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THE WHITE HOUSE
WASHINGTON

October 2, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JAMES T. LYNN
FROM: JAMES E. CONNOR *JEC*
SUBJECT: Public Works Appropriations Bill

The President reviewed your memorandum of September 28 on the above subject and approved your recommendation that he accept the compromise by acting on the bill while Congress is in session.

The following notation was also made:

"I signed 10/1/76"

cc: Dick Cheney

THE WHITE HOUSE
WASHINGTON

September 28, 1976

MR PRESIDENT:

Public Works Appropriations Bill

Staffing of the attached memorandum prepared by Jim Lynn resulted in the following comments and recommendations:

Phil Buchen (Schmults), Bill Seidman (Roger Porter) and Max Friedersdorf - agree with the OMB recommendation.

Jim Cannon - Recommends the bill be signed
additional comments are at TAB D.

Jack Marsh - Recommends that the bill be signed
additional comments are at TAB B.

Alan Greenspan - Recommends that this bill be
vetoed - additional comments are at TAB C.

Jim Connor



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

September 28, 1976

ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES J. LYNN
SUBJECT: Public Works Appropriations Bill

I. ISSUE

The Congressional leadership has agreed to adjourn sine die if you will agree not to use your "pocket veto" on the Public Works Jobs appropriation bill. However, your pocket veto would be available for a significant number of bills passed by Congress near the end of its session.

II. BACKGROUND

The Public Works Employment appropriation bill (H.R. 15194) provides \$3.95 billion for public works projects, countercyclical aid, and waste treatment construction. The measure passed the House by a vote of 311 to 72; the Senate vote was 60 to 14.

On July 21, the Senate overrode your veto of the authorizing legislation by a vote of 73 to 24 and the House did likewise by a vote of 310 to 96.

For the reasons set forth in my memorandum of August 31, 1976, I believe that a veto of this legislation could not be sustained. See Tab A.

III. OPTIONS

1. Accept the compromise by agreeing to sign or veto the bill while Congress is in session. (If this option is selected, see pages 2-3 of Tab A for pros and cons of signing or vetoing bill.) Whether you decide to sign or veto, accepting the compromise has the following advantages and disadvantages.

PRO

- . Permits you to use the pocket veto to thwart other undesirable pieces of legislation which have been enacted by this Congress.

CON

- . Forces you to take affirmative action on this controversial legislation.
2. Reject the compromise by holding the bill.

PRO

- . Permits you to avoid taking affirmative action by allowing the bill to become law without your signature after passage of ten days.

CON

- . Since Congress will probably not adjourn sine die unless you act on this bill, pocket vetoes will not be possible. This will give Congress an opportunity to override your vetoes of other legislation when they return.

IV. RECOMMENDATION

We recommend that you accept the compromise by acting on the bill while Congress is in session.

Approve

HE7

Disapprove

Further, we continue to recommend that you sign rather than veto the bill, for the reasons described in the memo at Tab A.

I signed 10/1/76



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

8-31-76

ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES T. LYNN
SUBJECT: Public Works Appropriations Bill

I. BACKGROUND

On July 21, 1976, the Senate voted 73 to 24 to override your veto of the Public Works Employment Act of 1976; the following day the House also voted to override; 310 to 96. The House Appropriations Committee subsequently initiated action to appropriate the funds authorized in the Act. The Committee reported a bill, H.R. 15194, which was passed by the House on August 25, 1976, by a vote of 311 to 72.

H.R. 15194 provides: (1) \$2.0 billion--the full authorization--for grants to State and local governments for public works projects, (2) \$1.250 billion--the full authorization--for countercyclical payments to States and local governments primarily for personal services, and (3) \$200 million--\$500 million less than authorized--for waste treatment construction grants. The Administration has signaled its strong opposition to the funding levels contained in this bill. The amounts would add to inflationary pressures and fund an ineffective means for dealing with the problems of unemployment.

Quick Senate action on the appropriations legislation is expected and it is almost certain that a bill will be on your desk shortly for action. The purpose of this memorandum is to raise the issue of how to deal with the legislation early enough, so that you will have time for thoughtful consideration and consultation with your advisors. You will also be able to consider what impact, if any, the August unemployment rate should have on your decision, since that rate will be announced on Friday, September 3.

II. OPTIONS

The two basic options are:

- #1. Veto the bill. This would be consistent with your current position on the legislation and the action which you took with respect to the authorization bill.
- #2. Sign the bill. This would avoid further confrontation with Congress over this legislation.

Option #1. Veto the bill

PRO

- . While the unemployment rate has increased slightly since you vetoed the authorization bill; from 7.5 percent in June to 7.8 percent in July, there have been no fundamental shifts in the general economic recovery which now argue for accepting this legislation.
- . The funding levels contained in the House passed bill are a good example of politically motivated and uncontrolled Congressional spending.
- . Funding the Public Works Employment Act would offer the public an unrealistic promise of dealing with unemployment in the short-run, while actually setting the stage for over-stimulation of the economy in the long-run.

CON

- . An override of your veto is virtually certain in view of the overwhelming votes in support of the authorization bill in both houses and the recent House vote on the pending appropriations bill.

- . In contradiction to arguments about the impact of this legislation on the general economy, proponents of the funds will point to the problems confronting the construction industry, with its current unemployment rate of 17.7 percent.
- . Despite your best efforts to educate the public as to the real cost and inflationary impact of this legislation, the general perception is that it is worthwhile, since it will create some jobs.

Option #2. Sign the Bill

PRO

- . This would avoid a repeat of the unsuccessful confrontation with the Congress over the authorization bill and avert an almost certain override of a veto.
- . It would still permit an opportunity to issue a statement reaffirming your opposition in principle to this inflationary legislation, but would recognize the futility of continued opposition.

CON

- . Accepting the bill would somewhat contradict your consistent strong opposition to the approach embodied in this legislation for dealing with the problem of unemployment.
- . It may also permit your opponents to impugn the sincerity of your efforts to hold down Federal spending.

III. RECOMMENDATION

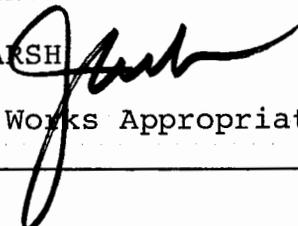
This bill presents a very close question for your decision. Our opposition to the Public Works Employment program continues unabated. However, we are confronted with a situation in which we have no reasonable hope of sustaining a veto. In view of this, we recommend that you sign this bill.

THE WHITE HOUSE

WASHINGTON

September 28, 1976

MEMORANDUM FOR: JIM CONNOR

FROM: JACK MARSH 

SUBJECT: Public Works Appropriations
Bill

I would recommend a signature on this bill; however, the President's comments during the debate in response to a question (attached) should be carefully studied because they make a strong case for a veto.

Should he decide to sign, the signing statement will be most important. His debate remarks should be brought to his attention when he considers this.

Attachment

I think it is also appropriate to point out that through our tax policies we have stimulated added employment throughout the country -- the investment tax credit, the tax incentives for expansion and modernization of our industrial capacity. It is my opinion that the private sector, where five out of the six jobs are, where you have permanent jobs with the opportunity for advancement, is a better place than make-work jobs under the program recommended by the Congress.

MR. GANNON: Just to follow up, Mr. President, the Congress has just passed a \$3.7 billion appropriation bill which would provide money for the public works jobs program that you earlier tried to kill by your veto of the authorization legislation.

In light of the fact that unemployment again is rising or has in the past three months, I wonder if you have re-thought that question at all, whether you would consider allowing this program to be funded, or will you veto that money bill?

THE PRESIDENT: Well, that bill has not yet come down to the Oval Office so I am not in a position to make any judgment on it tonight. But that is an extra \$4 billion that would add to the deficit, which would add to the inflationary pressures, which would help to destroy jobs in the private sector, not make jobs where the jobs really are. These make-work, temporary jobs, dead-end, as they are, are not the kind of jobs that we want for our people.

I think it is interesting to point out that in the two years that I have been President I have vetoed 56 bills. Congress has sustained 42 vetoes. As a result, we have saved over \$9 billion in Federal expenditures, and the Congress -- by overriding the bills that I did veto -- the Congress has added some \$13 billion to the Federal expenditures and to the Federal deficit.

Now Governor Carter complains about the deficits that this Administration has had, and yet he condemns the vetoes that I have made that have saved the taxpayer \$9 billion and could have saved an additional \$13 billion. Now, he can't have it both ways. And, therefore, it seems to me that we should hold the lid as we have to the best of our ability so we can stimulate the private economy and get the jobs where the jobs are -- five out of six -- in this economy.

THE MODERATOR: Governor Carter.

MR. CARTER: Well, Mr. Ford does not seem to put in perspective the fact that when 500,000 more people are out of work than there were three months ago, where we have 2-1/2 million more people out of work than when he took office, that this touches human beings.

MORE

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

September 28, 1976

MEMORANDUM FOR JAMES CONNOR

FROM: ALAN GREENSPAN

SUBJECT: Jim Lynn Memo 9/28/76 re: Public Works
Appropriations Bill

This is in response to your request for the Council of Economic Advisers' views on H. R. 15194, the appropriations bill for the Public Works Employment Act of 1976.

The Council encouraged a Presidential veto of the Public Works Act as it would not have a significant job creating impact during the period of high unemployment. Most of the impact would appear after we have proceeded so far in the recovery in the private sector that the additional spending would be counterproductive. For these reasons, we believe the original measure and the appropriations bill are unwise. We do recognize that Congress was able to override the President's veto. Nevertheless, from the point of view of economic policy, this bill should be vetoed.



D

THE WHITE HOUSE

WASHINGTON

September 28, 1976

MEMORANDUM FOR: JIM CONNOR
FROM: JIM CANNON *[Handwritten signature]*
SUBJECT: Public Works Appropriations Bill

I recommend that the President sign the Public Works Employment appropriation bill (H.R. 15194).

The President took an unmistakably clear position in opposition to the authorizing legislation. The issue was fought vigorously and Congress indicated, by overriding the President's veto, that it did not accept the arguments against this legislation.

I believe the President should state his continued disapproval of the concept behind this legislation but indicate his acceptance that in this case further confrontations with Congress are pointless.

He should indicate his intention to monitor this appropriation during the next 12 months so that he can report accurately the specific number of jobs which are created and to provide his assessment of its impact on inflation.

Attached is a suggested draft signing statement.

I am today signing H.R. 15194, the Public Works Employment Appropriations Act of 1976.

In July I vetoed the authorizing legislation which made this \$3.95 billion appropriation necessary. I said then, and I still believe, that these funds will not create lasting jobs but will create new inflationary pressures.

I said then and I still believe that the best and most effective way to create new jobs is to pursue balanced economic policies that encourage the growth of the private sector without risking a new round of inflation.

Congress rejected my veto. This Congress has not recognized the fallacy of having the American taxpayer finance pork-barrel projects and make-work jobs. Congress refuses to recognize the inflationary risk in this Public Works Appropriation.

However, another confrontation with Congress on this bill is pointless.

We must nevertheless continue to challenge the Congress on the underlying principle of this pork-barrel, make-work legislation.

I am therefore signing H.R. 15194 and directing the appropriate departments of this Administration to make, over the next year, a careful month-by-month audit of

expenditures under this Appropriation to determine just how many jobs are created, how much it costs the taxpayer to create each job, and just what impact there is on inflation.

In accepting this Appropriation, I call upon the Congress to request the General Accounting Office to conduct a parallel audit of the results of this legislation. This is an expensive test but Congress will not see the fallacy of its approach until we can show through an audit what we know to be the facts.

THE WHITE HOUSE
WASHINGTON

Bob Linder -

Sorry - forgot to show you this --
It was put into very quick staffing
mid morning today.

Trudy

A handwritten signature in black ink, appearing to be 'TRUDY' in a cursive, stylized script.

September 28, 1976

MR PRESIDENT:

Public Works Appropriations Bill

Staffing of the attached memorandum prepared by Jim Lynn resulted in the following comments and recommendations:

Phil Buchen (Schmults), Bill Seidman (Roger Porter) and Max Friedersdorf - agree with the OMB recommendation.

Jim Cannon - Recommends the bill be signed
additional comments are at TAB A.

Jack Marsh - Recommends that the bill be signed
additional comments are at TAB B.

Alan Greenspan - Recommends that this bill be
vetoed - additional comments are at TAB C.

Jim Connor



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

September 28, 1976

ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES A. LYNN
SUBJECT: Public Works Appropriations Bill

I. ISSUE

The Congressional leadership has agreed to adjourn sine die if you will agree not to use your "pocket veto" on the Public Works Jobs appropriation bill. However, your pocket veto would be available for a significant number of bills passed by Congress near the end of its session.

II. BACKGROUND

The Public Works Employment appropriation bill (H.R. 15194) provides \$3.95 billion for public works projects, countercyclical aid, and waste treatment construction. The measure passed the House by a vote of 311 to 72; the Senate vote was 60 to 14.

On July 21, the Senate overrode your veto of the authorizing legislation by a vote of 73 to 24 and the House did likewise by a vote of 310 to 96.

For the reasons set forth in my memorandum of August 31, 1976, I believe that a veto of this legislation could not be sustained. See Tab A.

III. OPTIONS

1. Accept the compromise by agreeing to sign or veto the bill while Congress is in session. (If this option is selected, see pages 2-3 of Tab A for pros and cons of signing or vetoing bill.) Whether you decide to sign or veto, accepting the compromise has the following advantages and disadvantages.

PRO

- . Permits you to use the pocket veto to thwart other undesirable pieces of legislation which have been enacted by this Congress.

CON

- . Forces you to take affirmative action on this controversial legislation.
2. Reject the compromise by holding the bill.

PRO

- . Permits you to avoid taking affirmative action by allowing the bill to become law without your signature after passage of ten days.

CON

- . Since Congress will probably not adjourn sine die unless you act on this bill, pocket vetoes will not be possible. This will give Congress an opportunity to override your vetoes of other legislation when they return.

IV. RECOMMENDATION

We recommend that you accept the compromise by acting on the bill while Congress is in session.

Approve _____ Disapprove _____

Further, we continue to recommend that you sign rather than veto the bill, for the reasons described in the memo at Tab A.



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

8-31-76

ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES T. LYNN
SUBJECT: Public Works Appropriations Bill

I. BACKGROUND

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H.R. 15194 provides: (1) \$2.0 billion--the full authorization for grants to State and local governments for public works projects, (2) \$1.250 billion--the full authorization--for countercyclical payments to States and local governments primarily for personal services, and (3) \$200 million--\$500 million less than authorized--for waste treatment construction grants. The Administration has signaled its strong opposition to the funding levels contained in this bill. The amounts would add to inflationary pressures and fund an ineffective means for dealing with the problems of unemployment.

Quick Senate action on the appropriations legislation is expected and it is almost certain that a bill will be on your desk shortly for action. The purpose of this memorandum is to raise the issue of how to deal with the legislation early enough, so that you will have time for thoughtful consideration and consultation with your advisors. You will also be able to consider what impact, if any, the August unemployment rate should have on your decision, since that rate will be announced on Friday, September 3.

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The two basic options are:

- #1. Veto the bill. This would be consistent with your current position on the legislation and the action which you took with respect to the authorization bill.
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Option #1. Veto the bill

PRO

- . While the unemployment rate has increased slightly since you vetoed the authorization bill; from 7.5 percent in June to 7.8 percent in July, there have been no fundamental shifts in the general economic recovery which now argue for accepting this legislation.
- . The funding levels contained in the House passed bill are a good example of politically motivated and uncontrolled Congressional spending.
- . Funding the Public Works Employment Act would offer the public an unrealistic promise of dealing with unemployment in the short-run, while actually setting the stage for over-stimulation of the economy in the long-run.

CON

- . An override of your veto is virtually certain in view of the overwhelming votes in support of the authorization bill in both houses and the recent House vote on the pending appropriations bill.

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- . Despite your best efforts to educate the public as to the real cost and inflationary impact of this legislation, the general perception is that it is worthwhile, since it will create some jobs.

Option #2. Sign the Bill

PRO

- . This would avoid a repeat of the unsuccessful confrontation with the Congress over the authorization bill and avert an almost certain override of a veto.
- . It would still permit an opportunity to issue a statement reaffirming your opposition in principle to this inflationary legislation, but would recognize the futility of continued opposition.

CON

- . Accepting the bill would somewhat contradict your consistent strong opposition to the approach embodied in this legislation for dealing with the problem of unemployment.
- . It may also permit your opponents to impugn the sincerity of your efforts to hold down Federal spending.

III. RECOMMENDATION

This bill presents a very close question for your decision. Our opposition to the Public Works Employment program continues unabated. However, we are confronted with a situation in which we have no reasonable hope of sustaining a veto. In view of this, we recommend that you sign this bill.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 28, 1976

Time:

FOR ACTION:

cc (for information): Dave Gergen

- ✓ Phil Buchen
- ✓ Jim Cannon
- ✓ Max Friedersdorf
- ✓ Jack Marsh
- ✓ Bill Seidman
- Alan Greenspan

FROM THE STAFF SECRETARY

DUE: Date: Quick Turnaround - need by Time: 2 P.M. TODAY

SUBJECT: ~~Public Works~~

Jim Lynn memo 9/28/76 re
Public Works Appropriations Bill

ACTION REQUESTED:

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

REMARKS:

Marsh - see comments
Friedersdorf - recommend signing +
Buchen (Schmults) agree with OMB +
Cannon (see comments)
Seidman (agree with OMB)

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jim Connor
For the President

THE WHITE HOUSE
WASHINGTON

Sept. 28, 1976

Trudy,

Dr. Cavanaugh said this should be staffed right away. It must be ready and in Dick Cheney's hands by 4 p.m. this afternoon.

Thanks.

Cristy

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

September 28, 1976

MEMORANDUM FOR JAMES CONNOR

FROM: ALAN GREENSPAN

SUBJECT: Jim Lynn Memo 9/28/76 re: Public Works
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THE WHITE HOUSE

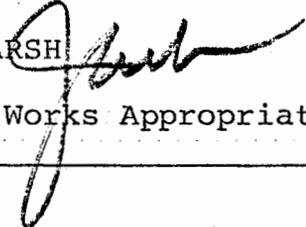
WASHINGTON

September 28, 1976

MEMORANDUM FOR:

JIM CONNOR

FROM:

JACK MARSH 

SUBJECT:

Public Works Appropriations
Bill

I would recommend a signature on this bill; however, the President's comments during the debate in response to a question (attached) should be carefully studied because they make a strong case for a veto.

Should he decide to sign, the signing statement will be most important. His debate remarks should be brought to his attention when he considers this.

Attachment

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MR. GANNON: Just to follow up, Mr. President, the Congress has just passed a \$3.7 billion appropriation bill which would provide money for the public works jobs program that you earlier tried to kill by your veto of the authorization legislation.

In light of the fact that unemployment again is rising or has in the past three months, I wonder if you have re-thought that question at all, whether you would consider allowing this program to be funded, or will you veto that money bill?

THE PRESIDENT: Well, that bill has not yet come down to the Oval Office so I am not in a position to make any judgment on it tonight. But that is an extra \$4 billion that would add to the deficit, which would add to the inflationary pressures, which would help to destroy jobs in the private sector, not make jobs where the jobs really are. These make-work, temporary jobs, dead-end, as they are, are not the kind of jobs that we want for our people.

I think it is interesting to point out that in the two years that I have been President I have vetoed 56 bills. Congress has sustained 42 vetoes. As a result, we have saved over \$9 billion in Federal expenditures, and the Congress -- by overriding the bills that I did veto -- the Congress has added some \$13 billion to the Federal expenditures and to the Federal deficit.

Now Governor Carter complains about the deficits that this Administration has had, and yet he condemns the vetoes that I have made that have saved the taxpayer \$9 billion and could have saved an additional \$13 billion. Now, he can't have it both ways. And, therefore, it seems to me that we should hold the lid as we have to the best of our ability so we can stimulate the private economy and get the jobs where the jobs are -- five out of six -- in this economy.

THE WHITE HOUSE

WASHINGTON

September 28, 1976

MEMORANDUM FOR: JIM CONNOR
FROM: JIM CANNON *[Handwritten signature]*
SUBJECT: Public Works Appropriations Bill

I recommend that the President sign the Public Works Employment appropriation bill (H.R. 15194).

The President took an unmistakably clear position in opposition to the authorizing legislation. The issue was fought vigorously and Congress indicated, by overriding the President's veto, that it did not accept the arguments against this legislation.

I believe the President should state his continued disapproval of the concept behind this legislation but indicate his acceptance that in this case further confrontations with Congress are pointless.

He should indicate his intention to monitor this appropriation during the next 12 months so that he can report accurately the specific number of jobs which are created and to provide his assessment of its impact on inflation.

Attached is a suggested draft signing statement.

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We must nevertheless continue to challenge the Congress on the underlying principle of this pork-barrel, make-work legislation.

I am therefore signing H.R. 15194 and directing the appropriate departments of this Administration to make, over the next year, a careful month-by-month audit of

expenditures under this Appropriation to determine just how many jobs are created, how much it costs the taxpayer to create each job, and just what impact there is on inflation.

In accepting this Appropriation, I call upon the Congress to request the General Accounting Office to conduct a parallel audit of the results of this legislation. This is an expensive test but Congress will not see the fallacy of its approach until we can show through an audit what we know to be the facts.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 28, 1976

Time:

FOR ACTION:

cc (for information): Dave Gergen

Phil Buchen

Jack Marsh

Jim Cannon

Bill Seidman

Max Friedersdorf

Alan Greenspan

FROM THE STAFF SECRETARY

DUE: Date: Quick Turnaround - need by

Time: 2 P.M. TODAY

SUBJECT:

Jim Lynn memo 9/28/76 re
Public Works Appropriations Bill

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Summond Approval

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jim Connor
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 28, 1976

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ACTION REQUESTED:

For Necessary Action

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For Your Comments

Draft Remarks

REMARKS:

Agree with OMB 9/28
[Signature]

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jim Connor
For the President

THE WHITE HOUSE
WASHINGTON

Jim -

In addition to comments

by Marsh & Cannon

Buchen, Friedersdorf, Seidman
say sign the bill

Have not heard from Greenspan.

Trudy

THE WHITE HOUSE
WASHINGTON

9/6
Spoke to
Lynn - hold
until he
gets
back
to us
HBJ

Alan Greenspan said at the
meeting on Saturday he gave his
comment to President -- Let the
Public Works Appropriation Bill

become law without signing ---
At meeting Jim Lynn seem to think
this was a good idea -- he thought
perhaps Lynn should be checked
to make sure he wants memo to go
as written.

Trudy



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

AUG 31 1976

ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES T. LYNN
SUBJECT: Public Works Appropriations Bill

I. BACKGROUND

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II. OPTIONS

The two basic options are:

- #1. Veto the bill. This would be consistent with your current position on the legislation and the action which you took with respect to the authorization bill.
- #2. Sign the bill. This would avoid further confrontation with Congress over this legislation.

Option #1. Veto the bill

PRO

- . While the unemployment rate has increased slightly since you vetoed the authorization bill; from 7.5 percent in June to 7.8 percent in July, there have been no fundamental shifts in the general economic recovery which now argue for accepting this legislation.
- . The funding levels contained in the House passed bill are a good example of politically motivated and uncontrolled Congressional spending.
- . Funding the Public Works Employment Act would offer the public an unrealistic promise of dealing with unemployment in the short-run, while actually setting the stage for over-stimulation of the economy in the long-run.

CON

- . An override of your veto is virtually certain in view of the overwhelming votes in support of the authorization bill in both houses and the recent House vote on the pending appropriations bill.

- . In contradiction to arguments about the impact of this legislation on the general economy, proponents of the funds will point to the problems confronting the construction industry, with its current unemployment rate of 17.7 percent.
- . Despite your best efforts to educate the public as to the real cost and inflationary impact of this legislation, the general perception is that it is worthwhile, since it will create some jobs.

Option #2. Sign the Bill

PRO

- . This would avoid a repeat of the unsuccessful confrontation with the Congress over the authorization bill and avert an almost certain override of a veto.
- . It would still permit an opportunity to issue a statement reaffirming your opposition in principle to this inflationary legislation, but would recognize the futility of continued opposition.

CON

- . Accepting the bill would somewhat contradict your consistent strong opposition to the approach embodied in this legislation for dealing with the problem of unemployment.
- . It may also permit your opponents to impugn the sincerity of your efforts to hold down Federal spending.

III. RECOMMENDATION

This bill presents a very close question for your decision. Our opposition to the Public Works Employment program continues unabated. However, we are confronted with a situation in which we have no reasonable hope of sustaining a veto. In view of this, we recommend that you sign this bill.

THE WHITE HOUSE
WASHINGTON

Sept. 1, 1976

TO: BOB LINDER

FROM: TRUDY FRY

The attached is sent to you for review before it is forwarded to the President.

I am staffing this memorandum.

RF

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 1, 1976

Time:

FOR ACTION:

cc (for information):

- ✓ Phil Buchen
- ✓ Jim Cannon
- ✓ Max Friedersdorf
- Dave Gergen
- ✓ Jack Marsh
- ✓ Bill Seidman
- Alan Greenspan

FROM THE STAFF SECRETARY

DUE: Date: Friday, September 3 Time: 3 P.M.

SUBJECT:

James T. Lynn memo 8/31/76
re Public Works Appropriations Bill

ACTION REQUESTED:

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

REMARKS:

Friedersdorf - concur that bill be signed
Seidman - OK sign the bill x
Buchen - concur with OMB x
Marsh - sign bill (see other comments)
Cannon - see comments

Handwritten initials and notes:
 (Lynn) →
 sequencing →

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

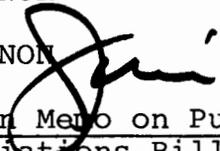
If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor
For the President

THE WHITE HOUSE

WASHINGTON

September 4, 1976

MEMORANDUM FOR: JIM CONNOR
FROM: JIM CANNON 
SUBJECT: Jim Lynn Memo on Public Works
Appropriations Bill

I concur with Jim Lynn's recommendation that the President sign the bill.

Under the circumstances of this particular bill a veto would be viewed as an obstructionist tactic even by our friends. The Congress has expressed its will and would be certain to override the veto.

State and local officials are counting on these funds; and if the Appropriations Bill is passed, we will be under considerable pressure to get the funds to governors and mayors as fast as possible.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: SEP 2 1976

Date: September 1, 1976

Time:

*Call: 9/3
3:00*

FOR ACTION:

cc (for information):

Phil Buchen

Dave Gergen

Alan Greenspan

Jim Cannon

Jack Marsh

Max Friedersdorf

Bill Seidman

FROM THE STAFF SECRETARY

DUE: Date:

Friday, September 3

Time:

3 P.M.

SUBJECT:

James T. Lynn memo 8/31/76
re Public Works Appropriations Bill

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Sign the bill on basis it is appropriation not authorized which you forgot and vetoed.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jim Connor
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 1, 1976

Time:

FOR ACTION:

cc (for information):

Phil Buchen

Dave Gergen

Alan Greenspan

Jim Cannon

Jack Marsh

Max Friedersdorf

Bill Seidman

FROM THE STAFF SECRETARY

DUE: Date:

Friday, September 3

Time:

3 P.M.

SUBJECT:

James T. Lynn memo 8/31/76
re Public Works Appropriations Bill

ACTION REQUESTED:

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

X

 For Your Comments Draft Remarks

REMARKS:

Concur that bill be approved.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jim Connor
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 1, 1976

Time:

FOR ACTION:

cc (for information):

Phil Buchen

Dave Gergen

Alan Greenspan

Jim Cannon

Jack Marsh

Max Friedersdorf

Bill Seidman

FROM THE STAFF SECRETARY

DUE: Date:

Friday, September 3

Time:

3 P. M.

SUBJECT:

James T. Lynn memo 8/31/76
re Public Works Appropriations Bill

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

OS
PTS

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jim Connor
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 1, 1976

Time:

FOR ACTION:

cc (for information):

Phil Buchen

Dave Gergen

Alan Greenspan

Jim Cannon

Jack Marsh

Max Friedersdorf

Bill Seidman

FROM THE STAFF SECRETARY

DUE: Date:

Friday, September 3

Time:

3 P.M.

SUBJECT:

James T. Lynn memo 8/31/76
re Public Works Appropriations Bill

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

X

For Your Comments

Draft Remarks

REMARKS:

We concur with OMB.



Philip W. Buchen

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jim Connor
For the President

THE WHITE HOUSE

LW 5 copy

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 28, 1976

Time:

FOR ACTION:

cc (for information): Dave Gergen

Phil Buchen

Jack Marsh

Jim Cannon

Bill Seidman

Max Friedersdorf

Alan Greenspan

FROM THE STAFF SECRETARY

DUE: Date: Quick Turnaround - need by

Time: 2 P.M. TODAY

SUBJECT:

Jim Lynn memo 9/28/76 re
Public Works Appropriations Bill

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

AGREE WITH OMB

RBP

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Jim Connor
For the President