique as it has been applied to State governments and, prospectively, how it might be adapted at the Federal level. We have concluded that, subject to some limitations and cautions, the technique has potential for Federal agencies and we feel it should be tested on a trial basis by several selected agencies.

The principal limitation of the technique, as we see it, is that its potential is primarily with respect to the economy and efficiency of good management. The technique is actually a form of management audit which can identify causes for excessive costs. On the other hand, the brief presence of loaned business executives in an agency is probably not well suited to the deeper analysis needed to assess the overall impact a program is having toward meeting the goals it was intended to make progress toward. As to this kind of evaluation, we must continue to put primary reliance on other methods of management improvement.

The principal caution in utilizing a private sector task force is to avoid scrupulously any possible conflict of interest or possible compromise of confidential information. Even the appearance of these problems would be troublesome and would negate any possible value to be gained. It seems



that the way to avoid this kind of problem is to assure that any uses of the private sector teams, including the trial efforts, are not aimed at substantive as opposed to management efficiency issues and, in particular, do not involve access to confidential information.

For trial run purposes, we plan to select two or three small agencies or components of larger agencies which do not have the conflict problem, and which are operationally analogous to business or commercial firms. Over the next few weeks, we will approach candidate agencies to make some arrangements. Possibilities which we will explore include:

- components of U.S. Department of Agriculture
- components of the Interior Department
- military inventory management programs
- State Department overseas management offices and staff housing
- Passport Office
- Export-Import Bank
- Agency for International Development business operations
- Amtrak
- Conrail
- GSA components
- Small Business Administration
- Bureau of the Mint - Treasury Department

At least our preliminary look at the legal aspects indicates that the executive branch has adequate authority to undertake this type of review, using borrowed business executives,

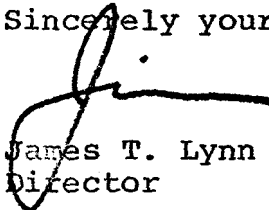


without legislation. I am pleased that this is the case because we want to get started now and also because I think some experiments will tell us what we need to know about the utility of the approach, and about the need for or desirability of legislation.

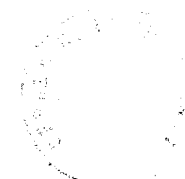
Thank you for your continued interest. We shall keep you informed of our progress.

With kind regards.

Sincerely yours,

A handwritten signature in black ink, appearing to be 'J. Lynn', written over the typed name.

James T. Lynn
Director



June 15, 1976

11:50

Jim Jura - Mr. Lynn's Office- called. He said that Mr. Lynn was sending a letter to Senator Bartlett on Volunteer Efforts from the Private Sector to Federal Agencies. He has asked Seidman to review the letter before it is sent out and he also wants Mr. B. to review the letter as soon as he receives it. Roger Porter will be probably be bringing the letter over here. If Mr. B. wants to ask any questions about the letter, the number is X3160

attached





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

File
Tollin
4/22

JUN 23 1976

ACTION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

James T. Lynn *131 J*

SUBJECT:

Capitol Columns for the
National Arboretum

We have investigated the possibility of transferring the old East Front Capitol Columns to the National Arboretum. The columns are currently the property of the Architect of the Capitol. The transfer and erection of an appropriate monument to honor Benjamin Latrobe would cost approximately \$500,000.

Neither the Department of Agriculture nor the Architect of the Capitol is interested in this plan. The monument does not fit into plans for the development of the Arboretum. In light of these facts, and because of our recent supplemental appropriation request for \$6 million to purchase additional land at the Arboretum, I cannot recommend any positive action at this time.

CC:

Mr. Buchen ✓



THE WHITE HOUSE
WASHINGTON

RECEIVED
JUN 9 8 11 AM '76

June 7, 1976

MEMORANDUM FOR: JIM LYNN

FROM: PHIL BUCHEN *P.*

Attached is a copy of a letter from Mrs. Ethel Garrett to the President with enclosures which she sent. Among the enclosures is a letter I had sent to her on January 21, 1975, in which I gently persuaded her from pursuing her request further. However, the indication from her present letter to the President is that he personally has renewed his interest in her project.

This must have occurred at the reception which followed the dinner of King Carlos at the Spanish Embassy on June 3 because I saw Mrs. Garrett going through the receiving line where she would have had an opportunity to talk briefly with the President. Inasmuch as this project would involve expenditure of federal funds, I seek your guidance. Probably it deserves a memorandum from you to the President so that an appropriate reply can go out over the President's signature.

Attachments



2030 TWENTY-FOURTH STREET
WASHINGTON, D. C. 20008

June 4th

RECEIVED AND SECURITY UNIT
THE WHITE HOUSE
WASHINGTON

1916 JUN 4 PM 5 19

My dear Mr. President:

It was indeed a very pleasant surprise last night to learn from you that you are still interested in securing the columns designed by Benjamin Latrobe for the Arboretum.

I am enclosing for your quick survey the history of my efforts to secure these columns for the Arboretum. Whether they be placed there as a memorial to him given by The President of the United States, or by whatever means would be deemed advisable, it would be a suitable tribute to the country's most distinguished architect.

I know this seems infinitesimal compared to your world-wide problems, which in my opinion you are handling with extreme patience and wisdom, but if I did not feel it were really worth while, I would not continue to pursue this matter as I have done for the past eighteen years.

Sincerely,

Ethel S. Garrett



RESUME OF MRS. GEORGE A. GARRETT'S EFFORTS ON BEHALF OF CAPITOL COLUMNS:

1958-1962 - East Front of the Capitol was renovated and 24 large sandstone columns designed by Benjamin Latrobe were removed and placed in the Capitol Power Plant.

1958 - The late distinguished architect, Mr. Horace Peaslee, heard of the plan to remove the columns from the east front of the Capitol and knowing of Mrs. Garrett's interest, discussed with her the possibility of placing these columns in the National Arboretum. Mr. Peaslee drew up a tentative plan for their use at the Arboretum. He had set up a meeting for ten o'clock one morning to present his plan to a committee of the Congress. At eight o'clock that morning Mrs. Garrett received a telephone call saying Mr. Peaslee was dead.

Mrs. Garrett tried to interest various people in obtaining these columns for the Arboretum, but with very little success until she enlisted the aid of Senator Humphrey in 1962.

May, 1959 - Re Condition - Mrs. Garrett wrote to the three Capitol architects, John Harbeson, Gilmore D. Clarke, and Henry R. Shepley, who were advisors to Mr. Stewart, Architect of the Capitol, asking their opinion as to the condition of the columns and if they were available. A meeting was arranged by Congressman Fulton of Pennsylvania for Mrs. Garrett to talk to Mr. Stewart. His feeling was that the pillars would not last if placed outside.

However, Mr. Carl Romberg of MacLeod and Romberg, and Mr. R. B. Phelps of the R. B. Phelps Stone Company (two of the foremost stone contractors in the United States) gave the opinion that if the pillars were placed in concrete and their tops covered, they would last indefinitely.

This opinion agrees with the following statement from Dr. Skinner's February 1, 1963, letter to Mr. Edward Durell Stone: "Mr. Harbeson of Philadelphia...who was consultant on the Capitol Extension, has provided us with capping and surface treatment details which he feels would adequately prevent further deterioration for an indefinite period under outdoor conditions...Mr. Stewart received copies..."

August 24, 1962 - Senator Humphrey wrote a letter to Mr. Stewart, Architect of the Capitol, regarding the possibility of transferring the 24 columns to the Arboretum.

August 29, 1962 - Mr. Stewart replied to Senator Humphrey: "If the officials of the National Arboretum are interested in using these columns in one of their structures and would develop plans showing that the columns would be protected and used in a dignified setting, I would be glad to present the plans to the Commission (Commission for Extension of the United States Capitol) for final determination."



September 10, 1962 - Senator Humphrey wrote to Dr. Skinner:

"...I would suggest you now develop plans...showing that the columns would be protected and used in a dignified setting. You should then forward these plans to the Architect along with a specific request that the columns be removed to the National Arboretum. At the time you do this, send me a copy of the plans and a copy of your letter to Mr. Stewart and I will at that time personally contact the members of the Commission for Extension of the United States Capitol and ask that your request receive a favorable consideration..."

February-July, 1963 - Edward Durell Stone and his son drew up detailed plans (gratis) for the use of the columns at the Arboretum and colored sketches of these plans were given to Senator Humphrey.

July 9, 1963 - Dr. Skinner sent to Senator Humphrey a letter to which was attached a "Preliminary Budget Estimate" which gave "Architectural and engineering fees, including mechanical, electrical and structural landscape architecture: \$880,000..." Since that date the plans have been modified and the amount needed was stated to be \$400,000.

December 4, 1963 - Senator Humphrey introduced Bill S-2361:

"A Bill to authorize the Secretary of Agriculture to utilize the columns removed from the east central portico of the Capitol in an architecturally appropriate manner in the National Arboretum."

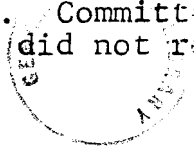
This bill asked for an appropriation of \$880,000 to cover the cost of the project. On that same day, Senator Humphrey had inserted into the Congressional Record (Vol. 109, No. 197 - Page 22081) an eloquent plea for the use of these columns at the Arboretum. Congressman Fulton of Pennsylvania introduced a like bill in the House.

March 18, 1965 - Congressman Fulton reintroduced the Bill (HR-6513) in the 89th Congress.

March 17, 1966 - Senator Pell introduced S.3099 in the Senate. This was essentially the same bill introduced by Senator Humphrey, but instead of asking for a specific amount of money, simply stated: "There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act."

Senator Pell inherited the bill from the then Vice President Humphrey, but frankly told Mrs. Garrett he would do nothing to press it. Hence, both bills (HR.6513 and S.3099), after having been referred to the Committees on Public Works of their respective Houses, died in committee.

August 4, 1967 - Senator Sparkman (for himself and Senator Dirksen) introduced Bill S.2230 in the 90th Congress. This bill was identical to the bill introduced by Senator Pell in the 89th Congress. The bill was referred to the Committee on Rules and Administration. Committee requested the views of the Department of Agriculture, but did not receive a reply until June 10, 1968.



June 10, 1968 - After waiting a year, the Secretary of Agriculture submitted a written report on S.2230. This report indicated that action on the bill should be deferred until detailed plans had been developed and also that funds required to utilize the columns should be considered in relation to higher priority fund needs. Additionally, the Secretary of Agriculture stated that in his belief the Committee should first obtain the views of the Commission of Fine Arts and the National Capital Planning Commission.

June 13, 1968 - The Senate Rules Committee requested the views of the Commission of Fine Arts and of the National Capital Planning Commission. We do not have record of the outcome.

June 18, 1968 - Mrs. Garrett wrote to Senator Jordan and submitted two sketches indicating alternate proposals for the use of the Benjamin Latrobe columns at the National Arboretum.

June 21, 1968 - Senator Jordan acknowledged Mrs. Garrett's letter and also forwarded the sketches she provided to the Architect to show to the members of the Commission on the Extension of the Capitol. We do not know whether they were ever shown to the Commission.

June 26, 1968 - The Senate Rules Committee exerted every effort to expedite consideration of S.2230, but reported it could not make intelligent determination of it without additional information - required plans, cost estimates, and recommendations from the Secretary of Agriculture which were requested but never received. Therefore, again the bill died in committee.

January-March, 1969 - Letters to Mr. Ford were written by Mrs. Garrett appealing to him for some action to be considered regarding these columns. These letters have not been answered.

April 21-25, 1969 - Correspondence between Mrs. Garrett and Congressman Wilson. Mrs. Garrett is reassured by Mr. Wilson's letter of April 25th in which he assures that these columns will be made a real cause.

August 12, 1969 - Mr. Ford introduced HR. 13480 which was referred to the House Committee on Public Works.

In August Mrs. Garrett also received a letter from Vice President Agnew asking her to renew her subscription for \$3,000 to the Boosters fund. She wrote him a letter explaining her disappointment as both Bob Wilson and Gerald Ford had promised to get the columns for the Arboretum. He wrote Mrs. Garrett a letter saying he understood perfectly and intimated that something would be done.

October 1969 - Upon reading in the newspaper that Representative Broyhill wished to have a memorial to Benjamin Latrobe, Mrs. Garrett called on him in his office. He promised to pursue the matter, and in Mrs. Garrett's presence telephoned Congressman William Cramer from Florida who also said that he would look into the matter immediately. To date, she has heard nothing from either of them. (1-2-70)

1970 - At the April, 1970, meeting of the National Advisory Council of the Arboretum, Mrs. Garrett learned astonishing news from the gentlemen who represented the Department of Agriculture. These gentlemen had been meeting with Mrs. Garrett for years, and knew of her efforts to secure funds to place the columns in the Arboretum, but it was not until that day that she learned that two years previously a policy had been adopted at the Department of Agriculture that funds could not be earmarked for a certain project, which meant that even if \$400,000 were secured from the Appropriations Committee there was no guarantee that it would be used for the columns. Mrs. Garrett considered this very deceitful, and feeling she could no longer work with the Department of Agriculture, resigned as a member of the National Advisory Council, June 1, 1970.

1973 - Congressman Broyhill (for himself, Mr. Bob Wilson, and Mr. Gerald R. Ford) introduced HR. 5486 - A Bill to provide for the establishment of a memorial at the National Arboretum to Benjamin Henry Boneval Latrobe. The bill has been referred to the Committee on Public Works.

May 7, 1974 - Mrs. Garrett called on Congressman Wilson in his office to discuss what real effort might now be put forth to assure a successful conclusion. This renewed effort was prompted by an article in The Washington Star of March 13, and of Mrs. Garrett's being approached by a Star reporter in April, and also a conversation with Congressman Wilson at a dinner in honor of Mrs. Ogden Phipps in Mrs. Garrett's house.

June 1974 - Although Congressman Wilson had assured Mrs. Garrett he would pursue the matter, he has not replied to her letters nor returned her telephone inquiries.

January, 1975 - Letter and information sent to The White House, as Mr. Philip Buchen had promised to bring it to the attention of The President; however Mr. Buchen's reply was not encouraging.



My dear Mr. Buchen,

I did not answer your January 21st letter while I was in Palm Beach, for there seemed to be nothing to say. I do appreciate your effort to bring the subject of the columns to the proper authority, for I know such requests are numerous. I have, however, received so many similar replies to my request that I have put your letter into the "buried file" on the columns.

I did not pursue the subject of the John F. Kennedy Center, for I learned by chance that my appointment ended in 1974. My close association over a period of twenty years with first the National Cultural Centre and then the J.F.K. has made the Centre a paramount part of my life. It is seldom one sees one's dream come true, and I rejoice in its success.

Do tell Mrs. Buchen I will miss her at my Garden Club of America dinner, but quite understand command invitations.

Again, many thanks.

April 21, 1975

2030 TWENTY-FOURTH STREET
WASHINGTON, D. C. 20008

January 20th

My dear Mr. Buchen,

You were kind enough to say that I might send this information about the Benjamin Latrobe columns to you so that The President would see it. I am most appreciative of your interest.

Mrs. Carusi told me that you asked about the Trustees of the Kennedy Center as printed in the program. The trustees are appointed by The President. I do not know who handles the actual mechanics. I tried to reach Roger Stevens, but he is out of town until Wednesday. As I am starting my 19th year working for, first the National Cultural Centre and then the John F. Kennedy Center for the Performing Arts, you can easily realize I am deeply involved in every way. I should love to talk to you about it, but of course defer to Roger's contacts.

Many thanks,

Sincerely yours,

Ethel J. Garrett

7

2030 TWENTY-FOURTH STREET
WASHINGTON, D. C. 20008

January 20th

My dear Mr. President:

Although I promised myself after eleven years of futile endeavor that I would never again mention the columns removed from the east front of the Capitol, my patriotic nature has come to the fore.

I am on the Bicentennial Committee of St. John's Church, a historic monument designed by Benjamin Latrobe. At the last meeting of the Bicentennial Committee I decided I should put aside all of my frustration and disappointment and try once more to have the Latrobe columns placed in the National Arboretum. It would be of great significance if Latrobe could be given the recognition which he has been denied in his own country by placing the columns he designed on Government grounds in the Nation's Capital at the time of the Bicentennial.

I attach a summary of my efforts from 1958 through 1974 and other correspondence pertinent to the subject. Won't you help now?

Sincerely,

Ethel S. Garrett

THE WHITE HOUSE
WASHINGTON

June 30, 1976

~~Shirley~~ --

Mr. B.

I have sent the attached letter to David Lissy. It seems he is working with the Civil Service Commission on a proposed Executive Order in relation to the Supreme Court decision of Hampton v. Mow Sun Wong. There is nothing for us to do at this point. David will keep me posted.

Bobbie

file

THE WHITE HOUSE
WASHINGTON

June 24, 1976

Bobbie,

Mr. Buchen wonders whether there is anything we should be doing on the attached which went out over Nichols' signature.

I do not have a copy of this material so please return.

Thanks.

shirley





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

gmb

GENERAL COUNSEL

June 16, 1976

(Identical letter sent to each of the 28 addressees on the attached list.)

This is in further response to your June 2, 1976, letter to the President in which you joined with a number of your colleagues to urge the President to issue an Executive order excluding resident aliens from Federal Civil Service employment.

The decision of the Supreme Court in Hampton v. Mow Sun Wong, No. 73-1596, June 1, 1976, is being reviewed. The Civil Service Commission is also reviewing this question and we anticipate that the Commission will submit its recommendations in the near future.

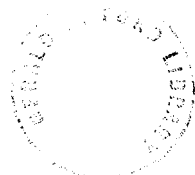
While the review of this issue proceeds, it is important to note that the Supreme Court did not strike down Sec. 502 of the Public Works Appropriation Act of 1970. Instead, the Supreme Court, in holding unconstitutional the Commission regulations, noted that the limitations on the expenditure of appropriated funds authorized payment to a broader class of potential employees than did the Commission regulations. We, therefore, assume that the existing limitation imposed by the Congress on the employment of aliens is still the law (Sec. 602 of the Treasury, Postal Service, and General Government Appropriations Act, 1976, Public Law 94-91).

I wish to assure you that this matter is receiving full consideration.

Sincerely,

William M. Nichols
William M. Nichols
General Counsel

COPY FOR MR. PHILIP BUCHEN - THE WHITE HOUSE



DISTRIBUTION

Honorable Bill Archer
Honorable James G. Martin
Honorable Burt L. Talcott
Honorable Jack F. Kemp
Honorable Elwood H. Hillis
Honorable Robert W. Daniel, Jr.
Honorable Marjorie S. Holt
Honorable Trent Lott
Honorable Philip M. Crane
Honorable Robert E. Bauman
Honorable Carlos J. Moorhead
Honorable Ron Paul
Honorable Robert J. Lagomarsino
Honorable Charles E. Grassley
Honorable John Jarman
Honorable William L. Dickinson
Honorable William M. Ketchum
Honorable Samuel L. Devine
Honorable Donald D. Clancy
Honorable Bud Shuster
Honorable Delbert L. Latta
Honorable Herman T. Schneebeli
Honorable Joel Pritchard
Honorable J. Kenneth Robinson
Honorable W. Henson Moore
Honorable Barber B. Conable, Jr.
Honorable John Y. McCollister
Honorable Thad Cochran

