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APPROVED
OCT 21 1975

Signed 10/21

THE WHITE HOUSE
WASHINGTON
October 20, 1975

ACTION

Last Day: October 21

*Parted
10/22/75
To Archives
10/20/75*

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON *[Signature]*
SUBJECT: H.R. 8561 - Agriculture and Related
Agencies Appropriations Act for 1976
and the Transition Quarter Ending
September 30, 1976

Attached for your consideration is H.R. 8561, sponsored by Representative Whitten which appropriates \$11,061,282,000 for FY 76 and \$2,052,922,000 for the transition quarter for the activities of the Department of Agriculture (except the Forest Service), the Food and Drug Administration and other smaller agencies.

A detailed discussion of the bill is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Counsel's Office, Bill Seidman and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 8561 at Tab B.





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

OCT 16 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 8561 - Agriculture and Related Agencies
 Appropriations Act for 1976 and the transition quarter
 ending September 30, 1976

Last Day for Action:

October 21, 1975 - Tuesday

| <u>Appropriations</u> <u>(in millions):</u> | <u>Administration</u> <u>Request</u> | <u>Enrolled</u> <u>Bill</u> | <u>Congressional</u> <u>Change</u> |
|--|---|--------------------------------|---------------------------------------|
| 1976..... | 10,776 | 11,061 | +285 |
| Transition Quarter.... | <u>2,026</u> | <u>2,053</u> | <u>+27</u> |
| Total..... | 12,802 | 13,114 | +312 |

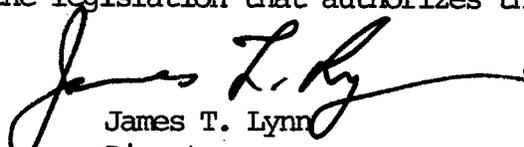
Outlay Effect: Increases estimated outlays by \$456 million in 1976,
 \$84 million in the transition quarter, and \$69 million in 1977.

Highlights:

- The increases in this bill result mainly from entitlement-like provisions in the School Lunch and Child Nutrition Amendments recently enacted over your veto--rather than from initiatives in this appropriations measure.
- Congress provided appropriations adequate, in most cases, for only seven months of domestic food programs operations. Consequently, supplemental appropriations will be needed for many of these entitlement-like programs during the latter part of the fiscal year. An additional request of \$3.9 billion for the Food Stamp program has already been transmitted to the Congress.
- These food program changes--and others for the Department of Agriculture--are discussed in the attached longer memorandum.

Recommendation

I recommend that you sign the bill into law. Later we will propose for your consideration rescissions and deferrals to modify some of the non-entitlement increases in the enrolled bill. We will also propose, for your 1977 budget, changes in the legislation that authorizes the domestic food programs.


 James T. Lynn
 Director

Attachment



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

OCT 16 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H. R. 8561 - Agriculture and Related
Agencies Appropriations Act for 1976 and the
transition quarter ending September 30, 1976
Sponsor - Rep. Whitten (D), Mississippi

Last Day for Action

October 21, 1975 - Tuesday

Purpose

Appropriates \$11,061,282,000 for fiscal year 1976 and
\$2,052,922,000 for the transition quarter for the activities
of the Department of Agriculture (except the Forest Service),
the Food and Drug Administration, and other smaller agencies.

Agency Recommendations

Office of Management and Budget

Approval

Affected Agencies

Approval (informally)

Discussion

The enrolled bill provides \$284,812,000 more in 1976 budget
authority than your request of \$10,776,470,000. The increase
cited does not consider a \$189 million cut made by the Congress
that will have to be restored later. The effect of this cut
is to allow the Congress to add an additional \$189 million of
program increases, resulting in an effective net increase to
your budget authority requests of \$473,866,000. The bill
provides \$27,403,000 more than your transition quarter budget
authority request of \$2,025,519,000.

The effect of the budget authority changes is to increase estimated outlays in 1976 by \$456 million, in the transition quarter by \$84 million, and in 1977 by \$69 million.

The substantial increases in this bill are mainly the result of entitlement-like features in authorizing legislation--primarily the School Lunch and Child Nutrition Amendments recently enacted over your veto--rather than the result of initiatives in this appropriation measure. Therefore, most of the increases in this bill can be modified only by the enactment of changes to current authorizing law. We are currently considering such proposals for the 1977 budget. These factors are the basis for my recommendation that you sign this enrolled bill and that we prepare for your consideration rescissions and deferrals that can bring down the other increases in the enrolled bill.

The remainder of this analysis discusses the changes made in the bill to the requests for the Department of Agriculture. The discussion is in terms of budget authority changes for both 1976 and the transition quarter. Other changes in the bill were less than \$3.3 million each and amount to a net decrease of \$2.6 million.

Domestic Food Programs

The Congress provided the exact amount of your initial request for the Food Stamp program--but indicated that the funds would cover only seven months of operations rather than 12 months. The seven-month funding sprang from the dissatisfaction of the appropriations committees with the Food Stamp estimates in the 1976 budget. Their view that the requested funding was sufficient for only seven months was confirmed in testimony by the Department of Agriculture. By transmitting an additional request of \$3.9 billion for the Food Stamp program (S. Doc. 94-94 of July 28, 1975), we have concurred with the appropriations committees' action in counting the original request as covering only seven months.

For domestic food programs other than Food Stamps, your 1976 budget requested appropriations to carry out existing law and legislation that, if enacted, would have allowed those appropriations to be reduced. The Congress did not consider your legislative proposals, but instead enacted,

over your veto, the National School Lunch and Child Nutrition Amendments (H.R. 4222).

In order to (1) accommodate some of the increased funding for the entitlement-like programs it authorizes, and (2) appear to remain close to the amounts of your budget requests, the Congress provided some increases to the amounts requested, but indicated that the appropriations in the enrolled bill would fund the programs only for seven months and called for further Administration requests for the remaining five months.

When your requests are adjusted from 12 month to seven month requests, the Congress increased them by \$454 million. (These amounts vary from those presented to you in the discussion of H.R. 4222 because they include transition quarter amounts, are based solely on formal--rather than indicated--budget requests, and emphasize new budget authority amounts.) The increases are divided as follows:

| | <u>(dollars in millions)</u> |
|---|------------------------------|
| Child Nutrition..... | 249 |
| Special Supplemental Food (WIC- women, infants, children)..... | 106 |
| Special Milk..... | 84 |
| Food Donations..... | 15 |

Your budget contained no requests for the Special Milk and Special Supplemental Food programs.

Funds--in addition to those in this enrolled bill--required to operate the new entitlement-like programs for the latter part of 1976 are currently estimated at \$550 million, but are not planned to be requested of this session of Congress. The estimate is subject to change as experience with new programs is acquired and as various factors fluctuate in the older programs. Delaying these requests for a few months is not likely to give rise to funding problems since--with the exception of the Special Milk program--funds provided are available until expended and since the transition quarter funds for the Child Nutrition programs may, by special provision, be used in 1976.

Agricultural Stabilization and Conservation Service

Your request for the Agricultural Stabilization and Conservation Service was increased by \$205.2 million. The Congress provided \$175 million for the Agricultural Conservation Program, \$18.8 million for the Forestry Incentives Program, and \$12.5 million for the Water Bank Program--programs your 1976 budget proposed for elimination.

Soil Conservation Service

For the Soil Conservation Service, a net increase of \$51.8 million has been provided. Included in this is an additional \$38.9 million for watershed and flood prevention operations of which \$26.6 million is for emergency measures and \$10 million in unrequested funds is for new construction starts. Your request for conservation operations was increased by \$7.1 million to allow for additional personnel and accelerated soil survey activities. An increase of \$6.2 million over your request is for resource conservation and development.

Agricultural Research Service

An increase of \$31.2 million over your request for the research activities of the Agricultural Research Service is provided. Congressional action replaced a proposed transfer of \$15 million into this account (similar to one made last year) with new budget authority. A further \$16.2 million is to cover increased costs and to provide funds for items viewed as "high-priority" by the Congress (e.g., boll-weevil research and construction of an Appalachian Fruit Research Laboratory).

Agricultural Marketing Service

The Congress has provided an increase of \$8 million to your request for the Agricultural Marketing Service. Of this, \$5 million is for additional personnel to supervise grain inspectors.

Extension Service

An additional \$6.5 million has been provided for the Extension Service in order to maintain the Nutrition Education program at the 1975 level and to assist participating educational institutions in programs for small or part-time farmers and urban gardeners.

Public Law 480

The Congress has made a reduction of \$246.1 million for the Public Law 480 program. This represents the amount that had been programmed for Cambodia, Laos, and Vietnam. However, since this program may also utilize funds of the Commodity Credit Corporation, this action does not necessarily reduce the total program level planned for 1976 and the transition quarter.

Commodity Credit Corporation

Your request for the Commodity Credit Corporation was decreased by \$189.1 million. Since the appropriation is to restore capital losses of the Corporation, the reduction will not affect program levels, but must be restored at a later date.

Farmers Home Administration

Although Congressional action resulted in a net decrease of \$6.6 million for the Farmers Home Administration, the following large increases were effected:

| | <u>(dollars in millions)</u> |
|---|------------------------------|
| Salaries and expenses..... | 16.0 |
| Mutual and self-help housing..... | 11.2 |
| Rural housing for domestic farm labor..... | 9.4 |

Offsetting these and other smaller increases, the Congress has provided \$100 million for rural water and waste disposal grants instead of your requested level of \$150 million. However, an additional \$150 million was provided earlier in the continuing resolution.

Loan Programs

The bill also increases the loan programs of the Department of Agriculture by more than \$1,453 million. These increases do not add to budget authority but do increase pressure on

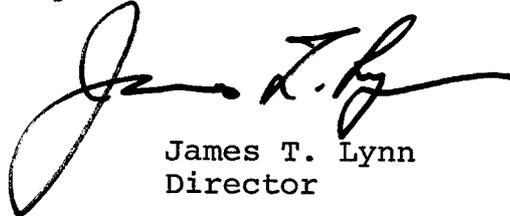
credit markets. These increases--which will have a negligible effect on outlays--are as follows:

(dollars in millions)

| | |
|---|-----|
| Rural Housing Insurance Fund..... | 718 |
| Agriculture Credit Insurance Fund.. | 283 |
| Rural Development Insurance Fund... | 150 |
| Rural Electrification Adminis- tration (not included in budget totals)..... | 302 |

Recommendation

I recommend that you sign this bill.



James T. Lynn
Director

To Conaway
10/17

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

OCT 16 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 8561 - Agriculture and Related Agencies
Appropriations Act for 1976 and the transition quarter
ending September 30, 1976

Last Day for Action:

October 21, 1975 - Tuesday

| <u>Appropriations</u> <u>(in millions):</u> | <u>Administration</u> <u>Request</u> | <u>Enrolled</u> <u>Bill</u> | <u>Congressional</u> <u>Change</u> |
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Recommendation

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(Signed) James T. Lynn

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Attachment

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WASHINGTON, D.C. 20503

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Agencies Appropriations Act for 1976 and the
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Sponsor - Rep. Whitten (D), Mississippi

Last Day for Action

October 21, 1975 - Tuesday

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Agency Recommendations

| | |
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| Office of Management and Budget | Approval |
| Affected Agencies | Approval (informally) |

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| Rural Housing Insurance Fund..... | 718 |
| Agriculture Credit Insurance Fund.. | 283 |
| Rural Development Insurance Fund... | 150 |
| Rural Electrification Adminis- tration (not included in budget totals)..... | 302 |

Recommendation

I recommend that you sign this bill.

(Signed) James T. Lynn

James T. Lynn
Director

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 652

Date: October 17

Time: 1200n00n

FOR ACTION:

Paul Leach *pk*
 Bill Seidman *pk*
 Art Quern *pk*
 Max Friedersdorf
 Ken Lazarus *pk*

cc (for information): Jack Marsh
 Jim Cavanaugh
 Warren Hendriks

FROM THE STAFF SECRETARY

DUE: Date: October 18

Time: noon

SUBJECT:

H.R. 8561 - Agriculture and Related Agencies
 Appropriations Act for 1976 and transition quarter

ACTION REQUESTED:

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

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

 K. R. COLE, JR.
 For the President

Date: October 17

Time: 1200noon

FOR ACTION:

Paul Leach
 Bill Seidman
 Art Quern ✓
 Max Friedersdorf
 Ken Lazarus

cc (for information): Jack Marsh
 Jim Cavanaugh
 Warren Hendriks

FROM THE STAFF SECRETARY

DUE: Date: October 18

Time: noon

SUBJECT: _____

H.R. 8561 - Agriculture and Related Agencies
 Appropriations Act for 1976 and transition quarter

ACTION REQUESTED:

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

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

Recommend 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.

Date: October 17

Time: 1200noon

FOR ACTION:

- Paul Leach
- Bill Seidman
- Art Quern
- Max Friedersdorf
- Ken Lazarus

cc (for information): Jack Marsh
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FROM THE STAFF SECRETARY

DUE: Date: October 18

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SUBJECT:

H.R. 8561 - Agriculture and Related Agencies
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ACTION REQUESTED:

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

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

No objection. -- Ken Lazarus 10/17/75

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

THE WHITE HOUSE

WASHINGTON

October 20, 1975

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *MLF.*
SUBJECT: H. R. 8561 - Agriculture and Related Agencies
Appropriations Act for 1976 and transition quarter

The Office of Legislative Affairs concurs with the agencies
that the subject bill be signed.

Attachments