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*Delivered  
12/19/75  
Delivered to House of  
Representatives - 12/19/75 - 11:30am*

*memo message  
signed  
12/19*

THE WHITE HOUSE  
WASHINGTON  
December 17, 1975  
Last Day: ACTION December 19, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON *[Signature]*  
SUBJECT: Enrolled Bill H.R. 8069 - Departments of Labor and Health, Education and Welfare Appropriation Act, 1976.

This is to present for your action H.R. 8069, the Departments of Labor and Health, Education and Welfare Appropriations Act, 1976.

BACKGROUND

The appropriations in H.R. 8069 are substantially above your requests for FY 76 and the transition quarter. The bill also contains specific problems, including:

- funding increases--principally \$740 million for health programs and \$171 million for the Community Services Administration
- a busing provision that causes concern to both HEW and Justice
- Congressional directives on Federal employment that limit the flexibility needed if the Executive Branch is effectively to carry out programs without unnecessary growth in overall employment levels.

Despite Administration opposition, H.R. 8069 was passed by the Senate by a unanimous voice vote and by the House by a vote of 321-91. A preliminary motion in the House to recommit the bill to conference because of the high appropriations was defeated 156-265.

BUDGET IMPACT

The total new budget authority provided in this bill, \$45,027 million, is \$916 million above your requests for 1976 and \$20 million above for the transition quarter--an overall increase



of \$936 million. The net effect of these increases on estimated outlays is to add \$382 million in 1976, \$165 million in the transition quarter, and \$372 million in 1977.

RECOMMENDATIONS AND COMMENTS

OMB: Disapproval.

HEW: Disapproval.

Friedersdorf: Disapproval. "...should the Congress adjourn before midnight, December 19, subject bill could be pocket vetoed."

Buchen: Disapproval. "Due to the distinct possibility that we will be denied a pocket veto option and the near certainty of litigation should the option exist, coupled with the limited political utility of such action, Counsel's office recommends against [a pocket veto]."

Greenspan: Disapproval.

Seidman: Disapproval.

Jim Lynn's memorandum, which includes David Mathews' recommendation for disapproval and comments from the Department of Justice and the Civil Rights Commission, is at Tab A. A veto message to the House of Representatives, the text of which is approved by Paul Theis, OMB, Max Friedersdorf, Counsel's Office, Alan Greenspan and Bill Seidman, is attached at Tab B. The enrolled bill is attached at Tab C.

RECOMMENDATION

I recommend disapproval of H.R. 8069 because of the excessive appropriations and problems with specific elements of the bill.

I also recommend that you sign the veto message at Tab B.

DECISION

1.          Approve H.R. 8069
2. RR? Disapprove H.R. 8069 and sign veto message







EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

DEC 18 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 8069 - Departments of  
Labor and Health, Education, and Welfare  
Appropriation Act, 1976  
Sponsor - Rep. Flood (D), Pennsylvania

Last Day for Action

December 19, 1975 - Friday

Purpose

Appropriates for fiscal year 1976 and the transition quarter a total of \$45,026,818,318 in budget authority for activities of two cabinet departments--Labor and Health, Education, and Welfare--and other agencies.

Agency Recommendations

|                                                 |                                                                |
|-------------------------------------------------|----------------------------------------------------------------|
| Office of Management and Budget                 | Disapproval<br>(draft veto message is Attachment A)            |
| Department of Health,<br>Education, and Welfare | Disapproval<br>(letter from Secretary Mathews is Attachment B) |
| Department of Justice                           | (Comments on the busing provision are Attachment C)            |
| Civil Service Commission                        | (Comments on an employment provision are Attachment D)         |

Discussion

Comparison with your 1976 and  
Transition Quarter Budget Requests

The total new budget authority provided in this bill, \$45,027 million, is \$916 million above your requests for 1976 and \$20 million above your requests for the transition



quarter--an overall increase of \$936 million. The net effect of these increases on estimated outlays is to add \$382 million in 1976, \$165 million in the transition quarter, and \$372 million in 1977.

The following table summarizes Congressional action on the 1976 and transition quarter appropriations by major program category:

(in millions of dollars)

|                                                             | <u>Budget<br/>Estimate<br/>Considered</u> | <u>Enrolled<br/>Bill</u> | <u>Congressional<br/>Change</u> |
|-------------------------------------------------------------|-------------------------------------------|--------------------------|---------------------------------|
| Department of Health,<br>Education, and Welfare..           | 38,700                                    | 39,474                   | +774                            |
| Health (excluding<br>National Institutes<br>of Health)..... | (1,863)                                   | (2,093)                  | (+230)                          |
| National Institutes of<br>Health.....                       | (2,097)                                   | (2,607)                  | (+509)                          |
| Social and Rehabili-<br>tation Service.....                 | (19,453)                                  | (19,455)                 | (+1)                            |
| Social Security Ad-<br>ministration.....                    | (13,349)                                  | (13,261)                 | (-88)                           |
| Assistant Secretary<br>for Human Develop-<br>ment.....      | (1,753)                                   | (1,888)                  | (+136)                          |
| Departmental Manage-<br>ment.....                           | (185)                                     | (170)                    | (-15)                           |
| Department of Labor.....                                    | 4,359                                     | 4,368                    | +8                              |
| Community Services<br>Administration.....                   | 454                                       | 624                      | +171                            |
| Other related agencies...                                   | <u>578</u>                                | <u>561</u>               | <u>-17</u>                      |
| Total.....                                                  | 44,091                                    | 45,027                   | +936                            |

Comparison with 1975 Funding Levels

In total, your 1976 appropriation requests for the programs included in this bill were \$8,150 million below 1975 funding levels. In the enrolled bill, the Congress has concurred in an overall decrease from the 1975 level but in a lesser amount-- \$7,234 million. On the surface, your total budget



requests for this bill and the amounts provided by the Congress appear to represent sizable decreases from the 1975 level. This is illusory, however, in that \$7 billion of the apparent decrease from 1975 is the result of a \$5 billion 1975 supplemental appropriation for unemployment compensation and a \$2 billion 1975 regular appropriation for special unemployment assistance. Neither of these items is included in this year's bill. However, the First Supplemental Appropriations Act, 1976, contains an identical \$5 billion request for unemployment compensation as well as several other requests--totaling \$433 million--for activities included in this bill. Thus, your budget requests for items in this bill, taken together with amounts you have requested in the soon-to-be-enrolled supplemental, actually represent a decrease of \$2.7 billion below the 1975 funding level. Later this fiscal year, you may request additional amounts to meet pay increase costs and for other purposes, and the Congress is likely to appropriate further increases to these requests in the Second Supplemental Appropriations Bill. In short, though both your requests and the Congress' actions on this bill initially are below the 1975 funding level, later actions could produce either very small reductions from 1975 or increases over 1975.

Attachment E to this memorandum is a more detailed comparison of your recommendations for level-of-funding changes from 1975 to 1976 and the Congress' response to your requests.

#### Major Changes to Requested Amounts

This part of the memorandum discusses major changes (increases and decreases) made by the Congress to the amounts of 1976 and transition quarter budget authority you requested for the programs contained in this bill.

##### Health

(net increase: \$740 million)

- Funds for the National Institutes of Health (NIH)--traditionally subject to Congressional additions--would be increased by \$509 million. This increase would:
  - o expand, by 446 new positions, the already adequate NIH personnel level of nearly 11,000 people;
  - o provide an unrequested \$51 million for the construction of three new research and information systems facilities;



- ° earmark \$25 million for the construction of cancer research facilities; and
- ° allow an excessive rate of growth--approximately 11 percent over the 1975 funding level--for biomedical research activities.

The largest single increase is for the National Cancer Institute: an additional \$157 million has been added to your request of \$737 million.

- The enrolled bill would increase your \$563 million request for the Health Services Administration by \$129 million. More than \$110 million of this increase is for maternal and child health programs. For 1976, you had proposed increasing the State matching share for maternal and child health grants from 20 percent to 50 percent, and, commensurate with this proposal, your budget recommended a \$73 million decrease from the 1975 level. The Congress has not acted on the increased-State-share proposal and has, in this bill, increased formula grants to States \$29 million above the 1975 level.

Other significant increases to your requests for the Health Services Administration are an additional \$12 million for emergency medical services and an additional \$11 million for Public Health Service hospitals, an increase inconsistent with your plan to phase out these facilities. Minor decreases of \$4.5 million are overwhelmed by these and other minor increases.

- Increases totaling \$109 million to your 1976 requests for alcohol, drug abuse, and mental health programs would:
  - ° perpetuate--at increased levels of support--Federal subsidies for training mental health clinical specialists and other mental health professionals and paraprofessionals. You have sought to phase out these training programs because, generally, the supply of mental health personnel is adequate for current demand, the earnings potential for most jobs in this field is relatively high, and funds for student assistance are available under regular Office of Education programs.
  - ° expand the level and length of Federal commitments for community alcoholism programs which inequitably single out certain communities for special Federal subsidies and duplicate similar services available under the medicaid and social services programs.





- The enrolled bill alters your requests for health resources activities by:
  - increasing health planning programs by \$24 million,
  - decreasing health facilities construction funds by \$18 million (although an unrequested \$8 million for two District of Columbia hospitals is provided),
  - increasing health professions student loans by \$10 million, and
  - providing an unrequested \$9 million for medical and dental schools in the District of Columbia.

Welfare  
(net increase: \$53 million)

- Increases to your request for human development programs total a net \$136 million, comprised primarily of the following items:
  - Funds for rehabilitation services are increased by \$64 million, including an additional \$40 million for basic State grants and an unrequested \$18 million for innovation and expansion programs which could be financed by the States from the basic State grant funds.
  - Nutrition programs for the elderly receive an additional \$25 million.
  - Funds for the Head Start program are increased by \$20 million.
- The enrolled bill provides \$88 million less than your budget requests for the Social Security Administration. Approximately \$40 million of this decrease represents the Congress' refusal to appropriate funds for standard level user charges levied by the General Services Administration against social security trust fund programs. Another reduction denies a \$12 million request to cover estimated underfinancing of 1974 costs for hospital insurance for the uninsured. The amount required has been provided out of 1974 funds. Consequently, denial of the request is not a problem. A further \$20 million reduction reflects a reestimate of the Supplemental Security Income (SSI) July 1, 1975, cost-of-living increase from 8.7 percent to 8.0 percent.



Community Services Administration  
(net increase: \$171 million)

- The Congress has increased your \$454 million request for the Community Services Administration by \$171 million. More than half of this increase would provide support for items your budget did not request:

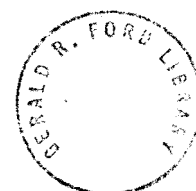
Emergency energy conservation (+\$28 million)  
Emergency food and medical services (+\$30 million)  
Research and demonstration programs (+\$13 million)  
State economic opportunity offices (+\$12 million)  
Senior opportunities (+\$10 million)

These unbudgeted increases would fund programs which duplicate services available elsewhere or provide support for programs of questionable merit.

Most of the remaining increase would provide for the continuation of nearly 900 community action agencies at the 1975 Federal funding level (80 percent Federal, 20 percent State matching) rather than at the reduced Federal share level (70 percent Federal, 30 percent State matching) authorized by the Economic Opportunity Act of 1974. Your goal of creating greater local involvement in and commitment to programs administered by the community action agencies is unlikely to be achieved as long as a disproportionate Federal support is available to these agencies.

Department of Labor  
(net increase: \$8 million)

- Although the net budget authority increase for the Department of Labor is not large, the bill makes two unnecessary and unwise changes to your requests:
  - o 333 positions are added for occupational safety and health inspections to increase emphasis on job health, to increase consultation services for small businesses, and to improve inspector training. In your review of the Department of Labor's 1977 requests, you approved 137 new positions for occupational safety and health activities, contingent upon the 333 positions provided by this bill not being granted.



- ° \$80 million in increased expenditures is added for the Employment Service to increase State staff to 30,000 and to start the full implementation of computerized job matching. There is no evidence that increased State staff will increase job placements, and evaluation of experimental computer job matching has not been completed. The Secretary of Labor is, however, urging that computer job matching be started in 1977.

#### Employment Levels for HEW Activities

The conference report on the enrolled bill sets forth position levels for HEW health activities in order to "insure the continued excellence of health programs and to prevent the dismantling of high priority health programs through the impoundment of positions without the consent of Congress." The position levels in the conference report represent an 8% increase and 2,239 positions over your initial 1976 personnel recommendations for these activities. Moreover, they represent an undesirable effort on the part of Congress to set employment levels for certain parts of one agency without regard to the overall Federal or the HEW department-wide employment ceiling.

The bill also directs that all positions established in the Social Security Administration to handle initial workload related to the supplementary security income program will be full-time permanent positions. The Civil Service Commission has expressed concern that this Congressional directive "could have serious implications for the President's authority to set appropriate employment ceilings and an agency head's ability to determine the type of positions needed to accomplish the agency's mission." A letter to me from Chairman Hampton, amplifying the Commission's views on this matter, is Attachment D to this analysis.

#### Language Provisions

One of the most controversial provisions of the enrolled bill is section 209, the so-called "Byrd amendment," which would provide that:

None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, and which offers the courses of study pursued by such student, in order to comply with title VI of the Civil Rights Act of 1964.

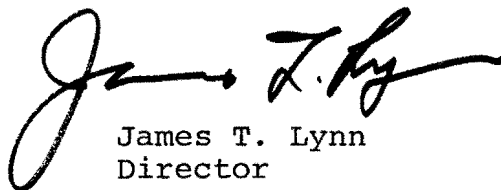


Secretary Mathews--in a December 12, 1975, letter (Attachment B)--states that this provision of the enrolled bill would "impose a more stringent limitation on the implementation of desegregation plans than has already been imposed by the Equal Educational Opportunities Act of 1974."

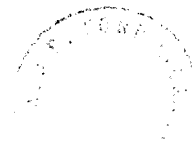
The Justice Department has indicated in its letter of December 12, 1975, (Attachment C) that the limitation imposed by section 209 on HEW's authority is vague, will be ineffectual, and raises constitutional issues. In spite of its concerns, and limiting its advice on the enrolled bill to the effect of section 209, the Justice Department does not recommend veto. The Department's letter notes that the difficulties created may not be permanent in that section 209 is affixed to an annual appropriations act and not to permanent legislation.

Recommendation

While the enrolled bill contains many specific problems, it is the overall size of the Congressional increases to your requests which prompts Secretary Mathews and me to recommend that you veto this bill.

  
James T. Lynn  
Director

Attachments





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

DEC 15 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 8069 - Departments of Labor and Health, Education, and Welfare Appropriation Act, 1976

Last Day for Action: December 19, 1975 - Friday

(In millions of dollars)

| <u>Appropriations</u>  | <u>Budget<br/>Estimates</u> | <u>Enrolled<br/>Bill</u> | <u>Congressional<br/>Change</u> |
|------------------------|-----------------------------|--------------------------|---------------------------------|
| 1976.....              | 35,158                      | 36,074                   | +916                            |
| Transition Quarter.... | 8,933                       | 8,953                    | +20                             |
| Total.....             | 44,091                      | 45,027                   | +936                            |

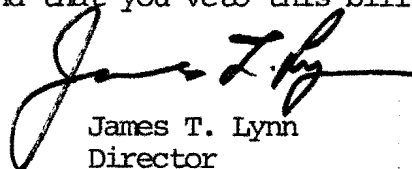
Outlay Effect: +\$382 million in FY 1976; +\$165 million in the transition quarter; +\$372 million in 1977.

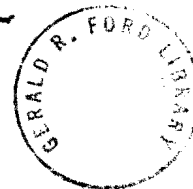
Highlights

- The enrolled bill contains many specific problems, but it is the overall size of the Congressional increases to your requests which prompts the veto recommendation.
- Among the specific problems in the enrolled bill are:
  - o funding increases--principally \$740 million for health programs and \$171 million for the Community Services Administration.
  - o a busing provision that causes concern to both HEW and Justice (whose letters are attached to the longer memorandum).
  - o Congressional directives on Federal employment that limit the flexibility needed if the Executive Branch is to effectively carry out programs without unnecessary growth in overall employment levels.
- Congressional changes to your requests are discussed more fully in the accompanying longer memorandum.

Recommendation

Secretary Mathews and I recommend that you veto this bill.

  
 James T. Lynn  
 Director



TO THE HOUSE OF REPRESENTATIVES:

I return without my approval H.R. 8069, the Departments of Labor and Health, Education, and Welfare Appropriation Act, 1976.

Once again the Congress has presented me with a bill that substantially increases the budget I recommended. I had hoped that the Congress would spare the Nation the trauma of a veto of this bill by exercising fiscal discipline voluntarily. Instead, H.R. 8069 provides almost \$1 billion more spending authority than I requested. Not only would the total add significantly to the already burdensome Federal deficits expected this year and next, but the individual increases themselves are unjustified, unnecessary, and unwise. This bill is, therefore, inconsistent with fiscal discipline and with effective restraint on the growth of government.

I am not favorably impressed by the argument that H.R. 8069 is consistent with the Congress' second concurrent resolution on the budget and is, therefore, in some sense proper. What this argument does not say is that the resolution, which expresses the Congress' view of appropriate budget restraint, approves a \$50 billion, or 15 percent, increase in Federal spending in one year. I do not agree that such an increase is appropriate budget restraint.



Effective restraint on the growth of government requires that we limit the growth of Federal spending every time we have an opportunity to do so. This bill provides such an opportunity. By itself, this bill would add \$382 million to this year's deficit and would make next year's deficit \$372 million more than if my recommendations had been adopted. In addition, the increases it would provide for this year would raise expectations for next year's budget and make the hard job of restraining spending growth that much more difficult. Thus, it would continue to contribute to excessive deficits and their consequences for financial markets, as well as to needless inflationary pressures, well into the future.

Furthermore, this bill, if enacted, would increase permanent Federal employment by 8,000 people at a time when we should be reducing total Federal employment.

In this regard, I find it most difficult to believe that Congressionally directed increases in the number of people on the permanent Federal payroll reflect the view of the majority of the people. On the contrary, I believe an overwhelming majority of the American people agree with my view that there are already too many employees in the Federal Government.

For these reasons, I am compelled to withhold my signature from this bill. I cannot, in good conscience, approve a measure which adds so excessively to deficits and directs spending so imprudently.

THE WHITE HOUSE,





THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

DEC 12 1975

RECEIVED  
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OFFICE OF  
MANAGEMENT & BUDGET

The Honorable James T. Lynn  
Director  
Office of Management and Budget  
Washington, D. C. 20503

Dear Jim:

Paul O'Neill has asked that I provide you with my views on H.R. 8069, the Labor-HEW FY 1976 Appropriations Bill. As you know, the total amount of appropriations contained in the bill is \$916 million over the President's January budget request. Of this amount, \$795 million is related to HEW's programs. The outlay impact of HEW's portion over the budget would be about \$250 million in FY 1976; slightly over \$100 million in the transition quarter; and about \$350 million in FY 1977.

We are fully aware of the President's determination to restrict Federal spending and hold down the budget deficit. Furthermore, in our review with you of your revised FY 1976 and FY 1977 allowances, we have not requested further increases in FY 1976. Thus, I am led to conclude that the most consistent and sound action for the President to take would be to veto the bill.

Although only the excess appropriations would lead me to recommend a veto, this Bill also has other drawbacks. The conference report contains a table which virtually mandates 1,869 more Federal jobs for health programs than requested in the budget. Appropriation language requires the conversion of the 6,000 Social Security term employees to permanent status. As you know, I strongly support this conversion, and it is one of the items in my appeal of the President's FY 1976/1977 allowance. However, I believe that it is inappropriate for Congress to legislate such matters through appropriation language.

U.S. R. 1067



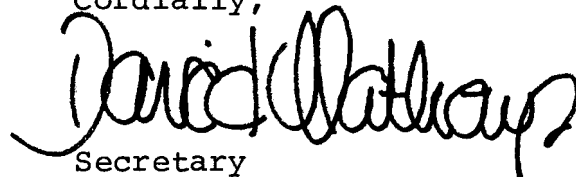
Your staff has also requested my views on the busing provision of H.R. 8069. This provision states that:

"None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, and which offers the courses of study pursued by such student, in order to comply with title VI of the Civil Rights Act of 1964."

In response to Congressional requests to describe the effects of this provision, as you know, we indicated that the Byrd amendment would impose a more stringent limitation on the implementation of desegregation plans than has already been imposed by the Equal Educational Opportunities Act of 1974 (title II of P.L. 93-380).

I hope that these views will be helpful to you in providing advice to the President. I and my staff will be glad to provide you with any additional information.

Cordially,

  
Secretary



**Department of Justice**  
**Washington, D.C. 20530**

December 12, 1975

Honorable James T. Lynn  
Director, Office of Management  
and Budget  
Washington, D.C. 20503

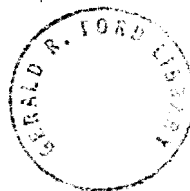
Dear Mr. Lynn:

This is in response to an oral request from your office for the views of this Department on section 209 of the enrolled bill, H.R. 8069, an appropriations bill for the Departments of Labor and Health, Education and Welfare.

Section 209 provides:

None of the funds contained in this Act shall be used to require directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, and which offers the courses of study pursued by such student, in order to comply with Title VI of the Civil Rights Act of 1964.

In our judgment, this limitation on HEW's authority is unnecessarily vague, will be, in the main, ineffectual, and raises constitutional questions. The great bulk of transportation of public school students for desegregation purposes has been occasioned by court orders and the provision does not, of course, seek to address that issue. Moreover, Section 209 may raise constitutional questions in that it appears to require a federal agency to give federal financial assistance to school districts even if the latter are engaged in racially discriminatory practices of the sort held unconstitutional by the Supreme Court.



In spite of these reservations, it is not sufficiently clear that a veto should be recommended as the difficulties created may not be permanent in that Section 209 is affixed to an appropriations act and not to permanent legislation.

Sincerely,

A handwritten signature in cursive script that reads "Michael M. Uhlmann". The signature is written in dark ink and is positioned above the printed name.

Michael M. Uhlmann





## UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D.C. 20415

CHAIRMAN

December 10, 1975

Honorable James T. Lynn  
Director, Office of Management and Budget  
Washington, D.C. 20503

Attention: Assistant Director for  
Legislative Reference

Dear Mr. Lynn:

This is in reply to your request for the views of the Civil Service Commission on enrolled H.R. 8069 "Making appropriations for the Departments of Labor, and Health, Education, and Welfare and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes."

The only provision of concern to the Commission is title II which provides that all the "permanent positions" authorized for the Supplemental Security Income (SSI) program "shall be full-time permanent positions without limitation as to the duration of the positions." Although the statutory language is unclear, we understand the intent is to redesignate the 6,000 SSI term positions requested for fiscal year 1976 as full-time permanent. (Senate Report 94-366.)

The language in title II refers to positions, and not employees. In our view, this requires neither the discharge nor the automatic conversion to career appointments of current SSI term employees. However, this legislation would appear to end further term appointments to these positions and presumably would require them to be filled by career appointment. We believe this can be accomplished without difficulty.

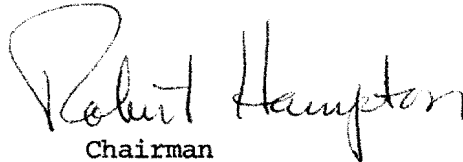


While posing no significant problem for SSI program staffing, this legislation could have serious implications for the President's authority to set appropriate employment ceilings and an agency head's ability to determine the type of positions needed to accomplish the agency's mission.

Although we are generally opposed to attempts to legislate in areas which should be left to management discretion, our objections to this legislation are not such as to warrant a recommendation of a veto. Therefore we recommend that insofar as title II is concerned the President sign enrolled H.R. 8069.

By direction of the Commission:

Sincerely yours,

  
Chairman



H.R. 8069--DEPARTMENTS OF LABOR AND  
HEALTH, EDUCATION, AND WELFARE AND  
RELATED AGENCIES APPROPRIATION ACT, 1976

Change in Level of Funding, 1975 to 1976  
(Budget authority in thousands of dollars)



| Agency and Item                                                  | Change from 1975          |                         | Congressional<br>action on<br>Administration<br>request |
|------------------------------------------------------------------|---------------------------|-------------------------|---------------------------------------------------------|
|                                                                  | Administration<br>request | Congressional<br>action |                                                         |
| Department of Labor.....                                         | -10,627,084               | -10,621,379             | +5,705                                                  |
| Department of Health,<br>Education, and Welfare:                 |                           |                         |                                                         |
| Health Services Ad-<br>ministration.....                         | -70,766                   | +60,145                 | +130,911                                                |
| Center for Disease<br>Control.....                               | +3,603                    | +12,973                 | +9,370                                                  |
| National Institutes<br>of Health.....                            | -256,005                  | +240,647                | +496,652                                                |
| Alcohol, Drug Abuse,<br>and Mental Health<br>Administration..... | -143,772                  | -35,097                 | +108,675                                                |
| Health Resources Ad-<br>ministration.....                        | +33,010                   | +55,109                 | +22,099                                                 |
| Assistant Secretary<br>for Health.....                           | +7,076                    | +4,630                  | -2,446                                                  |
| Social and Rehabili-<br>tation Service.....                      | +1,219,514                | +1,221,396              | +1,882                                                  |
| Social Security Ad-<br>ministration.....                         | +1,553,391                | +1,481,499              | -71,892                                                 |
| Assistant Secretary<br>for Human Develop-<br>ment.....           | -55,825                   | +56,351                 | +112,176                                                |
| Department management.                                           | +20,641                   | +8,354                  | -12,287                                                 |
| Total, Department<br>of Health, Educa-<br>tion, and Welfare.     | (+2,310,867)              | (+3,106,007)            | (+795,140)                                              |
| Related Agencies:                                                |                           |                         |                                                         |
| Community Services<br>Administration.....                        | -144,700                  | -13,048                 | +131,652                                                |
| Other related<br>agencies.....                                   | +311,392                  | +294,734                | -16,658                                                 |
| Total, Related<br>Agencies.....                                  | (+166,692)                | (+281,686)              | (+114,994)                                              |
| Grand total.....                                                 | -8,149,525                | -7,233,686              | +915,839*                                               |
| * Consisting of:                                                 |                           |                         |                                                         |
| Increases denied by the Congress.....                            |                           | -103,283                |                                                         |
| Decreases denied by the Congress.....                            |                           | +628,628                |                                                         |
| Congressional initiatives.....                                   |                           | +390,494                |                                                         |

THE WHITE HOUSE  
WASHINGTON

12/19/75

RBC:

When did the President sign the veto  
on the HEW Bill?

Yesterday \_\_\_\_\_

Today \_\_\_\_\_

Need it for the press release.

late last night

Date: December 15

Time: 700pm

FOR ACTION: Art Quern  
David Lissy  
Max Friedersdorf  
Ken Lazarus  
Paul Theis

cc (for information): Jack Marsh  
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: December 16

Time: 600pm

SUBJECT:

H.R. 8069 - Departments of Labor and HEW  
Appropriation Act, 1976

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

x

For Your Comments

Draft Remarks

REMARKS:

*I concur with OMB's recommendation.*

Please return to Judy Johnston, Ground Floor West Wing

*RJP*



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

JIM CAVANAUGH  
For the President



December 17

NOTE FOR LWS:

RE: Action memo on H.R. 8069--Departments of Labor and  
HEW Appropriation Act

Your question on "What are the chances of sustaining a  
veto?" Judy Johnston, Domestic Council, reports that  
HEW feels a 50-50 chance is anticipated for a veto.

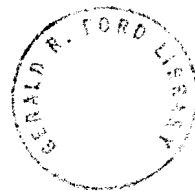
*based on above info, then  
"I agree"  
w/OMB*

Terri

*recommutation*

*per LWS 12/17/75  
11:10 A.M.*

*mk*



Date: December 15

Time: 700pm

FOR ACTION: Art Quern  
David Lissy  
Max Friedersdorf  
Ken Lazarus  
Paul Theis

cc (for information): Jack Marsh  
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: December 16

Time: 600pm

SUBJECT:

H.R. 8069 - Departments of Labor and HEW  
Appropriation Act, 1976

## ACTION REQUESTED:

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

x

 For Your Comments Draft Remarks

## REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

Agree with the recommendation of OMB and support draft  
signing statement in its current form.

*P.W.B.*

Philip Buchen 12/16/75



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

JIM CAVANAUGH  
For the President

Date: December 15

Time: 700pm

FOR ACTION: *Bill Sadman*  
Art Quern  
David Lissy  
Max Friedersdorf  
Ken Lazarus  
Paul Theis

cc (for information): Jack Marsh  
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: ~~December 15~~

Time: 600pm

SUBJECT:

H.R. 8069 - Departments of Labor and HEW  
Appropriation Act, 1976

ACTION REQUESTED:

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

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

*Agrees with OMB.*

*What are chances of  
sustaining a veto?  
Would agree if a chance  
of success  
JWS*



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

JIM CAVANAUGH  
For the President

THE WHITE HOUSE

WASHINGTON

December 16, 1975

MEMORANDUM FOR:

JIM CAVANAUGH

FROM:

MAX FRIEDERSDORF *M-6*

SUBJECT:

H.R. 8069 - Departments of Labor  
and HEW Appropriation Act, 1976.

The Office of Legislative Affairs has reviewed subject bill and recommends it be vetoed.

As the President has until midnight December 19 to act, should the Congress adjourn before midnight, December 19, subject bill could be pocket vetoed. This should be thoroughly explored with Counsel's office, as Phil Buchen has some reservations.



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: December 17

Time: 6:30pm

FOR ACTION: Jim Lynn *ok*  
Bill Seidman *ok*  
Max Friedersdorf *ok*  
Ken Lazarus *ok*  
*Greenman ok*

cc (for information): Jack Marsh  
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: DEEEMBER 18

Time: 10:00am

SUBJECT:

Revised Veto message on H.R. 8069 - Departments of Labor,  
and HEW Appropriations Act, 1976

ACTION REQUESTED:

- |                                                              |                                                   |
|--------------------------------------------------------------|---------------------------------------------------|
| <input type="checkbox"/> For Necessary Action                | <input type="checkbox"/> For Your Recommendations |
| <input checked="" type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply              |
| <input type="checkbox"/> For Your Comments                   | <input type="checkbox"/> Draft Remarks            |

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

K. R. COLE, JR.  
For the President

Need OK by  
10 AM Thurs. (12/18)

Call Judy Johnston  
O.K. -  
mkt.

Date: December 17

Time: 6:30pm

FOR ACTION: Jim Lynn  
Bill Seidman  
Max Friedersdorf  
Ken Lazarus

cc (for information): Jack Marsh  
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: DECEMBER 18

Time: 10:00am

SUBJECT:

Revised Veto message on H.R. 8069 - Departments of Labor,  
and HEW Appropriations Act, 1976

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

No objection. -- Ken Lazarus 12/18/75



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.

Johnston  
Dec 18 1975

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: December 15

Time: noon

FOR ACTION: *Seidman*  
Art Quern  
David Lissy  
Max Friedersdorf *etc*  
Ken Lazarus ✓  
Paul Theis  
*Dranspan* ✓

cc (for information): Jack Marsh  
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: December 16

Time: 400pm

SUBJECT:

H.R. 8069 - Departments of Labor and HEW  
Appropriation Act, 1976

ACTION REQUESTED:

- |                                                       |                                                   |
|-------------------------------------------------------|---------------------------------------------------|
| <input type="checkbox"/> For Necessary Action         | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief     | <input type="checkbox"/> Draft Reply              |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks            |

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

K. R. COLE, JR.  
For the President





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

DEC 15 1975

To: J. Caraway  
12-15-75  
11:45 9.M.

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 8069 - Departments of Labor and Health, Education, and Welfare Appropriation Act, 1976

Last Day for Action: December 19, 1975 - Friday

(In millions of dollars)

|                        | Budget<br>Estimates | Enrolled<br>Bill | Congressional<br>Change |
|------------------------|---------------------|------------------|-------------------------|
| 1976.....              | 35,158              | 36,074           | +916                    |
| Transition Quarter.... | 8,933               | 8,953            | +20                     |
| Total.....             | 44,091              | 45,027           | +936                    |

Outlay Effect: +\$382 million in FY 1976; +\$165 million in the transition quarter; +\$372 million in 1977.

Highlights

- The enrolled bill contains many specific problems, but it is the overall size of the Congressional increases to your requests which prompts the veto recommendation.
- Among the specific problems in the enrolled bill are:
  - o funding increases--principally \$740 million for health programs and \$171 million for the Community Services Administration.
  - o a busing provision that causes concern to both HEW and Justice (whose letters are attached to the longer memorandum).
  - o Congressional directives on Federal employment that limit the flexibility needed if the Executive Branch is to effectively carry out programs without unnecessary growth in overall employment levels.
- Congressional changes to your requests are discussed more fully in the accompanying longer memorandum.

Recommendation

Secretary Mathews and I recommend that you veto this bill.

James T. Lynn  
Director



VETO STATEMENT: H. R. 8069, The Departments of Labor and Health, Education, and Welfare Appropriations Act, 1976

TO THE HOUSE OF REPRESENTATIVES:

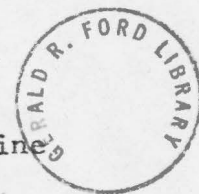
I return without my approval H. R. 8069, the Departments of Labor and Health, Education, and Welfare Appropriation Act, 1976.

As you know, I have just vetoed H. R. 5559, which would have extended for six months the temporary tax cut due to expire on New Year's Eve, because it was not accompanied by a limit on Federal spending for the next fiscal year. H. R. 8069 is a classic example of the unchecked spending which I referred to in my earlier veto message.

Until the Congress enacts a ceiling on Federal spending, indicating its commitment to curbing the growth of these expenditures, I must veto legislation which exceeds my budget recommendations.

H. R. 8069 would provide nearly \$1 billion more in spending authority than I had requested. Not only would the \$45 billion total in this bill add significantly to the already burdensome Federal deficits expected this year and next, but the individual increases themselves are unjustified, unnecessary, and unwise. This bill is, therefore, inconsistent with fiscal discipline and with effective restraint on the growth of government.

I am not impressed by the argument that H. R. 8069 is in line with the Congress' second concurrent resolution on the budget and is, therefore, in some sense proper. What this argument does not say is



*Take out per  
Hartmann, onwill  
Friedensdorf  
Lagrus  
CEA*

that the resolution, which expresses the Congress' view of appropriate budget restraint, approves a \$50 billion, or 15 percent, increase in Federal spending in one year. Such an increase is not appropriate budget restraint.

Effective restraint on the growth of the Federal Government requires effective limits on the growth of Federal spending. This bill provides an opportunity for such limitation. By itself, this bill would add \$382 million to this year's deficit and would make next year's deficit \$372 million more than if my recommendations had been adopted. In addition, the increases provided for this year would raise expectations for next year's budget and make the job of restraining spending that much more difficult. Thus, this bill would contribute to excessive deficits and needless inflationary pressures.

Furthermore, if this bill became law, it would increase permanent Federal employment by 8,000 people. I find it most difficult to believe the majority of the American people favor increasing the number of employees on the Federal payroll, whether by Congressional direction or by other means. On the contrary, I believe the overwhelming majority agree with my view that there are already too many employees in the Federal Government.

I am returning this bill without my signature and renewing my request to the Congress to approve a ceiling on Federal spending as the best possible Christmas present for the American people.

THE WHITE HOUSE,



TO THE HOUSE OF REPRESENTATIVES:

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*out for  
H.R. 8069  
Finn  
CEA*

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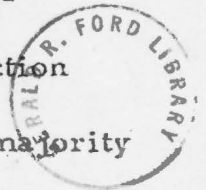
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*Delivered to House: 12/19/75 (11:30am)*

*12/19/75*

*12/19/75*

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*Gerald R. Ford*

THE WHITE HOUSE,  
December 19, 1975

