

**The original documents are located in Box 41, folder “1976/03/25 HR11665 Rescission of Budget Authority” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.**

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**APPROVED**  
**MAR 25 1976**

3/25/76

THE WHITE HOUSE

ACTION

WASHINGTON

LAST DAY: March 26

March 25, 1976

Printed  
3/29  
To ARCHIVES  
3/29

MEMORANDUM FOR	THE PRESIDENT
FROM:	JIM CANNON
SUBJECT:	H.R. 11665 - Rescission of Budget Authority

Attached for your consideration is H.R. 11665, sponsored by Representative Mahon, which rescinds \$75.8 million in budget authority for programs in the Departments of State and Interior, the Consumer Product Safety Commission and the Selective Service System.

The enrolled bill is the Congressional response to the \$3,114.8 million in budget authority you proposed for rescission from November 19, 1975 through February 6, 1976. Of the 36 rescissions you proposed, the Congress has accepted three in their entirety and portions of two others.

A detailed discussion of the rescissions is provided in Jim Lynn's memorandum and the enrolled bill report at Tab A.

OMB recommends that you sign the enrolled bill and issue a statement critical of the Congress. Max Friedersdorf, Counsel's Office (Lazarus), Bill Seidman, NSC and I concur.

RECOMMENDATION

That you sign H.R. 11665 at Tab B.

That you approve the signing statement at Tab C.  
(This statement has the approval of Doug Smith and Paul O'Neill)

Approve ACJ Disapprove \_\_\_\_\_

3/25

Call Ron Neenan

when signed —

He wants to announce  
on airplane tomorrow.

U.S. DEPT. OF STATE  
DIVISION OF CONSULAR AFFAIRS  
811-101 (INT. IN) 2471 ADD





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

MAR 23 1976

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 11665 - Rescission of Budget Authority

Last Day for Action: March 26, 1976 - Friday

Purpose:

Rescinds \$75.8 million in budget authority for programs in the Departments of the Interior and State, the Consumer Product Safety Commission, and the Selective Service System.

Outlay Effect: Congressional failure to include 31 proposed rescissions (and portions of two others) in the enrolled bill will increase estimated outlays as follows: \$316.6 million in 1976, \$169.5 million in the transition quarter, and \$1,071.3 million in 1977.

Discussion

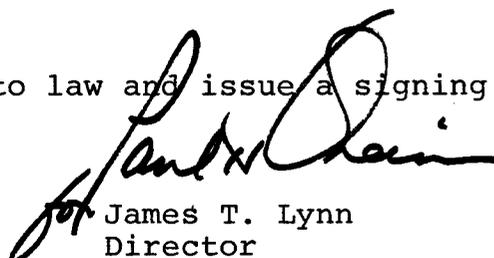
The enrolled bill is the Congressional response to the rescissions you proposed from November 19, 1975, through February 6, 1976. Of the 36 rescissions you proposed during that time, the Congress accepted three in entirety (National Park Service road construction, Selective Service System salaries and expenses, and State's educational and cultural exchange activities) and two in part (Interior - development of road and trails on public lands; Consumer Product Safety Commission - reduced program level).

Of the \$3,114.8 million in budget authority you proposed for rescission, the Congress accepted \$75.8 million. The amount not accepted--\$3,039 million--was, as required by law, made available at the end of the prescribed 45 day periods for Congressional consideration. Thus, there is no basis for hoping that the Congress will later accept any of the rescissions it failed to include in the enrolled bill.

A more detailed account of the effect of Congressional action on your rescission proposals is contained in the attached longer memorandum.

RECOMMENDATION

That you sign the bill into law and issue a signing statement.

  
James T. Lynn  
Director



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

MAR 23 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 11665 - Rescissions of Budget  
Authority  
Sponsor - Representative Mahon (D), Texas

Last Day for Action

March 26, 1976 - Friday

Purpose

Rescinds \$75.8 million in budget authority for programs in the Departments of the Interior and State, the Consumer Product Safety Commission, and the Selective Service System.

Agency Recommendations

Office of Management and Budget	Approval
Affected agencies	Approval (informally)

Discussion

The enrolled bill is the Congressional response to the rescissions you proposed from November 19, 1975, through February 6, 1976. Of the 36 rescissions you proposed during that time, the Congress has accepted three in their entirety and portions of two others. By agency, the budget authority effect is as follows:

Agency	(in millions)		
	Proposed for Rescission	Action by the Congress	
		Accepted	Rejected
Agriculture.....	\$ 773.4	---	\$ 773.4
Commerce.....	4.0	---	4.0
Corps of Engineers.....	3.6	---	3.6
HEW:			
Health.....	266.3	---	266.3
Education.....	1,316.9	---	1,316.9
Income Security.....	2.0	---	2.0
HUD.....	662.7 <u>1/</u>	---	662.7
Interior:			
Public lands development roads and trails.....	8.8	\$ 4.9	3.9
National Park Service road construction.....	58.5	58.5	---
State:			
Mutual educational and cultural exchange activities.....	8.0	8.0	---
Community Services Administration.....	2.5	---	2.5
Consumer Product Safety Commission:			
Salaries and expenses.....	6.4	2.7	3.8
Selective Service System:			
Salaries and expenses.....	1.8	1.8	---
Total.....	3,114.8*	75.8*	3,039.0*

\* Detail does not add to total due to rounding.

1/ Includes \$600 million in contract authority provided at the rate of \$15 million per year for 40 years.

The outlay effect of Congressional action on your rescission proposals appears in detail at Tab A and, in summary, is as follows:

	(in millions)		
	<u>1976</u>	<u>TQ</u>	<u>1977</u>
Outlay savings realized.....	5.0	5.1	5.9
Outlay savings lost.....	<u>316.6</u>	<u>169.5</u>	<u>1,071.3</u>
Total outlay savings proposed.....	321.6	174.6	1,077.2

Of course, our problem with this bill is not with the rescissions included in the bill, but with those that are not included. The \$75.8 million in accepted rescissions represents less than 2-1/2 percent of the \$3.1 billion proposed. Because the prescribed 45-day periods have expired for the rescission proposals the Congress did not accept, the affected funds have been made available as required by the Impoundment Control Act.

You could respond to the enrolled rescission bill in one of three ways. Whichever response you choose, I recommend that you issue a statement objecting to the budget increases that result from negative Congressional reaction to your proposals under the Impoundment Control Act. Here are the three options:

A. Veto the bill.

Pro -- This unusual veto would draw attention to lack of Congressional action.

Con -- Congress could simply ignore the veto and force a further savings loss.  
-- You might be criticized for spiteful reaction.

B. Allow the bill to become law without signature.

Pro -- Would also focus attention on lack of Congressional action.

Con -- Could be viewed as petulant in that you originally proposed the rescissions included in the enrolled bill.

C. Sign the bill.

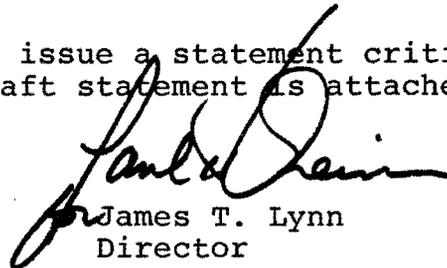
Pro -- Would show that you support even small efforts to reduce the budget.  
-- Would recognize that we do not object to what is in the bill, just to what is not included.

Con -- Signing statement would get less attention than under other options.

Recommendation

That you sign the bill and issue a statement critical of the Congress (Option C). A draft statement is attached at Tab B.

Attachments

  
James T. Lynn  
Director



EFFECT OF H.R. 11665 ON  
RESCISSIONS PROPOSED IN SPECIAL MESSAGES 7-11

	Budget authority	Outlay Savings (in millions of dollars) <sup>1/</sup>		
		1976	T.Q.	1977
Amount proposed for rescission in special messages 7, 8, 9, 10 and 11:.....	3,114.8	321.6	174.6	1,077.2
Accepted by the Congress:				
Interior Department:				
Public lands develop- ment roads and trails (R76-40).....	4.9	0.5	0.5	3.0
National Park Service road construction (R76-41).....	58.5	---	---	---
State Department:				
Mutual education and cultural exchange (R76-42).....	8.0	2.6	2.5	2.4
Consumer Product Safety Commission:				
Salaries and expenses (R76-27A).....	2.7	1.9	0.3	0.5
Selective Service System:				
Salaries and expenses (R76-44).....	<u>1.8</u>	<u>---</u>	<u>1.8</u>	<u>---</u>
	(75.8)	(5.0)	(5.1)	(5.9)
Not acted on by the Congress and, consequently, made available as required by law.....	3,039.0	316.6	169.5	1,071.3

<sup>1/</sup> Detail does not add to total due to rounding.



STATEMENT FOR USE  
IN SIGNING H. R. 11665

Today, I am signing H. R. 11665, a bill that will save the taxpayer \$75.8 million. ~~While~~ <sup>These</sup> savings are small in comparison with our total Federal budget, ~~and deficit,~~ <sup>However, we should be grateful when the Congress agrees to save any amount, it is still a positive step and should be recognized as such.</sup>

~~However,~~ <sup>This</sup> \$75 million bill is the Congress' response to my request that we save the taxpayer \$3 billion in budget rescissions. I regret that the congressional response is but a small token of the real need for fiscal restraint.

Under the new congressional budget procedures established in 1974, the President can propose savings to the Congress by suggesting rescissions of appropriations already made. However, if the Congress fails to agree after 45 days, the President must spend the funds.

Last fall, I reviewed the appropriations already made by the Congress. After considering our overall spending and deficit position and the individual merit of the programs funded by the Congress, I recommended rescissions totaling \$3.1 billion. The bill I am signing today is the Congress' pitiful response to that rescission request.

While it is often the case that events in Washington are viewed in isolation -- as though they are unrelated -- everyone should understand that in budget matters, all spending adds to the total. This case is no exception. Congressional inaction



on my rescission proposals will, over the next few years, lead to \$3 billion in Federal spending, which will either be collected from the taxpayer or added to our budget deficit.

If this were the only ~~problem raised~~ <sup>spendthrift action</sup> by the Congress, perhaps we could accommodate it! But unfortunately, this action appears to be only a further indication of a lack of fiscal discipline in the Congress.

For example, the congressional committees appear to be seriously considering spending targets and deficits for fiscal year 1977, \$15 to \$20 billion above the levels I have recommended.

In my January budget, I proposed that 1977 budget outlays be held under \$395 billion. To reach this total, I proposed specific legislative actions -- including rescissions -- that would save \$8.2 billion. ~~But Congress has already refused to approve most of these rescission proposals.~~ <sup>By failing to enact most of the rescissions I have proposed, the Congress has significantly eroded the potential savings.</sup> Even if the Congress agrees to the remainder of my recommendations, the Federal deficit will be almost \$77 billion in 1976 and \$44 billion in 1977.

Once again, I urge the Congress to recognize the need for fiscal restraint. Once again, I must warn the Congress that its actions -- and inactions -- are pushing us little by little toward higher spending and bigger government, toward higher taxes and unnecessary Federal involvement in all our lives.

#

#

#

## STATEMENT BY THE PRESIDENT

Today, I am signing H.R. 11665, a bill that will save the taxpayer \$75.8 million. These savings are small in comparison with our total Federal budget. However, we should be grateful when the Congress agrees to save any amount.

This \$75 million bill is the Congress' response to my request that we save the taxpayer \$3 billion in budget rescissions. I regret that the congressional response is but a small token of the real need for fiscal restraint.

Under the new congressional budget procedures established in 1974, the President can propose savings to the Congress by suggesting rescissions of appropriations already made. However, if the Congress fails to agree after 45 days, the President must spend the funds.

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*Ronald R. Ford*

NOT USED

IDENT

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*Original draft  
by OMB*

TAB B

STATEMENT FOR USE  
IN SIGNING H.R. 11665

Today, I am signing H. R. 11665, a bill that will save the taxpayer \$75.8 million. Even in these days of huge budget numbers we must be grateful when we can save \$75 million.

I would note, however, that this \$75 million bill is the Congress' response to my request that we save the taxpayer \$3 billion by making good use of the new congressional budget procedure. I regret that the congressional response is but a small token of the real need for fiscal restraint.

Under the new congressional budget procedures established in 1974, the President can propose savings to the Congress by suggesting rescissions of appropriations already made, but if the Congress fails to agree after 45 days, the President must spend the funds.

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While it is often the case that events in Washington are viewed in isolation -- as though they are unrelated -- everyone should understand that in budget matters, all spending adds to the totals. And this case is no exception. Congressional inaction on my rescission proposals will, over the next few years, add \$3 billion to Federal spending and \$3 billion to the deficit levels, or to the amount we must collect from the taxpayer.

If this were the only budget-busting action by the Congress, perhaps we could accommodate it. But unfortunately, this action appears to be only a further indication of a lack of fiscal disciplines in the Congress.

For example, the congressional committees appear to be seriously considering spending targets and deficits for fiscal year 1977, \$15 to \$20 billion above the levels I have recommended.

In my January budget, I proposed that 1977 budget outlays be held under \$395 billion. To reach this total, I proposed specific legislative actions -- including rescissions -- that would save \$8.2 billion. By refusing to approve most of the rescission proposals, the Congress has rejected over 13 percent of the reduction actions that I requested it to take.

Even if the Congress agrees to the remainder of my recommendations, the Federal deficit will be almost \$77 billion in 1976 and \$44 billion in 1977. Once again, I urge the Congress to recognize the need for fiscal restraint. Once again, I must warn the Congress that its actions -- and inactions -- are pushing us little by little toward higher spending and bigger government -- and, therefore, toward higher taxes and a lessening of freedom.

To: Cavanaugh  
3/23/76



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MAR 23 1976

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 11665 - Rescission of Budget Authority

Last Day for Action: March 26, 1976 - Friday

Purpose:

Rescinds \$75.8 million in budget authority for programs in the Departments of the Interior and State, the Consumer Product Safety Commission, and the Selective Service System.

Outlay Effect: Congressional failure to include 31 proposed rescissions (and portions of two others) in the enrolled bill will increase estimated outlays as follows: \$316.6 million in 1976, \$169.5 million in the transition quarter, and \$1,071.3 million in 1977.

Discussion

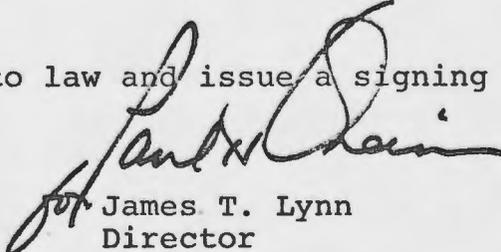
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A more detailed account of the effect of Congressional action on your rescission proposals is contained in the attached longer memorandum.

RECOMMENDATION

That you sign the bill into law and issue a signing statement.

  
for James T. Lynn  
Director



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MAR 23 1976

MEMORANDUM FOR THE PRESIDENT

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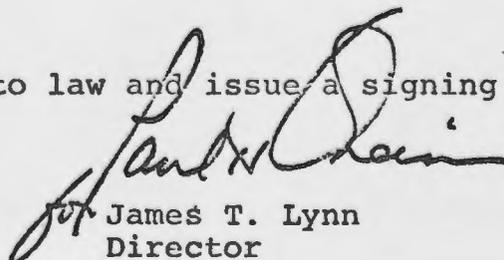
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RECOMMENDATION

That you sign the bill into law and issue a signing statement.

  
for James T. Lynn  
Director

80 3/22

OFFICE OF MANAGEMENT AND BUDGET  
ABSTRACT OF CORRESPONDENCE

3/23/76

TO:	<input checked="" type="checkbox"/> The Director	<input type="checkbox"/> The Deputy Director
-----	--	--

FROM: Assistant Director for Budget Review

OUTGOING TO: The President

SUBJECT: Enrolled bill memoranda -- Rescission of Budget Authority

**SPECIAL SERVICE**

*O'Neill has a copy*

CONTROL NO. \_\_\_\_\_

538-7

	PREPARED BY	CLEARED BY	CLEARED BY	CLEARED BY	CLEARED BY	CLEARED BY	CLEARED BY
SURNAME AND DIVISION (Typed)	McOmber BR	Walker BR	Modlin BR	McOmber BR	O'Neill DO		
INITIALS AND DATE	<i>DM</i> 3/23/76	<i>Changes suggested</i> 3/23	<i>CPR</i> 3-23-76	<i>DM</i> 3/23/76			

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 23

Time: 730pm

FOR ACTION:

Paul Leach  
George Humphreys  
Kathy Ryan  
Lynn May  
NSC/S

cc (for information):

Max Friedersdorf  
Ken Lazarus ✓  
Robert Hartmann (Signing statement attached)

FROM THE STAFF SECRETARY

DUE: Date: March 24

Time: 200pm

SUBJECT:

H.R. 11665 - Rescission of Budget Authority

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

Agree with OMB. Note suggested changes on signing statement.

Ken Lazarus 3/24/76

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting this memorandum, please telephone the Staff Secretary's office.

STATEMENT FOR USE  
IN SIGNING H.R. 11665

Today, I am signing H. R. 11665, a bill that will save the taxpayer \$75.8 million. Even in these days of huge budget numbers we must be grateful when we can save \$75 million.

I would note, however, that this \$75 million bill is the Congress' response to my request that we save the taxpayer \$3 billion by making good use of the new congressional budget procedure. I regret that the congressional response is but a small token of the real need for fiscal restraint.

Under the new congressional budget procedures established in 1974, the President can propose savings to the Congress by suggesting rescissions of appropriations already made, but if the Congress fails to agree after 45 days, the President must spend the funds.

Last fall, I reviewed the appropriations already made by the Congress. After considering our overall spending and deficit position and the individual merit of the programs funded by the Congress, I recommended rescissions totaling \$3.1 billion. The bill I am signing today is the Congress' <sup>limited</sup> pitiful response.

While it is often the case that events in Washington are viewed in isolation -- as though they are unrelated -- everyone should understand that in budget matters, all spending adds to the totals. And this case is no exception. Congressional inaction on my rescission proposals will, over the next few years, add \$3 billion to Federal spending and \$3 billion to the deficit levels, or to the amount we must collect from the taxpayer.

~~to~~ ~~many~~ ~~years~~  
problem solved

If this were the only budget-busting action by the Congress, perhaps we could accommodate it. But unfortunately, this action appears to be only a further indication of a lack of fiscal discipline in the Congress.

For example, the congressional committees appear to be seriously considering spending targets and deficits for fiscal year 1977, \$15 to \$20 billion above the levels I have recommended.

In my January budget, I proposed that 1977 budget outlays be held under \$395 billion. To reach this total, I proposed specific legislative actions -- including rescissions -- that would save \$8.2 billion. By refusing to approve most of the rescission proposals, the Congress has rejected over 13 percent of the reduction actions that I requested it to take.

Even if the Congress agrees to the remainder of my recommendations, the Federal deficit will be almost \$77 billion in 1976 and \$44 billion in 1977. Once again, I urge the Congress to recognize the need for fiscal restraint. Once again, I must warn the Congress that its actions -- and inactions -- are pushing us little by little toward higher spending and bigger government -- and, therefore, toward higher taxes and a lessening of freedom.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 23

Time: 730pm

FOR ACTION:

Paul Leach  
George Humphreys  
Kathy Ryan  
Lynn May  
NSC/S

cc (for information):

Max Friedersdorf  
Ken Lazarus  
Robert Hartmann (Signing statement  
attached)

FROM THE STAFF SECRETARY

DUE: Date: March 24

Time: 200pm

SUBJECT:

H.R. 11665 - Rescission of Budget Authority

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

*Approve signing - KAR*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

James H. Cannon  
Staff Secretary

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 23

Time: 730pm

FOR ACTION:

Paul Leach  
George Humphreys  
Kathy Ryan  
Lynn May  
NSC/S

cc (for information):

Max Friedersdorf  
Ken Lazarus  
Robert Hartmann (Signing statement attached)  
Bill Seidman

FROM THE STAFF SECRETARY

DUE: Date: March 24

Time: 200pm

SUBJECT:

H.R. 11665 - Rescission of Budget Authority

ACTION REQUESTED:

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

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

James M. Cannon  
For the President

THE WHITE HOUSE  
WASHINGTON

March 24, 1976

Memo to Judy Johnston

from; George W. Humphreys

No objections to the bill.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 23

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FOR ACTION: Paul Leach  
George Humphreys  
Kathy Ryan  
Lynn May ✓  
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For Necessary Action

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Draft Reply

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Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

*Recommended Approval*

*Note: Suggested re-write  
of ~~statement~~*

*L May*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a change in the above information, please telephone the Staff Secretary immediately.

James M. Cannon  
Staff Secretary

STATEMENT FOR USE  
IN SIGNING H.R. 11665

While this savings plan  
by comparison with our  
huge Federal budget and  
deficit, it is still a positive  
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Today, I am signing H. R. 11665, a bill that will save the taxpayer \$75.8 million. ~~Even in these days of huge budget numbers, we must be grateful when we can save \$75 million.~~

I would note, however, that this \$75 million bill is the Congress' response to my request that we save the taxpayer \$3 billion <sup>in budget</sup> ~~by making~~ <sup>rescissions</sup> ~~good use of the new congressional budget procedure.~~ I regret that the congressional response is but a small token of the real need for fiscal restraint.

Under the new congressional budget procedures established in 1974, the President can propose savings to the Congress by suggesting rescissions of appropriations already made, but if the Congress fails to agree after 45 days, the President must spend the funds.

Last fall, I reviewed the appropriations already made by the Congress. After considering our overall spending and deficit position and the individual merit of the programs funded by the Congress, I recommended rescissions totaling \$3.1 billion. The bill I am signing today is the Congress' <sup>limited</sup> ~~partial~~ response.

While it is often the case that events in Washington are viewed in isolation -- as though they are unrelated -- everyone should understand that in budget matters, all spending adds to the total. ~~And~~ This case is no exception. Congressional inaction on my rescission proposals will, <sup>lead to</sup> ~~add~~ \$3 billion <sup>in</sup> Federal spending, <sup>which will either be</sup> ~~and \$3 billion~~ ~~to the deficit levels, or to the amount we must collect~~ <sup>ed</sup> from the taxpayer ~~or~~ <sup>added to our budget</sup> deficit.

Problem raised

If this were the only budget-busting action by the Congress, perhaps we could accommodate it. But unfortunately, this action appears to be only a further indication of a lack of fiscal discipline in the Congress.

For example, the congressional committees appear to be seriously considering spending targets and deficits for fiscal year 1977, \$15 to \$20 billion above the levels I have recommended.

In my January budget, I proposed that 1977 budget outlays be held under \$395 billion. To reach this total, I proposed specific legislative actions -- including rescissions -- that would save \$8.2 billion. By refusing to approve most of the rescission proposals, the Congress has rejected over 13 percent of the reduction actions that I requested it to take.

doesn't follow narrative

Even if the Congress agrees to the remainder of my recommendations, the Federal deficit will be almost \$77 billion in 1976 and \$44 billion in 1977. Once again, I urge the Congress to recognize the need for fiscal restraint. Once again, I must warn the Congress that its actions -- and inactions -- are pushing us little by little toward higher spending and bigger government -- and, therefore, toward higher taxes and a lessening of freedom.

greater government involvement in everyone's

lives.

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Even if the Congress agrees to the remainder of my recommendations, the Federal deficit will be almost \$77 billion in 1976 and \$44 billion in 1977. Once again, I urge the Congress to recognize the need for fiscal restraint. Once again, I must warn the Congress that its actions -- and inactions -- are pushing us little by little toward higher spending and bigger government -- and, therefore, toward higher taxes and a lessening of freedom.

3/24/76  
3:10 p.m.  
J.

THE WHITE HOUSE

WASHINGTON

March 24, 1976

MEMORANDUM FOR DOUG SMITH  
FROM: JUDY JOHNSTON *Judy*  
SUBJECT: H.R. 11665-Rescission of Budget Authority

This morning I sent around the signing statement for the above bill. I have not received your approved copy back yet but have received a number of comments from other staff members and thought the attached might be useful to you. Although I have not heard back from NSC and Max Friedersdorf, I do not believe there will be any changes coming from either of them.

Thank you.

*Correction made to  
existing correction  
JJ 3/24/76*

Lynn May

TAB B

STATEMENT FOR USE  
IN SIGNING H.R. 11665

While total savings <sup>add small</sup> ~~plus~~  
~~by~~ comparison with our  
total Federal budget and  
deficit, it is still a positive  
step and  
should be  
recognized  
as such.

Today, I am signing H. R. 11665, a bill that will save the taxpayer \$75.8 million. ~~Even in these days of huge budget numbers, we must be grateful when we can save \$75 million.~~

~~I would note, however, that~~ <sup>However,</sup> this \$75 million bill is the Congress' response to my request that we save the taxpayer \$3 billion <sup>in budget</sup> ~~by making~~ <sup>rescissions</sup> ~~good use of the new congressional budget procedure.~~ I regret that the congressional response is but a small token of the real need for fiscal restraint.

Under the new congressional budget procedures established in 1974, the President can propose savings to the Congress by suggesting rescissions of appropriations already made, <sup>However,</sup> ~~but~~ if the Congress fails to agree after 45 days, the President must spend the funds.

Last fall, I reviewed the appropriations already made by the Congress. After considering our overall spending and deficit position and the individual merit of the programs funded by the Congress, I recommended rescissions totaling \$3.1 billion. The bill I am signing today is the Congress' <sup>limited</sup> ~~partial~~ response <sup>to that rescission request.</sup>

While it is often the case that events in Washington are viewed in isolation -- as though they are unrelated -- everyone should understand that in budget matters, all spending adds to the total. ~~and~~ This case is no exception. Congressional inaction on my rescission proposals will, <sup>lead to</sup> ~~add~~ \$3 billion <sup>in</sup> Federal spending, <sup>which will either be</sup> ~~and \$3 billion~~ ~~to the deficit levels, or to the amount we must collect~~ from the taxpayer, <sup>added to our budget</sup> ~~and~~ deficit.

Problem raised

If this were the only ~~budget busting~~ action by the Congress, perhaps we could accommodate it. But unfortunately, this action appears to be only a further indication of a lack of fiscal discipline in the Congress.

For example, the congressional committees appear to be seriously considering spending targets and deficits for fiscal year 1977, \$15 to \$20 billion above the levels I have recommended.

In my January budget, I proposed that 1977 budget outlays be held under \$395 billion. To reach this total, I proposed specific legislative actions -- including rescissions -- that would save \$8.2 billion. ~~By~~

*doesn't follow narrative*

~~refusing to approve most of the rescission proposals, The Congress has~~ *already*  
~~rejected over 13 percent of the reduction actions that I requested it to~~  
~~take.~~  
*refused to approve most of these rescission proposals.*

Even if the Congress agrees to the remainder of my recommendations, the Federal deficit will be almost \$77 billion in 1976 and \$44 billion in 1977. Once again, I urge the Congress to recognize the need for

fiscal restraint. Once again, I must warn the Congress that its actions -- and inactions -- are pushing us little by little toward higher spending and bigger government, ~~and, therefore, toward higher taxes and a~~

*involvement in all our lives.*  
~~lessening of freedom.~~

*toward higher taxes and unnecessary Federal*  
~~greater involvement in everyone's~~

~~times.~~

THE WHITE HOUSE

3/24  
9:10  
8

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 23

Time: 730pm

*Research has copy  
8*

FOR ACTION: Paul Leach  
George Humphreys  
Kathy Ryan  
Lynn May  
NSC/S

cc (for information):

Max Friedersdorf  
Ken Lazarus  
Robert Hartmann (Signing statement  
attached)

FROM THE STAFF SECRETARY

DUE: Date: March 24

Time: 200pm

SUBJECT:

H.R. 11665 - Rescission of Budget Authority

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

*OK  
w/holding  
revised  
Statement  
under  
Separate cover  
JF  
3/24/96*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

James H. Gorman  
Staff Secretary

MEMORANDUM

NATIONAL SECURITY COUNCIL

1747

March 24, 1976

MEMORANDUM FOR: JAMES CANNON  
FROM: *for* JEANNE W. DAVIS *WJD*  
SUBJECT: H. R. 11665

The NSC Staff has no objection to enrolled bill H. R. 11665 -  
Rescission of Budget Authority.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

JL

Date: March 23

Time: 730pm

*to Res  
3/24  
9:24  
GAMS*

FOR ACTION: Paul Leach  
George Humphreys  
Kathy Ryan  
Lynn May  
NSC/S

cc (for information):

Max Friedersdorf  
Ken Lazarus  
Robert Hartmann (Signing statement attached)

*to DJS  
3/24 11:27  
GAMS*

FROM THE STAFF SECRETARY

DUE: Date: March 24

Time: 200pm

*H/jl*

SUBJECT:

H.R. 11665 - Rescission of Budget Authority

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

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 23

Time: 730pm

FOR ACTION: Paul Leach ✓  
 George Humphreys ✓ cc (for information):  
 Kathy Ryan ✓ Max Friedersdorf ✓  
 Lynn May ✓ Ken Lazarus ✓  
 NSC/SOK Robert Hartmann (Signing statement  
 FROM THE STAFF SECRETARY Bill Seidman ✓ attached)

DUE: Date: March 24

Time: 200pm

SUBJECT:

H.R. 11665 - Rescission of Budget Authority

ACTION REQUESTED:

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

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

\_\_\_\_\_  
K. R. COLE, JR.  
For the President

THE WHITE HOUSE

WASHINGTON

March 25, 1976

MEMORANDUM FOR: JIM CAVANAUGH  
FROM: MAX L. FRIEDERSDORF *M.L.F.*  
SUBJECT: H.R. 11665 - Rescission of Budget Authority

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

Attachments

## THIRD BUDGET RESCISSION BILL, 1976

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FEBRUARY 5, 1976.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

Mr. MAHON, from the Committee on Appropriations,  
submitted the following

### REPORT

[To accompany H.R. 116651

The Committee on Appropriations, to which was referred the bill (H.R. 11665) to rescind certain budget authority recommended in the message of the President of January 23, 1976 (H. Doc. 94-342), transmitted pursuant to the Impoundment Control Act of 1974, report thereon to the House with an amendment and with the recommendation that the bill as amended be passed.

The amendment follows:

On page 2, after line 15, insert the following:

#### DEPARTMENT OF AGRICULTURE

##### FARMERS HOME ADMINISTRATION

##### RURAL HOUSING INSURANCE FUND

Appropriations provided under this head in the Supplemental Appropriations Act, 1976, are rescinded in the amount of \$1,000,000.

#### SUMMARY OF THE BILL

This is the third rescission bill to be reported by the Committee on Appropriations during fiscal year 1976 under the provisions of title X of the new Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), July 12, 1974.

These proposed rescissions are contained in House Document 94-342 which was transmitted on January 23, 1976. In addition, the Committee has rejected the rescission of HUD Rehabilitation Loan funds which was proposed by the President in his message of January 6, 1976 (H. Doc. 94-328).

A general discussion of the bill and Committee recommendations follows. Further details concerning particular items can be found in the House Documents cited above.

#### RESCISSION TOTALS

The estimated total of budget authority recommended to be rescinded in the bill is \$5,431,000. This is \$563,445,000 less than the amounts proposed by the President which were considered by the Committee and this amount will have to be made available for obligation. Outlay reductions will total approximately \$700,000 in fiscal year 1976, \$2,500,000 in the transition quarter, and \$1,231,000 in fiscal year 1977.

#### INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4) of Rule XI, the Committee considers that the rescission of the \$5,431,000 recommended in the accompanying bill will have no measurable impact on prices and costs in the operation of the national economy. If there is any, it is deflationary.

It could be argued that the disapproval of proposed rescissions will be inflationary. Critics of government spending suggest that practically any spending by the government is inflationary. However, it is the opinion of the Committee that Federal spending per se is not necessarily inflationary. Any spending should be analyzed against the economic situation in which it is occurring, the deficit and surplus condition of the government at the time, and on the sectors of the economy which the spending may impact. It should be noted that the inflationary impact statement included in the reports which accompanied the bills originally appropriating the money subsequently proposed for rescission and considered in this bill, concluded that the expenditure of such funds would have no impact or a minimal impact on prices and costs in the operation of the national economy.

Further information on the spending associated with programs for which certain rescissions were proposed can be obtained in the reports which accompanied the bills originally appropriating the funds. In addition, a vast amount of detailed statistical and financial information is included in the printed hearings conducted in developing the bills.

#### SUMMARY TABLE

A summary table of rescissions follows which shows the items that are recommended for rescission and those items that the Committee is not recommending for rescission and for which funds are to be made available at the end of the 45-day time period.

Rescission No.	Department or activity	Amounts proposed for rescission	Amounts recommended for rescission	Amount to be made available for obligation
R76-27A	Consumer Product Safety Commission: Salaries and expenses.	\$6,431,000	\$2,656,000	\$3,775,000
R76-44	Selective service system: Salaries and expenses.	1,775,000	1,775,000	
R76-28	Department of Housing and Urban Development: Community Planning and Development: Rehabilitation Loan Fund.	60,670,000		60,670,000
R76-29	Department of Agriculture: Farmers Home Administration: Rural Housing Insurance Fund.	500,000,000	1,000,000	499,000,000
	Total	568,876,000	5,431,000	563,445,000

<sup>1</sup> This estimate is subject to change and may be adjusted once actual accounting data become available.

#### SUBCOMMITTEE ON HOUSING AND URBAN DEVELOPMENT— INDEPENDENT AGENCIES

EDWARD P. BOLAND, Massachusetts, *Chairman*  
 BURT L. TALCOTT, California  
 JOE L. EVINS, Tennessee  
 GEORGE E. SHIPLEY, Illinois  
 J. EDWARD ROUSH, Indiana  
 JOSEPH M. McDADE, Pennsylvania  
 C. W. BILL YOUNG, Florida  
 BOB TRAXLER, Michigan  
 MAX BAUCUS, Montana  
 LOUIS STOKES, Ohio  
 YVONNE BRATHWAITE BURKE, California

#### CONSUMER PRODUCT SAFETY COMMISSION

##### SALARIES AND EXPENSES

The Committee recommends a rescission of \$2,256,000 for the Consumer Product Safety Commission in fiscal year 1976 and \$400,000 in the transition quarter. This is \$2,969,000 less than the \$5,225,000 proposed for fiscal year 1976 and \$806,000 less than the \$1,206,000 proposed for the transition quarter. Both rescissions are contained in House Document 94-342.

The Commission testified that by restructuring priorities it is possible to reduce fiscal year 1976 requirements from the \$41,820,000 approved by Congress to a lower level of \$39,564,000. CPSC believes that this amount is sufficient to meet its responsibilities without serious degradation of the Commission's effectiveness in protecting the American consumer. The Committee has also recommended a proportionate decrease in the transition quarter.

#### SELECTIVE SERVICE SYSTEM

##### SALARIES AND EXPENSES

The Committee recommends a rescission of \$1,775,000 in the transition period for the Selective Service System as contained in House Document 94-342.

The fiscal year 1977 budget proposes converting the Selective Service System to a deep standby posture. The proposal would eliminate any registration function, all State headquarters, local boards, and the appeal board structure. In short, the System would be reduced to a small nucleus planning body. The Committee understands that the Selective Service System's new posture is endorsed by the Department of Defense.

In view of the action contemplated in the fiscal year 1977 budget, the Committee believes the full amount recommended for rescission in the transition period is warranted.

(3)

41,820  
 39,564  
 -----  
 2,256

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## REHABILITATION LOAN FUND

## (Section 312)

The Committee recommends disapproval of the rescission of unobligated balances estimated at \$60,670,000, of Section 312 Rehabilitation Loan Funds as proposed in the message of the President of January 6, 1976 (H. Doc. 94-328).

Section 312 of the Housing Act of 1964 authorizes the Secretary to make three percent loans for the rehabilitation of residential and business properties. The proposed rescission is based on the contention that the Rehabilitation Loan Fund has been replaced by the Community Development Block Grant program. While the Committee recognizes that such funds are available to communities for rehabilitation, it believes that the Section 312 program offers relief to those cities that have little or no community development funds. In addition, Section 312 provides a mechanism for longer term loans and for higher amounts than can be reasonably provided by individual municipally operated loan programs.

The Committee has been concerned with the on-again, off-again administration of this program. Repeated impoundment and rescission actions coupled with the inefficient "early commitment procedure" has substantially reduced the effectiveness of the program. With the denial of this rescission the Committee expects the Department to move ahead with an efficient and workable Rehabilitation Loan Program.

## SUBCOMMITTEE ON AGRICULTURE AND RELATED AGENCIES

JAMIE L. WHITTEN, Mississippi, *Chairman*

FRANK E. EVANS, Colorado

BILL D. BURLISON, Missouri

MAX BAUCUS, Montana

BOB TRAXLER, Michigan

CHARLES WILSON, Texas

OTTO E. PASSMAN, Louisiana

WILLIAM H. NATCHER, Kentucky

MARK ANDREWS, North Dakota

J. KENNETH ROBINSON, Virginia

JOHN T. MYERS, Indiana

## DEPARTMENT OF AGRICULTURE

## RURAL DEVELOPMENT AND PROTECTION

## FARMERS HOME ADMINISTRATION

## RURAL HOUSING INSURANCE FUND

## INSURED LOANS

The Committee recommends a rescission of \$1,000,000 in fiscal year 1976 rural housing loan funds for the Farmers Home Administration. The Supplemental Appropriation Act, 1976, provided an additional \$500,000,000 for rural housing loans. The President, in his January 23, 1976 rescission message proposed that the full \$500,000,000 be rescinded. Therefore, to provide for the immediate release of these urgently needed funds the Committee recommends the rescission of \$1,000,000 so that the remaining \$499,000,000 in rural housing loan funds will be released immediately rather than waiting for the expiration of the 45 day period provided for in the Impoundment Control Act of 1974.

(5)

○

## THIRD BUDGET RESCISSION BILL, 1976

FEBRUARY 23, 1976.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Appropriations,  
submitted the following

### REPORT

together with

### VIEWS

of the Committee on the Budget

[To accompany H.R. 11665]

The Committee on Appropriations, to which was referred the bill (H.R. 11665) to rescind certain budget authority recommended in the message of the President of January 23, 1976 (H. Doc. 94-342 and S. Doc. 94-151), transmitted pursuant to the Impoundment Control Act of 1974, reports the same to the Senate with an amendment and with the recommendation that the bill be passed, and submits the following explanation of its recommendations.

#### SUMMARY OF THE BILL

This is the third rescission bill to be reported by either the Senate or House Committee on Appropriations during fiscal year 1976 under the provisions of title X of the new Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), July 12, 1974.

A general discussion of the bill follows. Further details concerning particular items can be found in the Senate Document cited above.

#### RESCISSION TOTALS

The total budget authority recommended to be rescinded in the bill is \$75,831,000. A summary table of rescissions follows which shows all items that are recommended for rescission by the Committee or as passed the House.

Rescission No.	Department or activity	Amounts proposed for rescission	House recommendation for rescission	Committee recommendation for rescission
R76-27A	Consumer Product Safety Commission: Salaries and expenses	\$6,431,000	\$2,656,000	\$2,656,000
R76-4A	Selective service system: Salaries and expenses	1,775,000	1,775,000	1,775,000
R76-40	Department of the Interior: Bureau of Land Management: Public lands development roads and trails	8,800,000		4,900,000
R76-41	National Park Service: Road construction	58,500,000		58,500,000
R76-43	Department of State: Mutual education and cultural exchange activities	8,000,000	8,000,000	8,000,000
Total		83,506,000	12,431,000	75,831,000

This report addresses only those presidential proposals recommended for rescission by the Committee or as passed by the House. It should be pointed out, however, that a number of additional rescission proposals are pending before the Congress during the months of February and March. A complete list of all pending rescission proposals as of February 1, 1976, is shown in the following table:

STATUS OF RESCISSIONS—FISCAL YEAR 1976  
[Amounts in thousands of dollars; as of Feb. 1, 1976]

Agency/bureau/account	Rescission No.	Amount proposed for rescission	Date special message transmitted to Congress	Amount rescinded	Date rescission act signed	Amount made available	Date made available
Department of Agriculture:							
Agriculture Research Service: Construction	R76-15	225	Nov. 29, 1975				
Agriculture Stabilization and Conservation Service:							
Water Bank Act program	R76-16	12,500	do.				
Forestry incentives program	R76-17	[18,750]	do.				
	R76-17A	18,750	Jan. 13, 1976				
Farmers Home Administration:							
Rural water and waste disposal grants	R76-18	150,000	Nov. 29, 1975				
Rural development grants	R76-19	[12,344]	do.				
	R76-19A	12,344	Jan. 23, 1976				
Rural housing for domestic farm labor	R76-20	9,375	Nov. 29, 1975				
Mutual and self-help housing	R76-21	12,287	do.				
Self-help housing land development fund	R76-22	1,498	do.				
Rural housing insurance fund	R76-23	10,000	do.				
	R76-29	500,000	Jan. 23, 1976				
Rural community fire protection grants	R76-24	4,375	Nov. 29, 1975				
Agriculture Marketing Service:							
Payments to States and possessions	R76-25	2,000	do.				
Food and Nutrition Service: Special milk program	R76-30	40,000	Jan. 23, 1976				
Forest Service: Forest roads and trails	R76-4	[25,723]	July 25, 1975			25,723	Oct. 7, 1975
Department of Commerce: Economic Development Administration: Economic development assistance programs	R76-31	4,000	Jan. 23, 1976				
Department of Defense—Civil: Corps of Engineers—Civil: Construction, general	R76-32	3,600	do.				
Department of Health, Education, and Welfare:							
Health Services Administration:							
Health services	R76-33	127,804	do.				
Indian health service	R76-34	5,294	do.				
Center for Disease Control: Preventive health services	R76-35	7,690	do.				
Alcohol, Drug Abuse and Mental Health Administration: Alcohol, drug abuse, and mental health	R76-36	56,500	do.				
Health Resources Administration: Health resources	R76-37	69,000	do.				
Office of Education:							
Elementary and Secondary education	R76-9	[220,404]	Nov. 18, 1975				
	R76-9A	210,404	Jan. 23, 1976				
Indian education	R76-38	15,000	do.				
School assistance in federally affected areas	R76-10	[220,968]	Nov. 18, 1975				
	R76-10A	243,773	Jan. 23, 1976				
Education for the handicapped	R76-11	36,375	Nov. 18, 1975				
Occupational, vocational, and adult education	R76-12	14,241	do.				
Higher education	R76-13	768,140	do.				
Library resources	R76-14	28,975	do.				
Assistant Secretary for Human Development:							
Child Development and Head Start	R76-5	[7,000]	July 25, 1975			7,000	Oct. 24, 1975
Grants for the developmentally disabled	R76-39	2,000	Jan. 23, 1976				

See footnotes at end of table.

STATUS OF RESCISSIONS—FISCAL YEAR 1976—Continued  
(Amounts in thousands of dollars; as of Feb. 1, 1976)

Agency/bureau/account	Rescission No.	Amount proposed for rescission	Date special message transmitted to Congress	Amount rescinded	Date rescission act signed	Amount made available	Date made available
Department of Housing and Urban Development:							
Housing Production and Mortgage Credit: State housing finance and development agencies:	R76-26	1 600,000	Nov. 29, 1975				
Community Planning and Development: Rehabilitation loan fund:	R76-28	60,570	Jan. 6, 1976				
Department of the Interior:							
Bureau of Land Management: Public lands development roads and trails:	R76-40	2 8,800	Jan. 23, 1976				
National Park Service: Road construction:	R76-41	58,500	do				
Bureau of Mines: Helium fund:	R76-6	147,500	July 25, 1975	47,500	Oct. 13, 1975		
Department of State: Mutual educational and cultural exchange activities:	R76-42	8,000	Jan. 23, 1976				
Department of Transportation:							
Federal Highway Administration:							
National scenic and recreational highway:	R76-1	[90,000]	July 1, 1975	(C) 25,000	(C) Nov. 24, 1975	(C) 8,665	Nov. 24, 1975
Access highways to public recreation areas on lakes:	R76-2	[25,000]	do				
Department of the Treasury Office of the Secretary: Construction, Federal Law Enforcement Training Center:	R76-3	[8,665]	do				8,665 Sept. 23, 1975
Other independent agencies:							
Community Services Administration:							
Economic Opportunity Program: Research and demonstration:	R76-7	7 [2,500]	July 25, 1975				
Community and economic development:	R76-8	7 [7,500]	do				
Community services program:	R76-43	2,500	Jan. 23, 1976				
Consumer Product Safety Commission: Salaries and expenses:	R76-27	[5,225]	Nov. 29, 1975				
Selective Service System: Salaries and expenses:	R76-27A	6,431	Jan. 23, 1976				
	R76-44	1,775	Jan. 23, 1976				
Total:		3,112,826		22,500			41,388

1 For 1976, \$15,000,000 in contract authority and \$15,000,000 to liquidate that contract authority.

2 See deferral D76-12.

3 See deferral D76-18.

4 Public Law 94-111.

5 See H. Rept. No. 94-496. Deferral of the \$90,000,000 was reported to the Congress on Sept. 24, 1975, in D76-55.

6 Public Law 94-134, signed Nov. 24, 1975, rescinds the \$25,000,000 in R76-2 and makes new appropriations of \$10,000,000.

7 These funds, provided in Public Law 94-32, lapsed on Sept. 30, 1975.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Rescission No.: R76-27A Date proposed: November 29, 1975  
(Revised: January 23, 1976)

Available new budget authority	1 \$52,175,000
Available other budget authority	-----
Proposed rescission	2 -6,431,000
House action	3 -2,656,000
Committee recommendation for rescission	4 -2,656,000

1 Includes \$41,820,000 for fiscal year 1976 and \$10,355,000 for the transition quarter.  
2 Includes \$5,225,000 for fiscal year 1976 and \$1,206,000 for the transition quarter.  
3 Includes \$2,256,000 for fiscal year 1976 and \$400,000 for the transition quarter.

*Presidential rationale for proposed rescission:* The proposed rescission would allow maintenance of all CPSC programs at the 1975 level in accordance with the President's budget request for fiscal 1976 and the transition quarter. This should provide sufficient resources for CPSC to demonstrate its effectiveness in reducing consumer injuries and accomplish essential objectives.

*Explanation of Committee recommendation:* The Committee recommends a partial rescission of \$2,256,000 in fiscal year 1976 and \$400,000 in the transition quarter. The Commission has indicated that this partial rescission would not damage its mission as presently perceived. Since the Commission has the authority to come directly to the Congress without submitting its budget to the Office of Management and Budget, its acquiescence in a partial rescission is indicative of the legitimacy of such a rescission.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

Rescission No.: R76-44 Date proposed: January 23, 1976

[All figures are for transition quarter]

Available new budget authority	\$8,300,000
Available other budget authority	-----
Proposed rescission	-1,775,000
House action	-1,775,000
Committee recommendation for rescission	-1,775,000

*Presidential rationale for proposed rescission:* The proposed rescission reflects savings associated with suspension of the draft registration requirement and the phase-down of personnel and activities associated with this function. A mobilization review has indicated that increased reliance can be placed on reservists and volunteers to fulfill defense needs during the early stages of a major conflict.

*Explanation of Committee recommendation:* The Committee recommends approval of the proposed rescission. The Selective Service System will continue to be able to plan and prepare for registration and induction of individuals into the armed services in the event of mobilization regardless of the rescission.

## DEPARTMENT OF THE INTERIOR

## BUREAU OF LAND MANAGEMENT

## PUBLIC LANDS DEVELOPMENT ROADS AND TRAILS

*Rescission No.:* R76-40                      *Date proposed:* January 23, 1976

Available new budget authority-----	
Available other budget authority-----	<sup>1</sup> \$49,000,000
Proposed rescission-----	<sup>2</sup> -8,800,000
House action-----	Not considered
Committee recommendation for rescission-----	-4,900,000

<sup>1</sup> Includes \$30,050,000 available for fiscal year 1976 and \$18,950,000 available for fiscal year 1977.

<sup>2</sup> Includes \$4,900,000 for fiscal year 1976 and \$3,900,000 for fiscal year 1977.

*Presidential rationale for proposed rescission:* Consistent with fiscal year 1976 appropriations and fiscal year 1977 budget estimates. The President cites the Anti-Deficiency Act as authority for his proposal.

*Explanation of Committee recommendation:*

The Committee recommends rescission of \$4,900,000 in contract authority for fiscal year 1976 provided by the Federal-Aid Highway Act, but disapproves the President's accompanying proposal to rescind another \$3,900,000 available for fiscal year 1977. The latter amount should be deferred pending congressional action on the Bureau's fiscal year 1977 road construction program.

The amount recommended for rescission is excess to the fiscal 1976 road construction program approved by the Congress when it passed the Department of the Interior and Related Agencies appropriations bill for fiscal year 1976 (Public Law 94-165), which contained appropriations to liquidate road contract authority. Rescission is also consistent with overall spending limitations established by the Congress in the 1975 budget resolution. Failure to rescind the contract authority for fiscal 1976 would force the Bureau to obligate unprogrammed, lower priority projects before the beginning of the 1977 fiscal year. Information supplied to the Committee indicates only some \$1,000,000 could be effectively obligated in that period. The recommended rescission will result in estimated outlay savings of \$500,000 for fiscal year 1976; \$500,000 for the fiscal year transition quarter; \$3,500,000 for fiscal year 1977; and \$1,500,000 for fiscal year 1978.

The Committee will extend consideration to a rescission of contract authority available for fiscal year 1977 after a final determination by the Congress of the Bureau's total road construction program for that year.

## NATIONAL PARK SERVICE

## ROAD CONSTRUCTION

*Rescission No.:* R76-41                      *Date proposed:* January 23, 1976

Available new budget authority-----	
Available other budget authority-----	\$276,782,517
Proposed rescission-----	-58,500,000
House action-----	Not considered
Committee recommendation for rescission-----	-58,500,000

S.R. 640

*Presidential rationale for proposed rescission:* Consistent with fiscal year 1976 appropriations and financial plan. The President cites the Anti-Deficiency Act as authority for his proposal.

*Explanation of Committee recommendation:*

The Committee recommends rescission of \$58,500,000 in contract authority available for fiscal year 1976 under the Federal-Aid Highway Act of 1973.

This amount is excess to the fiscal year 1976 road construction program approved by the Congress when it passed the Department of the Interior and Related Agencies appropriations bill for fiscal year 1976 (Public Law 94-165), which contained appropriations to liquidate contract authority. Rescission is also consistent with the overall spending limitation established in the fiscal year 1976 budget resolution. The Park Service has estimated it would not be able to obligate the full \$58,500,000 before the beginning of fiscal year 1977 even if the contract authority were to remain available.

The recommended rescission will result in estimated outlay savings of \$7,878,000 in the fiscal year transition quarter and \$28,143,000 in fiscal year 1977.

## DEPARTMENT OF STATE

## MUTUAL EDUCATION AND CULTURAL EXCHANGE ACTIVITIES

*Rescission No.:* R76-43                      *Date proposed:* January 26, 1976

Available new budget authority-----	\$60,000,000
Available other budget authority-----	
Proposed rescission-----	<sup>1</sup> -8,000,000
House action-----	-8,000,000
Committee recommendation for rescission-----	-8,000,000

<sup>1</sup> Reduces NBA by \$5,000,000 for fiscal year 1976 and \$3,000,000 for the transition quarter.

*Presidential rationale for proposed rescission:* To reduce growth in the Federal budget. This action would reduce program activities involving exchange of persons for educational and cultural activities between the United States and other nations.

*Explanation of Committee recommendation:*

This amendment would rescind \$5,000,000 of funds appropriated for the current fiscal year and \$3,000,000 of funds appropriated for the transition quarter for mutual educational and cultural exchange activities.

These are the same amounts as those proposed by the President in rescission proposal No. R76-42 submitted to the Congress on January 23, 1976, and printed in House Document No. 94-342.

The program will be maintained at a level of \$55,000,000 in fiscal year 1976 and \$10,000,000 in the transition quarter. This compares with a level of \$53,300,000 in fiscal year 1975 and a proposed level of \$58,500,000 for fiscal year 1977. Consequently, the rescission will bring the 1976 and the transition quarter programs in line with the program proposed for fiscal year 1977.

## DEPARTMENT OF AGRICULTURE

## FARMERS HOME ADMINISTRATION

## RURAL HOUSING INSURANCE FUND

The President has proposed that \$500 million in additional loan authority for insured loans of the Farmers Home Administration be rescinded (Rescission No. R76-29). These funds were authorized in the Supplemental Appropriations Act for Fiscal Year 1976 (Public Law 94-157) specifically to meet an urgent need for greater housing credit in rural America.

The Committee finds that this need still exists and therefore recommends that this proposed rescission be rejected and that the additional loan authority be expeditiously made available for obligation.

The Committee remains very cognizant of the heavy burden these funds will incur on the already strained administrative capacity of the Department as was outlined in this Committee's report to the Supplemental Appropriations Act (S. Rept. 94-511).

It must be made clear, however, that the Committee will not tolerate inadequate or unrealistic administrative support levels to choke off the provision of vitally needed credit assistance in rural areas.

The Committee notes the recent progress of the Department in developing overdue management improvements and reforms. As an example, in the field of rural housing credit, the Committee understands that a guaranteed loan program is nearing implementation. This will not only provide the Department with an additional tool in assisting rural residents, but also will utilize private credit sources and reduce the Federal administrative load in making this assistance available.

The Committee believes that through a concerted effort by the Department, utilizing such improvements in management practices, that \$500 million in increased loan authority can be effectively applied in meeting rural housing credit needs.

The Department is directed to keep this Committee advised of its progress in making these funds available to qualified rural residents and in implementing the above noted management improvements.

## VIEWS OF THE COMMITTEE ON THE BUDGET

The Senate Committee on the Budget, to which was referred a bill (H.R. 11665), to rescind certain budget authority recommended in the Message of the President of January 23, 1976 (H. Doc. 94-342), transmitted pursuant to the Congressional Budget and Impoundment Control Act of 1974, having considered the same, reports as follows:

The matters contained in H.R. 11665 do not appear to have significant macroeconomic effects, nor do they significantly affect national priorities. The Committee therefore has no recommendation on this bill.



# Ninety-fourth Congress of the United States of America

## AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,  
one thousand nine hundred and seventy-six*

### An Act

To rescind certain budget authority recommended in the message of the President of January 23, 1976 (H. Doc. 94-342), transmitted pursuant to the Impoundment Control Act of 1974.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following rescissions of budget authority contained in the message of the President of January 23, 1976 (H. Doc. 94-342), are made pursuant to the Impoundment Control Act of 1974, namely:

#### CONSUMER PRODUCT SAFETY COMMISSION

##### SALARIES AND EXPENSES

Appropriations provided under this head in the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1976, are rescinded in the amount of \$2,256,000 for the fiscal year ending June 30, 1976, and in the amount of \$400,000 for the period July 1, 1976, through September 30, 1976.

#### SELECTIVE SERVICE SYSTEM

##### SALARIES AND EXPENSES

Appropriations provided under this head in the Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1976, are rescinded in the amount of \$1,775,000 for the period July 1, 1976, through September 30, 1976.

#### DEPARTMENT OF THE INTERIOR

##### BUREAU OF LAND MANAGEMENT

##### PUBLIC LANDS DEVELOPMENT ROADS AND TRAILS

Contract authority provided in the Federal-Aid Highway Act of 1973 for Public Lands Development Roads and Trails in the amount of \$4,900,000, available until June 30, 1976, is rescinded.

##### NATIONAL PARK SERVICE

##### ROAD CONSTRUCTION

Contract authority provided in the Federal-Aid Highway Act of 1973 for Road Construction in the amount of \$58,500,000, available until June 30, 1976, is rescinded.

H. R. 11665—2

DEPARTMENT OF STATE

EDUCATIONAL EXCHANGE

MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACTIVITIES

Appropriations provided under this head in the Department of State Appropriation Act, 1976, are rescinded in the amount of \$5,000,000 for the fiscal year ending June 30, 1976, and in the amount of \$3,000,000 for the period July 1, 1976, through September 30, 1976.

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*

## Office of the White House Press Secretary

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THE WHITE HOUSE

## STATEMENT BY THE PRESIDENT

I have signed H.R. 11665, a bill that will save the taxpayer \$75.8 million. These savings are small in comparison with our total Federal budget. However, we should be grateful when the Congress agrees to save any amount.

This \$75 million bill is the Congress' response to my request that we save the taxpayer \$3 billion in budget rescissions. I regret that the congressional response is but a small token of the real need for fiscal restraint.

Under the new congressional budget procedures established in 1974, the President can propose savings to the Congress by suggesting rescissions of appropriations already made. However, if the Congress fails to agree after 45 days, the President must spend the funds.

Last fall, I reviewed the appropriations already made by the Congress. After considering our overall spending and deficit position and the individual merit of the programs funded by the Congress, I recommended rescissions totaling \$3.1 billion. The bill I am signing today is the Congress' pitiful response to that rescission request.

While it is often the case that events in Washington are viewed in isolation -- as though they are unrelated -- everyone should understand that in budget matters, all spending adds to the total. This case is no exception. Congressional inaction on my rescission proposals will, over the next few years, lead to \$3 billion in Federal spending, which will either be collected from the taxpayer or added to our budget deficit.

If this were the only spendthrift action by the Congress, perhaps we could accommodate it. But unfortunately, this action appears to be only a further indication of a lack of fiscal discipline in the Congress.

For example, the congressional committees appear to be seriously considering spending targets and deficits for fiscal year 1977, \$15 to \$20 billion above the levels I have recommended.

In my January budget, I proposed that 1977 budget outlays be held under \$395 billion. To reach this total, I proposed specific legislative actions -- including rescissions -- that would save \$8.2 billion. By failing to enact most of the rescissions I have proposed, the Congress has significantly eroded the potential savings. Even if the Congress agrees to the remainder of my recommendations, the Federal deficit will be almost \$77 billion in 1976 and \$44 billion in 1977.

more

Once again, I urge the Congress to recognize the need for fiscal restraint. Once again, I must warn the Congress that its actions -- and inactions -- are pushing us little by little toward higher spending and bigger government, toward higher taxes and unnecessary Federal involvement in all our lives.

# # #

March 15, 1976

Dear Mr. Director:

The following bills were received at the White House on March 15th:

H.R. 1313 ✓	H.R. 11665 ✓
H.R. 2575 ✓	H.R. 11893 ✓
H.R. 3440 ✓	H.R. 12193
H.R. 9617 ✓	

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder  
Chief Executive Clerk

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