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*Ex-Call
Diana we join
Ash*

9/6/74

THE WHITE HOUSE

WASHINGTON

Diana in Jerry
Jones' office
said she doesn't
know what
happened to the
copies but no
one seems to
have received
them. They
need comment
today.

6:20 advised
Diana he would
not have time
to read +
make
comments



OMB

THE WHITE HOUSE
WASHINGTON

ACTION

SEP 3 1974

MEMORANDUM FOR THE PRESIDENT

FROM: ROY L. ASH

SUBJECT: DOL Budget Supplemental Request

The Department of Labor is urging that you send to the Congress budget requests to cover the cost of enforcing the minimum wage amendments enacted last April, plus three other smaller items, that exceed the original FY 1975 budget by \$18 million in budget authority and outlays.

The attached memorandum and supporting materials have been jointly prepared by OMB and DOL staff, setting out the arguments for and against increasing the budget for these purposes.

In summary, Secretary Brennan recommends you approve budget increases for these unbudgeted workload increases. I recommend not increasing the budget, but providing the minimum essential resources for minimum wage and other workload increases by (a) exempting DOL from the personnel cut and (b) seeking authority to transfer necessary funds from other DOL appropriations. (Note: We are now examining DOL's request for resources to administer the new pension legislation.)

Decision

- Increase the budget for these programs _____
- Do not increase the budget for these programs _____
- Other _____

Attachment



U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

AUG 29 1974

MEMORANDUM FOR THE PRESIDENT

Subject: DOL Supplemental Budget Requests

The Department of Labor's original request for FY 1975 budget supplementals is listed below. The total request was for \$20.5 million in budget authority and 875 additional positions. The supplementals would have increased budget outlays in FY 1975 by \$20 million over the budget.

1. A request for \$14.6 million and 398 positions (together with 267 positions to be used by other agencies) to administer the recent amendments to the minimum wage, overtime, and equal pay laws. The amendment extends protection to 15 million workers. The request was based on an additional workload of 25 percent and would provide for conducting a research program required by the amendments.
2. A request for \$1.6 million and 58 positions to administer the new responsibilities under the Rehabilitation Act of 1973. This requires the Department to develop policies and provide technical assistance to all Federal agencies in carrying out the requirement that Federal contractors take positive steps to employ the handicapped.
3. A request for \$2.1 million and 94 positions to administer the unexpected workload arising from recent amendments to the workers' compensation programs for longshoremen and harbor workers.



4. A request of \$600,000 to cover the additional costs of designing two Consumer Price Indexes separately reflecting prices affecting urban wage and clerical workers, as well as all urban consumers.
5. An amount of \$1.2 million and 40 positions to provide for national rather than regional administration of Indian manpower program.
6. An amount of \$378,000 and 18 positions to administer Departmental responsibilities of certifying as to the likely economic impact of proposed loans under the Rural Development Act of 1972.

In view of the need to reduce government spending, the Department is now reducing its request. This is being done even though most of the items reflect added workload due to new legislation. Specifically, the request for \$1.6 million and 58 positions for Indian manpower programs and responsibilities under the Rural Development Act of 1972 will be deferred for later submission with the 1976 budget. Also, the other items being requested would be reduced to reflect the proposed 2½ percent governmentwide reduction in staffing levels. The reductions, which the Department is imposing on its request, is summarized below as follows:

	<u>Amount</u> (\$ in Millions)	<u>Positions</u>
Deferral of Supplemental Requests Until FY 1976...	\$1.6	58
2½ Percent Reduction Other Supplemental Requests....	<u>\$0.5</u>	<u>21</u>
Total.....	\$2.1	79

As a result of this review, the total requested FY 1975 supplementals is for \$18.4 million and 796 positions.

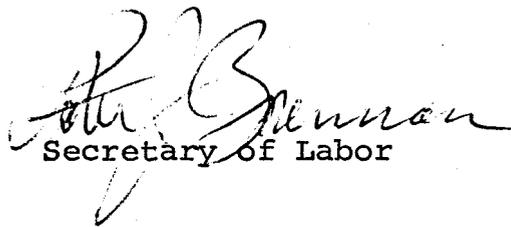


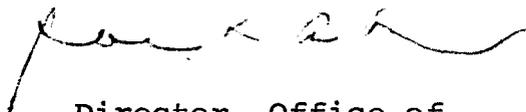
For the Department's ongoing program, the Department plans to reduce these programs by 2½ percent in line with the governmentwide reduction. It is anticipated that the resulting savings will be used to meet increased pay costs.

The Office of Management and Budget recommends against any increase in the budget for these items, believing that:

- 270 employees and \$9.8 million to carry out essential activities under the amendments to the minimum wage laws, Rehabilitation Act, and the workers' compensation program can be provided by exempting the Department from the pending personnel reduction and authorizing transfers from other appropriations available to the Department.
- The increased cost of revising the Consumer Price Index can be absorbed within the total appropriation for the Bureau of Labor Statistics.
- Pay costs requirements can be considered later.

The areas of disagreement outlined above are discussed in greater detail in the attachments.


Secretary of Labor


Director, Office of
Management and Budget

Attachments



#1: Minimum Wage Amendment

The Department of Labor proposes \$14.2 million and 388 positions (+267 positions in other agencies) for the following reasons:

1. The request assumed that the number of worker complaints which must be investigated by the Department would increase by 25 percent. The experience since May is running about 50 percent. If this rate continues, the additional staffing recommended by OMB would be insufficient to handle complaints received without reducing Departmentally-initiated investigations.
2. When the second phase of the minimum wage increases in amounts and coverage takes place in January 1975, an even higher level of complaints can be expected.
3. It is extremely important to maintain the ratio of Departmentally-initiated investigations to the number of complaint-initiated investigations in order to discover patterns of illegal practices in areas where workers are not familiar with the law or are afraid to complain. Also, the Departmentally-initiated investigations permit an orderly development of court decisions for effective development of the new amendments.
4. It is important to assure that the heads of families are not paid below a minimum wage which is less than the poverty level.
5. The use of \$5.4 million of manpower research funds to finance minimum wage research will result in reduction of one-third in manpower research capability. This will require abandoning projects for improving newly introduced Manpower Revenue Sharing system and discontinuing voucher experiments designed to make the welfare system more efficient and less costly.



6. The OMB proposal for financing the staffing needs from savings realized from staffing reductions made elsewhere within the Department would slow down expanding the minimum wage program staff. The Department believes that the realization of these savings would be slower than the Department's ability to expand the program; and, therefore, program expansion would have to be delayed.

The Office of Management and Budget recommends \$9.2 million and 235 positions (+40 for other agencies) for the reasons listed below. However, these resources would be derived by transfers from other accounts of the Department of Labor and by exempting the Department from the pending personnel reduction.

1. The additional positions would be sufficient to handle a 25 percent increase in complaints. The Department originally projected this increase based on experience after past minimum wage amendments. Although the first few months show complaints at a higher level, we do not know whether this rate will continue.
2. Of the 15 million worker increase coverage under the minimum wage amendments, 12.5 million was for domestic employment and State and local government employment. The Department proposes no self-initiated investigations for domestic employment. OMB does not believe it appropriate for the Department to initiate investigations of State and local government employment until complaints indicate that serious problems exist.
3. It would avoid any increase in the budget.
4. It would avoid any increase in the Department's end-of-year personnel ceiling.



5. The monies required for staff could be derived from savings in other accounts from personnel reductions. The usual turnover in the Department of 75 to 100 employees per month should match the increase in employment for minimum wage enforcement based on the rate of hiring when enforcement level was last increased in FY 1974.

6. Monies for research could be derived by transfers from the appropriation available for research under the manpower training program. The minimum wage studies required by law are more important than many other manpower funded studies which have not been designed to meet the needs of manpower program planners or managers, nor useful to them.



#2: Rehabilitation Act of 1973

The Department proposes \$1.6 million and 57 positions to administer the new responsibilities under the Rehabilitation Act of 1973.

1. The request provides a moderate complaint oriented program. The Department is taking this approach until more is learned of the universe of beneficiaries and the nature of employment barriers for various types of handicaps. Such an approach complies with the Act and yet maintains a moderate expenditure of resources.
2. The request would hire a core staff to develop policies, procedures, and guidelines for agencies and provide appropriate technical assistance, and handle initial complaints.

The Office of Management and Budget recommends \$400,000 to cover 25 positions to be derived from transfers from other accounts and the exemption from the personnel reductions. In view of the lack of data about the workload to be experienced under this program, these resources should be sufficient for program start-up.



#3: Amendments to Workers' Compensation
for Longshore and Harbor Workers

The Department of Labor proposes \$2.0 million and 91 positions to meet the increased workloads associated with the recent amendments to the workers' compensation program for longshore and harbor workers for the following reasons:

1. At the time of the amendments, it was estimated that there would be a 50 percent increase in injury reports and loss time cases as the result of the new amendments. Instead, injury reports have increased by over 100 percent, from 72,000 to 144,000 and loss time cases by 80 percent, from 17,000 to 31,000. Backlogs of unprocessed case actions totaled 8,100 in December 1973 and 12,000 in June 1974. At present staff levels, backlogs are growing at a rate of 500 per month.
2. The provisions requiring additional services to claimants has meant an increase of 30 percent in processing time for each claimant. During the first year of operation under the amendment, experience has indicated that the Department cannot provide these new services and continue to process claims in a timely manner with the present resources.
3. The recent amendments established legal procedures requiring participation by Departmental attorneys in administrative law judge hearings, for the Benefits Review Board and various U.S. district courts of appeal. The request is based on the estimate of a number of cases anticipated to be appealed during FY 1975.

The Office of Management and Budget recommends \$200,000 for 15 temporary staff and 10 legal staff for the following reasons:

1. The primary need to handle this program is management improvement, not increase in staff.



2. There is no information to relate increases in caseload to increases in staffing requirements.
3. A substantial portion of staff time (20 percent to 30 percent) is dedicated to getting delinquent reports. The frequency of delinquent reporting could be substantially decreased by using existing authority to levy penalties on delinquent reports.
4. The 15 temporary employees can be used to reduce backlog while new methods and procedures are developed.
5. The 10 additional legal staff should be sufficient since legal workloads in other worker compensation programs have not reached budgeted levels.



#4: Revision of the Consumer Price Index

The Department of Labor proposes an additional \$600,000 to its appropriation in order that the Consumer Price Index can separately reflect prices affecting urban wage and clerical workers, as well as all urban consumers.

1. The troika has stated "we should not back-off from the decision to broaden the CPI, but to continue the present index alongside the new one for three years is warranted and well worth the costs."
2. The Department believes that new funds will be needed since for the past three or four years there has been a series of belt-tightening reductions in the Bureau of Labor Statistics appropriation. This has limited the amount of flexibility available for meeting this need.

The Office of Management and Budget believes that BLS could absorb the \$600,000 cost within its \$53 million appropriation. It believes that it is essential to avoid any budget increases not reflected in the February budget, however small, except in emergency situations.



9/26/74

Jay Guse
to

Casselman

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 23, 1974

Time:

FOR ACTION:

Roy Ash
✓ Phil Buchen
Ken Cole
Paul Theis

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Thursday, September 26, 1974 . Time: 10:00 a.m.

SUBJECT:

Armstrong memo (9/20/74) re: Memorandum
for Heads of Departments and Agencies regarding
Employment of the Handicapped

ACTION REQUESTED:

___ For Necessary Action

X For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

X For Your Comments

___ Draft Remarks

REMARKS:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jerry H. Jones
Staff Secretary



THE WHITE HOUSE

WASHINGTON

September 20, 1974

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE ARMSTRONG *QLO*

SUBJECT:

Memorandum for Heads of Departments and Agencies
regarding Employment of the Handicapped

Attached is the draft of a memorandum which Chairman Hampton of the Civil Service Commission recommends be sent to the heads of departments and agencies reaffirming Presidential commitment to the employment of the handicapped in the Federal service.

This memorandum should be issued to coincide with National Employ the Handicapped Week, October 6 through 12, since this would be an especially favorable time to reaffirm this commitment, voiced by all administrations since World War II.

Recently a new and significant factor has been introduced. The Rehabilitation Act of 1973 (PL 93-112) requires Federal agencies to develop and implement affirmative action program plans on the hiring, placement and advancement of handicapped individuals. These plans must be submitted annually to the Civil Service Commission for approval. The issuance of a new Presidential policy statement at this time will have a special impact on the actions that agencies take in meeting the spirit and requirements of the law.

Attachment



D R A F T

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

Equal opportunity for all Americans, including the handicapped, has long been the employment policy of our Government. During National Employ the Handicapped Week, October 6 through October 12, 1974, when all employers throughout the Nation are being asked to assist the handicapped, it is most appropriate that I pledge my administration to the employment and full utilization of handicapped Americans in staffing the Federal service.

Since World War II, the Federal Government's door has been opened to more than 1/4 million of our citizens who, though handicapped, have nonetheless been qualified to serve. They have served well.

I want to make it plain that the Federal Government has a strong commitment to:

- assist the physically impaired who are not occupationally handicapped when assigned to the right job;
- consider the mentally restored whose only handicap is that they once suffered an emotional illness; and
- employ the mentally retarded who can demonstrate ability to perform the simple routine tasks that need doing in all organizations.

Now, under the Rehabilitation Act of 1973, that policy has been given new force and meaning for handicapped citizens. From the lead provided by this law you have developed comprehensive affirmative action plans for the hiring, placement, and advancement of handicapped individuals in each Federal department and agency. I urge you to carry out these plans to the fullest extent so that our fellow citizens can learn from your example.

Gerald R. Ford, Jr.



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

*To Chapman
9/28*

Date: September 27, 1974

Time:

FOR ACTION: Phil Buchen ✓
Jack Marsh
Ken Cole
Bill Timmons

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Tuesday, October 1, 1974

Time: 10:00 a.m.

SUBJECT:

Ash memo (9/26/74) re: Transfer
of Food and Nutrition Service

ACTION REQUESTED:

___ For Necessary Action

X

___ For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

X
___ For Your Comments

___ Draft Remarks

REMARKS:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jerry H. Jones
Staff Secretary



THE WHITE HOUSE

WASHINGTON

September 26, 1974

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ROY L. ASH

SUBJECT:

Transfer of Food and Nutrition
Service

In recent years, food assistance programs have increased sharply, now involving an annual expenditure of \$6 billion, or about two-thirds of Agriculture funds. Secretaries Butz and Weinberger agree these programs are directed at income maintenance rather than agricultural production. Both supported the original departmental re-organization proposal to transfer the Food and Nutrition Service from Agriculture to a Department of Human Resources.

That proposal has not advanced, raising the issue whether to proceed with effecting the FNS transfer to HEW as an important first step in consolidating social programs. Secretary Butz supported transfer but Secretary Weinberger opposed because he thought such an action would result in loss of a bargaining chip in creating DHR. President Nixon informed Secretary Weinberger in a memorandum of February 28, 1974, to proceed with the transfer.

Agriculture drafted the necessary legislation but HEW was not satisfied with aspects of the transfer. While the Food Stamp program is programmatically aligned to existing HEW programs, the Secretary saw difficulties in undertaking management of the School Lunch and other child oriented programs. He also feels that HEW is large enough already in the absence of the DHR-type of structural reforms. This transfer issue has never been resolved.

We see three alternatives for proceeding:

- Delay action now but include transfer of the FNS to a DHR if the Administration decides to submit such a departmental proposal. (Sec. Weinberger supports this recommendation)



- Transfer the Food Stamp program, involving about \$4 billion annual outlays, from Agriculture to HEW.
- Transfer the entire Food and Nutrition Service from Agriculture to HEW. (Sec. Butz supports this recommendation).

This Office recommends the last course of action. We do not believe it significantly compromises any subsequent reorganization proposal. The difficulties in accommodating child feeding programs within the HEW structure do not appear compelling.

DECISION:

- _____ Delay until a decision on resubmitting DHR.
- _____ Transfer only the Food Stamp program to HEW.
- _____ Transfer the entire FNS to HEW.



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 610

Date: September 27, 1974

Time: 2:00 p. m.

FOR ACTION: Michael Duval
 ✓ Phil Buchen
 Bill Timmons
 Paul Theis

cc (for information): Warren K. Hendriks
 Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Monday, September 30, 1974

Time: 9:00 a. m.

SUBJECT: Enrolled Bill H. R. 12000 - Egg Research and Consumer
 Information Act

ACTION REQUESTED:

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

REMARKS:

Please return to Kathy Tindle - West Wing - 2685

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.

Warren K. Hendriks
 For the President



MEMORANDUM FOR: KATHY TINDLE
FROM: PHIL BUCHEN *JTF for 7302B*
SUBJECT: Enrolled Bill H. R. 12000
Egg Research and Consumer
Information Act.

We have reviewed the various agency comments and have some sympathy for the OMB recommendation to sign the bill. There would probably be some political benefit in extending this minor favor to the egg producers, and similar groups have been benefitted in the past. We are also unimpressed with the inflation argument as a ground for veto. The bill would increase costs and prices, but very little, and not enough to warrant veto.

The objection that weighs most heavily from our view is that the government should not be singling out various commercial interests for special help in their commercial ventures. Once we give in to one group then claims for special treatment will be heard from others; and the massive troubles with the milk lobby show the danger of entanglement with these interests. Rather than commit this Administration to that course on the ground that others have done it, we should take advantage of this opportunity to change the policy. For these reasons we favor veto.



None of the proposed veto messages appears satisfactory. The Justice Department relies excessively on inflation; and the HEW draft raises the politically dangerous health issue. An alternative draft is attached.



PROPOSED VETO MESSAGE

I am returning to the Congress without my approval H. R. 12000, the proposed "Egg Research and Consumer Information Act."

This bill, like others that have preceded it, would involve the government in assisting a private commercial promotion. While the bill contains some reference to research and consumer information, its clear purpose is not to promote scientific research into the health questions involved, but to conduct a commercial promotion of one particular food product. I have no reluctance to encourage the domestic egg production business or any other segment of our economy; but I do not think it appropriate for government to become involved in what is essentially trade association activity to promote a particular line of goods. The promotional purpose of the bill is true to the American spirit of enterprise, but this kind of activity should be private, domestic and commercial, carried on by private, voluntary organizations.

I am well aware that the Department of Agriculture administers other programs similar to that proposed here; and I have considered the argument that since others have received this kind of special benefit, even handed treatment should be extended here.



But if the policy is wrong, as I think it is, we have to stop it at some point. Otherwise, we will only encourage other special interest groups to ask similar favors which would be increasingly difficult to deny.

Many of the programs similar to that proposed here are holdovers from or reflect agricultural policy of the years of the Great Depression. In due course, I hope we can reconsider some of these laws. In the meantime, I believe the time has come to discourage troubled industry groups from turning to the government for assistance that increases costs and removes some of the natural incentives of the marketplace. In these inflationary times we must give every encouragement to the cost reducing pressures of free markets.

For these reasons I am returning H. R. 12000 without my approval.



9/30/74

To: Jerry Jones

From: Phil Buchen

No comments; no recommendations



9/30/74

To: Jerry Jones

From: Phil Buchen

No comments; no recommendations



THE WHITE HOUSE

WASHINGTON

9/30/74

To: Ken

From: Jay

O. K. ?

June KK



9/30/74

To: Ken

From: Jay

O.K. ?



THE WHITE HOUSE
WASHINGTON

9/30/74

12:15

Jay sent a copy
to Lazarus



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 28, 1974

Time:

FOR ACTION: Ken Cole
Paul Theis
Phil Buchen ✓
Brent Scowcroft

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Tuesday, October 1, 1974

Time: 10:00 a. m.

SUBJECT:

Ash memo (9/27/74) re: Fiscal Year 1975 Budget
Reductions

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jerry H. Jones
Staff Secretary

THE WHITE HOUSE
WASHINGTON

SEP 27 1974

SIGNATURE

MEMORANDUM FOR: THE PRESIDENT
FROM: ROY L. ASH
SUBJECT: Fiscal Year 1975 Budget Reductions

BACKGROUND:

As you know, 1975 budget reductions proposed by the agencies fall far short of the amount needed to get below \$300 billion.

To meet that goal, it will be necessary that we propose actions to the Congress which will reduce the budget by at least \$5 billion. The OMB staff is now developing further reduction suggestions.

We plan to discuss our suggestions with the agencies so that we can make recommendations to you which will represent our joint ideas. OMB suggestions to the agencies will add to more than the \$5 billion needed so as to give you an opportunity to select appropriate cuts.

It will be natural for many of the agencies to resist strongly when they learn of our suggestions because of the size of the program decreases needed to reach the goal. Nevertheless, we should move quickly if we are to get a package to the Congress when they return in November.

It would be helpful to us if you could reiterate the need for the budget cuts in a memorandum to the agencies.

RECOMMENDATION:

That you sign the attached memorandum to the Cabinet departments.

Attachment



THE WHITE HOUSE

WASHINGTON

DRAFT MEMORANDUM

MEMORANDUM FOR HEADS OF CABINET DEPARTMENTS

SUBJECT: Fiscal Year 1975 Budget Cuts

As I noted at the last Cabinet meeting, the suggestions which you and others have made for reducing 1975 spending are insufficient if we are to hold spending below \$300 billion. I have asked Roy Ash and his staff to work with you and your staff in finding further reductions.

I recognize that this will be a very difficult task. There are few programs in which large cuts are desirable from the point of view of achieving agency missions. Nevertheless, under current economic conditions, it is essential that we present the Congress with a significant package of legislative and budgetary proposals that would allow us to reach our 1975 goal.

Time is short. We are well into the fiscal year. It is essential, therefore, that we complete work on our proposals so that I can send them to the Congress at an early date. I attach special urgency to this effort and look forward to your support and cooperation.

THE WHITE HOUSE,

September , 1974



THE WHITE HOUSE
WASHINGTON

October 1, 1974

MEMORANDUM FOR: Jerry Jones

From: Bill Casselman *BJ*

Subject: Memorandum for Heads of Departments
and Agencies regarding Employment of
the Handicapped

As I orally notified your office last week, I have no problems or comments with respect to the above referenced message for Heads of Departments and Agencies.

cc: Mr. Buchen *✓*



Date: September 23, 1974

Time:

FOR ACTION:

Roy Ash
Phil Buchen
Ken Cole
Paul Theis

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Thursday, September 26, 1974 . Time: 10:00 a.m.

SUBJECT:

Armstrong memo (9/20/74) re: Memorandum
for Heads of Departments and Agencies regarding
Employment of the Handicapped

ACTION REQUESTED:

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

REMARKS:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary immediately.Jerry H. Jones
Staff Secretary

THE WHITE HOUSE

WASHINGTON

September 20, 1974

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE ARMSTRONG

QLO

SUBJECT:

Memorandum for Heads of Departments and Agencies
regarding Employment of the Handicapped

Attached is the draft of a memorandum which Chairman Hampton of the Civil Service Commission recommends be sent to the heads of departments and agencies reaffirming Presidential commitment to the employment of the handicapped in the Federal service.

This memorandum should be issued to coincide with National Employ the Handicapped Week, October 6 through 12, since this would be an especially favorable time to reaffirm this commitment, voiced by all administrations since World War II.

Recently a new and significant factor has been introduced. The Rehabilitation Act of 1973 (PL 93-112) requires Federal agencies to develop and implement affirmative action program plans on the hiring, placement and advancement of handicapped individuals. These plans must be submitted annually to the Civil Service Commission for approval. The issuance of a new Presidential policy statement at this time will have a special impact on the actions that agencies take in meeting the spirit and requirements of the law.

Attachment



D R A F T

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

Equal opportunity for all Americans, including the handicapped, has long been the employment policy of our Government. During National Employ the Handicapped Week, October 6 through October 12, 1974, when all employers throughout the Nation are being asked to assist the handicapped, it is most appropriate that I pledge my administration to the employment and full utilization of handicapped Americans in staffing the Federal service.

Since World War II, the Federal Government's door has been opened to more than 1/4 million of our citizens who, though handicapped, have nonetheless been qualified to serve. They have served well.

I want to make it plain that the Federal Government has a strong commitment to:

- assist the physically impaired who are not occupationally handicapped when assigned to the right job;
- consider the mentally restored whose only handicap is that they once suffered an emotional illness; and
- employ the mentally retarded who can demonstrate ability to perform the simple routine tasks that need doing in all organizations.

Now, under the Rehabilitation Act of 1973, that policy has been given new force and meaning for handicapped citizens. From the lead provided by this law you have developed comprehensive affirmative action plans for the hiring, placement, and advancement of handicapped individuals in each Federal department and agency. I urge you to carry out these plans to the fullest extent so that our fellow citizens can learn from your example.

Gerald R. Ford, Jr.



10:59
sent to
Shulley

Date: October 3, 1974

Time: 6:02 p.m.

FOR ACTION: Mike Duval
Geoff Shepard
Roger Semerad
NSC
Bill Timmons

cc (for information): Jerry Jones
Warren Hendriks

✓ Phil Buchen

FROM THE STAFF SECRETARY

DUE: Date: Friday, October 4, 1974

Time: noon

SUBJECT: Enrolled Bill H.R. 16102 - Daylight Saving Time

ACTION REQUESTED:

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

REMARKS:

It is imperative to have comments returned by deadline in order to give outside groups the lead time they require in changing schedules, programs, etc. as described in the Enrolled Bill.



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

OCT 3 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 16102 - Daylight saving time
Sponsors - Rep. Staggers (D) West Virginia and
Rep. Devine (R) Ohio

Last Day for Action

Early action is recommended because transportation, radio, T.V., and other industry scheduling problems are involved in a change to standard time on October 27, 1974.

Purpose

Amends the Emergency Daylight Saving Time Energy Conservation Act of 1973 to return the country to standard time from October 27, 1974 to February 23, 1975.

Agency Recommendations

Office of Management and Budget	Approval
Department of Transportation	Approval
Federal Energy Administration	Approval
Federal Communications Commission	Approval
Department of Agriculture	Approval (Informally)
Department of State	No objection (Informally)

Discussion

H.R. 16102 is essentially identical to a DOT legislative proposal. It would amend the Emergency Daylight Saving Act to exempt from its provisions the period from the last Sunday in October 1974 to the last Sunday in February 1975. This would have the effect of returning the country to standard time during that period. (Under the permanent Uniform Time Act of 1966, standard time would have been in effect from the last Sunday in October until the last Sunday in April.)



The 1973 Act provided for year-round daylight saving time for an experimental period from January 1974 to October 1975 in an effort to conserve energy. DOT was required to report on the results both in terms of energy savings as well as other effects. DOT was required to submit an interim report by June 30, 1974 and a final report by June 30, 1975.

DOT's interim report indicated that the results of daylight saving time during the period January to April 1974 were not conclusive, although it appears that there was a small energy savings in some areas, particularly in the use of electricity. However, because of other variables affecting energy consumption last year, such as reduced availability of gasoline, lower speed limits, and voluntary reduction in the use of energy, it could not be determined with certainty how much of the saving was due to daylight saving time.

The House Commerce Committee report on the bill states that while these inconclusive results would argue for another year of daylight saving time in order to gather additional data, they:

" . . . must be balanced against a majority of the public's distaste for the observance of daylight saving time during the months of November, December, January, and February, and its apparent acceptance, as reflected by a national opinion poll conducted in February 1974, of observance of daylight saving time during the months of March through October."

In addition, the bill provides that DOT's final report would be due on July 31, 1975, rather than June 30, 1975. DOT had asked for a delay to September 30, 1975.

* * * * *

We recommend that the bill be signed as soon as possible because of the need to develop new schedules for airlines, T.V. and radio stations, schools, etc.

Welfred H. Rowland

Assistant Director for
Legislative Reference

Enclosures





OFFICE OF THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

OCT 2 1974

GENERAL COUNSEL

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Ash:

This is in reply to your request for the views of this Department on H.R. 16102, an enrolled bill

"To amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 to exempt from its provisions the period from the last Sunday in October 1974, through the last Sunday in February 1975."

With one exception the bill embodies the recommendations of the Secretary of Transportation in his June 28, 1974 interim report to the Congress on the operation and effects of year-round daylight saving time. The report was required by section 4(a) of the Emergency Daylight Saving Time Energy Conservation Act of 1973 (December 15, 1973, Public Law 93-182, 87 Stat. 707) ("the Act").

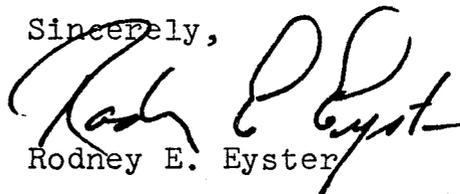
Section 1 of the bill would amend section 3 of the Act to return the nation to standard time from 2:00 a.m. on the last Sunday in October 1974 to 2:00 a.m. on the last Sunday in February 1975 (October 27, 1974 to February 23, 1975), as recommended by the Secretary. There were two main reasons for the Secretary's recommendation. First, in each year the sun rises later on approximately January 1 than on any other day. Observing standard time during the four-month period from approximately two months before to two months after January 1 should obviate concern for the safety of school children traveling to school on dark mornings. Secondly, a majority of the public, as measured in a March 1974 national opinion poll, prefers daylight saving time March through October.



Section 2 would amend section 4 of the Act to postpone from June 30, 1975 to July 31, 1975, the deadline for submission of the final report required by section 4(a) of the Act. In the interim report the Secretary recommended that the final report deadline be extended to September 30, 1975, to provide time for collection and analysis of data for March and April 1975, the only months normally on standard time which will be on daylight saving time in 1975. Recognizing that that date might not provide the Congress with enough time in 1975 to consider the report's findings and recommendations, this Department suggested August 30, 1975, to the Congress as a compromise deadline which would afford this Department a reasonable amount of time to prepare a reliable report while affording the Congress ample time to consider its recommendations. Given a deadline of July 31, 1975, we can still provide a reliable report based on the understanding - which we have communicated to the Congress - that data which cannot be collected and analyzed by then may be submitted at a later date.

In conclusion, despite the fact that the bill includes one provision which would present some problems for this Department, we feel that its conformity with the recommendation of the Secretary of Transportation in his June 28, 1974 report to the Congress warrants approval of the enrolled bill; we do, therefore, recommend that the President sign the enrolled bill.

Sincerely,



Rodney E. Eyster



FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

MEMORANDUM FOR: Wilfred H. Rommel
Assistant Director for
Legislative Reference
Office of Management and Budget

FROM: Robert E. Montgomery, Jr. *by* 
General Counsel

SUBJECT: Enrolled Bill Report on H.R. 16102 -
Amendments to the Emergency Daylight
Saving Time Energy Conservation Act
of 1973

This is in response to your request for the views of the Federal Energy Administration on the subject enrolled bill.

H.R. 16102 would amend section 260a of title 15, United States Code, to provide for the use of standard time as opposed to daylight savings time during the period commencing on the last Sunday of October 1974 and ending on the last Sunday of February 1975.

The FEA recommends that the President sign the bill into law.



FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

IN REPLY REFER TO:

3200

Honorable Wilfred H. Rommel
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Rommel:

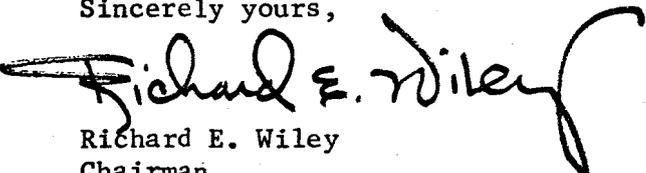
This refers to your October 1, 1974 request for the Commission's views and recommendations on enrolled bill H.R. 16102, an Act to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 to exempt from its provisions the period from the last Sunday in October, 1974, through the last Sunday in February, 1975.

The Commission's principal interest in the question of when daylight saving time is observed arises from its effects on daytime only AM radio broadcast stations. Pursuant to Section 6 of the Emergency Daylight Saving Time Energy Conservation Act of 1973, P.L. 93-182, the Commission adopted emergency orders providing for limited pre-sunrise operation of standard broadcast stations during the October-April portion of the year consistent with the public interest in receiving interference-free service, and undertook negotiations with Canada, Mexico and the Bahamas to this end.

Since H.R. 16102, in effect, reinstates the provisions of the Uniform Time Act of 1966 between October 27, 1974 and February 23, 1975, it provides significant relief to daytime broadcasters -- from the problems caused by P.L. 93-182 -- beyond that which the Commission may afford either under its emergency powers or through rulemaking. During the period February 23, 1975, to April 27, 1975, certain problems of early morning operation of daytime broadcasters will continue, and the Commission will do what it can to resolve these matters administratively utilizing the continuing authority of Section 6.

The Commission has no objection to the signing into law of H.R. 16102.

Sincerely yours,


Richard E. Wiley
Chairman



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 1, 1974

Time:

FOR ACTION: Jack Marsh
Phil Buchen
Jack Marsh
Brent Scowcroft
Ken Cole
FROM THE STAFF SECRETARY

cc (for information):

DUE: Date: Thursday, October 3, 1974

Time: 2:00 p.m.

SUBJECT:

Ash memo (9/30/74) re: Action to
Strengthen the Presidential Science
Advisory Apparatus

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

See memo attached



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.

Jerry H. Jones
Staff Secretary

THE WHITE HOUSE
WASHINGTON

October 3, 1974

MEMORANDUM FOR:

KATHY TINDLE

FROM:

DUDLEY CHAPMAN *DC*

SUBJECT:

Ash Memo (9/30/74) re: Action to
Strengthen the Presidential Science
Advisory Apparatus

This office has no objection to the memorandum or its recommendations; but I do question the accuracy of the last full paragraph on page 2 listing disadvantages of a White House adviser.

The argument that it would overly represent the interests of this clientele could be applied equally to the Council of Economic Advisers, to which the science adviser is most comparable. It also disregards the direct White House access to all manner of private interest groups through a special White House assistant for that purpose.

The last two arguments are both overstatements and miss a more basic point: "Science" is a very general term covering a wide diversity of disciplines that is not capable of a coherent representation through one or a few people. This fact, together with the policy to move operational functions out to the departments and agencies would make the NSF appear the more appropriate vehicle for scientific advice.



Copies of these
were sent
to D. C.

10/2

~~gg~~

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 1, 1974

Time:

FOR ACTION:

Jack Marsh
 Bill Seidman
 Bill Timmons
 Phil Buchen
 Ken Cole

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Thursday, October 3, 1974

Time: 2:00 p.m.

SUBJECT:

Ash memo (9/30/74) re: Budgetary and
 Economic Effects of a Conventional Tandem
 Plan for Housing

ACTION REQUESTED:

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

REMARKS:



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jerry H. Jones
 Staff Secretary

THE WHITE HOUSE
WASHINGTON

SEP 30 1974

MEMORANDUM FOR: THE PRESIDENT
FROM: ROY L. ASH
SUBJECT: BUDGETARY AND ECONOMIC EFFECTS OF A
CONVENTIONAL TANDEM PLAN FOR HOUSING

Background

Under the "Tandem Plan," HUD provides subsidies to the housing sector by purchasing mortgages at below-market interest rates and reselling them on the private market. So far this year, HUD has been given authority to purchase nearly \$10 billion in federally insured mortgages under this program. Secretary Lynn is now recommending an increase in this authorization of \$7.75 billion to support purchases of conventional (non-federally insured) mortgages. He proposes an initial commitment to buy \$3 billion worth of mortgages.

If the mortgages purchased under the Tandem Plan are resold on the private market, only the amount of the subsidy involved (that is, the loss HUD must incur in selling the mortgages so as to yield a competitive return) shows up in the budget as an outlay. The amount of the loss depends on the difference between the market interest rate and the interest rate on the mortgages at the time of sale. The following table shows the budget outlay impact of the conventional Tandem Plan if the mortgages are sold before July 1, 1975:

<u>Volume of Commitments</u>	<u>Outlays if market rates are</u>	
	<u>10%</u>	<u>10 1/2%</u>
	(in millions)	
\$3 Billion	\$150	\$244
\$7.75 Billion	\$388	\$631

In the budget projections I have discussed with you, an assumption is made that HUD will resell \$6.2 billion in mortgages purchased this year under previously announced Tandem Plans. Under HUD's current purchase plans, there is some doubt that all of these mortgages can be sold before July 1, 1975. This is a factor that has just come to light as we have been reviewing HUD's purchase/selling plans. Every dollar of unsold mortgages will show up as added Federal



deficit spending. On a related point we are assuming, as we have since the program was initiated, that the Federal Home Loan Bank Board will repay \$3 billion that it has drawn from the Treasury for its housing subsidy program. In order for FHLBB to repay the Treasury loan, they will have to sell the mortgages they have acquired to the private market. Both the Treasury and FHLBB believe these mortgages should not be sold to the private market before 7/1/75 and therefore that this loan should not be repaid in FY 75. They believe that to do so would put added pressure on the credit markets.

If the FHLBB mortgages are not sold so that the loan can be repaid, it will not be possible to reduce the budget below \$300 billion in FY 75 even if we assume congressional acceptance of all the budget cuts we might propose.

The addition of a conventional Tandem Plan, on top of these pressures, moves you further away from your budget goal of \$300 billion; probably up to \$305 billion unless there is agreement at the outset that all mortgages acquired will be sold before July 1, 1975. Even with such an agreement, the subsidy cost of a conventional Tandem Plan will require further cuts in other Federal spending.

Credit Market Impact

The effect of the Tandem Plan, assuming a constant monetary policy, is credit allocation by the Federal Government to the housing sector and away from other competing demands. This is accomplished by having the Treasury pay more interest for the borrowing it does than others are willing to pay; that is by bidding up interest rates. In effect, the Federal Government overrides the credit allocations the private market is trying to make.

Conclusion

We will have to back away from the goal to reduce Federal spending to or below \$300 billion unless:

- HUD sells all mortgages acquired under already approved Tandem Plans before July 1, 1975.



- FHLBB repays its \$3 billion loan to the Treasury before July 1, 1975.
- HUD sells all mortgages acquired under a new conventional Tandem Plan before July 1, 1975.
- Further budget cuts are identified and implemented to offset the subsidy cost of a new Tandem Plan.



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 1, 1974

Time:

FOR ACTION: Jack Marsh
✓ Phil Buchen
Jack Marsh
Brent Scowcroft
Ken Cole
FROM THE STAFF SECRETARY

cc (for information):

DUE: Date: Thursday, October 3, 1974

Time: 2:00 p.m.

SUBJECT:

Ash memo (9/30/74) re: Action to
Strengthen the Presidential Science
Advisory Apparatus

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jerry H. Jones
Staff Secretary

THE WHITE HOUSE
WASHINGTON

SEP 30 1974

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ROY L. ASH

SUBJECT: ACTION TO STRENGTHEN THE PRESIDENTIAL SCIENCE
ADVISORY APPARATUS

Background

A number of spokesmen from the science community objected strongly when the science advisory apparatus in the Executive Office of the President (EOP) was abolished in July 1973 and its functions were transferred to the National Science Foundation (NSF) in the civilian area and to the National Security Council (NSC) in the national security area. Concern in Congress over this action has been exhibited mainly in the science committees which have held hearings and are considering legislation to establish new advisory arrangements. There have also been proposals from the scientific community for reinstating a science apparatus in the EOP, including a recommendation from the Academy of Sciences for a three-member council. Because of science community and congressional interest and because designation by the President of the Director of the NSF as Science Adviser lapsed with the change in Administration, there is need to consider reaffirming or strengthening the present arrangement or else replacing it.

Alternatives

- I. Maintain the present arrangement:
 - A. redesignating Dr. Stever as "Science Adviser," or
 - B. visibly strengthening it by formally appointing NSF Director as Science Adviser to the President.
- II. Appoint a full-time Science Adviser to the President with a small White House staff.
- III. Reinstitute a statutory science agency in the EOP headed by a Science Adviser or a three-man council.

Discussion

There is every reason to believe that the present arrangement can be made to work effectively in providing you and your senior staff with independent advice on scientific aspects of major policy issues. Moreover, the present arrangement has the advantages that it:

- makes use of the considerable policy staff resources of NSF
- recognizes more fully the increased capabilities of Cabinet Departments and Agencies to provide advice on technical matters
- does not increase the size of the White House staff.

Furthermore, as Dr. Stever indicated to you, he is taking further steps to improve the present arrangement.

Potential legislative action and scientific community pressure for a major reorganization can be deterred by creating a more visible tie of the Science Adviser to the White House by designating him as Science Adviser to the President, by publicly assigning him substantive tasks, and by your occasional meeting with representatives of the scientific community. These actions, I believe, can demonstrate that there is an effective channel for scientific advice to the President.

Actions to establish either a full-time Science Adviser to the President or to establish a statutory agency in the EOP are not warranted in our view because they:

- overly represent in your immediate office the clientele interests of science and scientists
- emphasize science and technology as ends in themselves rather than means of achieving national objectives
- do not recognize the necessity of integrating science advice with that from other fields.



Recommendation

Because the present advisory arrangement can be effective, it should be continued, but with some strengthening of the tie to the President. Accordingly, I recommend Alternative IB. If you agree, I recommend you discuss this approach with selected members of the scientific community, and indicate to them that you are committed to exploring additional measures to strengthen scientific input in the EOP.

I should emphasize that this alternative may not be considered sufficient by the science community, but it does have the advantage that it does not preclude any future consideration of other organizational arrangements which would more fully integrate science advice into the White House decisionmaking process.

Agree _____

Disagree _____

See Me _____

Date: October 1, 1974

Time:

FOR ACTION:

Jack Marsh
 Bill Seidman
 Bill Timmons
 ✓ Phil Buchen
 Ken Cole

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Thursday, October 3, 1974

Time: 2:00 p. m.

SUBJECT:

Ash memo (9/30/74) re: Budgetary and
 Economic Effects of a Conventional Tandem
 Plan for Housing

ACTION REQUESTED:

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

REMARKS:

*no comment*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.

Jerry H. Jones
 Staff Secretary



30 B
11/7

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: 11/6, 1974

Time:

FOR ACTION: Phil Buchen cc (for information):
 Ken Cole Brent Scowcroft
 Dean Burch Bob Hartmann
 Bill Baroody Jack Marsh
 Bill Timmons

FROM THE STAFF SECRETARY

DUE: Date: Friday, November 8, 1974

Time: 2:00 p. m.

SUBJECT:

Ash memo (11/5/74) re: Reserve
Call-up Authority

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

K. R. COLE, JR.
For the President

Date: November 6, 1974

Time:

FOR ACTION: Roy Ash

cc (for information):

Phil Buchen Bob Hartmann
Fred DeBaca Jack Marsh
Roland Elliott Stan Scott

FROM THE STAFF SECRETARY

DUE: Date: Saturday, November 9, 1974

Time: 12:00 noon

SUBJECT:

Cole memo (no date) re: Presidential Letter
to the Cabinet Officers Promoting Federal
Minority Business Programs

ACTION REQUESTED:

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

REMARKS:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jerry H. Jones
Staff Secretary

