

The original documents are located in Box 57, folder “9/29/76 HR14232 Departments of Labor and Health Education and Welfare and Related Agencies Appropriation Act 1977 (vetoed) (1)” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library

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*Noted
9/29/76
Delivered to Abuse
of Representatives
7:00 pm*

*Noted
9/29/76*

THE WHITE HOUSE
WASHINGTON

DECISION
Last Day: September 29, 1976

September 28, 1976

MEMORANDUM FOR THE PRESIDENT.

FROM: JIM CANNON *Jam*

SUBJECT: Enrolled Bill H.R. 14232 - Departments of Labor and Health, Education and Welfare and Related Agencies Appropriation Act, 1977

Attached for your decision is H.R. 14232 which appropriates for the Departments of Labor and Health, Education and Welfare, the Community Services Administration, the Corporation for Public Broadcasting, and ACTION, \$56,381,379,575 for fiscal year 1977 and advance funding of \$116,628,000 for fiscal year 1978 and \$120,200,000 for fiscal year 1979.

Background

Approved by a vote of 279-100 in the House and a voice vote in the Senate, the enrolled bill provides a total net increase of \$3.988 billion above your budget request, including:

- \$3.921 billion in FY 1977
- \$37 million in FY 1978
- \$30 million in FY 1979

These changes increase spending by:

- \$1.684 billion in FY 1977
- \$1.780 billion in FY 1978

(The detailed budgetary programmatic impact is analyzed in Jim Lynn's Enrolled Bill Memorandum in Tab A.)

Also, Section 209 of the Enrolled Bill limits the financing of abortion under the Medicaid program to instances "where the life of the mother would be endangered if the fetus were carried to term."



Staff and Agency Recommendations

DOL Approval

Hartmann Approval. "This was carefully designed to force a Presidential veto of every holy 'compassion' program, and then override it. Hold your nose and sign it."

HEW Disapproval

OMB Disapproval

Buchen (Kilberg) Disapproval. "Veto statement should not mention Hyde Amendment."

Seidman Disapproval

Friedersdorf Disapproval. "Veto likely cannot be sustained, however, because of extreme budget impact, I recommend veto."

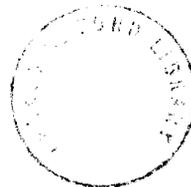
Jeanne Holm Disapproval. "I concur with the recommendation of OMB and with the proposed statement for the President. I note that in the latter, there is no mention of the limitations that this bill would impose on the use of HEW funds for abortion. I fully agree with this."

Recommendation

I concur with the recommendation of HEW, OMB, and the White House Staff that you veto H.R. 14232 because of the substantial adverse impact of nearly \$4 billion in appropriations above your budget request.

Decision

1. _____ Sign H.R. 14232. (Tab B)
2. DR4 Veto H.R. 14232. (Veto statement at Tab C; approved by Doug Smith.)



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

SEP 22 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14232 - Departments of Labor
and Health, Education, and Welfare and Related
Agencies Appropriation Act, 1977
Sponsor - Rep. Flood (D), Pennsylvania

Last Day for Action

September 29, 1976 - Wednesday

Purpose

Appropriates for activities of two cabinet departments--Labor and Health, Education, and Welfare--and other related agencies, \$56,381,379,575 for fiscal year 1977 and advance funding of \$116,628,000 for fiscal year 1978 and \$120,200,000 for fiscal year 1979.

Agency Recommendations

Office of Management and Budget

Disapproval
(draft veto statement
attached)

Department of Health, Education,
and Welfare

Disapproval
(informally)

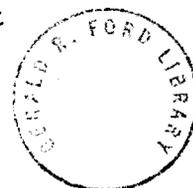
Department of Labor

Approval
(informally)

Discussion

Approved by a vote of 279-100 in the House and a voice vote in the Senate, the enrolled bill provides a total net increase of \$3,988 million--\$3,921 million in 1977, \$37 million in 1978, and \$30 million in 1979--above your budget authority requests. These changes increase spending in 1977 by \$1,684 million and in 1978 by \$1,780 million.

The following compares the enrolled bill with House and Senate appropriations subcommittee allocations under the first concurrent resolution on the Budget. Appropriations subcommittee allocations have not been worked out for the recently passed second concurrent resolution.



1977 Budget Authority
(in millions of dollars)

House Target	Senate Target	Enrolled Bill
66,209	65,900	56,381

The total amount in the bill is almost \$10 billion below either subcommittee allocation. This is primarily the result of two factors. First, over \$2,293 million requested in your 1977 Budget was not considered by the Congress due to the lack of authorizing legislation. The largest share of these deferred appropriations is in the HEW higher education programs, such as basic opportunity grants and work-study. Secondly, as stated in the report of the Senate Appropriations Committee, "it would be unrealistic to think that all the amounts specified in this bill will be sufficient to operate programs throughout the fiscal year." "It is the Committee's judgment at this time that there will be little, if any, excess remaining between ceiling projections and full-year budgetary needs for Labor-HEW programs."

The following table shows the effect of major Congressional action in relation to amounts appropriated for 1976 as well as to your 1977 budget requests for major agencies and programs in the enrolled bill:

1977 Budget Authority*		Change from	
(in millions of dollars)			
	Amount provided in bill	Requests Considered	1976 Appropriation
Department of Labor:			
Employment and			
Training Assistance..	2,717	+322	+328
Summer Youth Employ-			
ment.....	595	+195**	+67
Temporary Employment			
Assistance.....	---	---	-2,825
Other, DOL.....	6,822	+82	+523
Total, DOL.....	(10,133)	(+600)	(-1,907)
Department of Health,			
Education, and Welfare:			
Health agencies.....	5,016	+1,121	+260
Education division*...	5,926	+1,603	+719
Human development.....	1,896	+323	+194
Social Security Adminis-			
tration.....	13,523	-15	+2,881



	Amount provided in bill	Change from	
		Requests Considered	1976 Appropriation
Other, welfare.....	18,752	+66	+788
Total, HEW.....	(45,113)	(+3,098)	(+4,842)
Community Services			
Administration.....	511	+177	-9
Corporation for Public Broadcasting*.....	103	+33	+24
Other related agencies.	522	+14	+18
Total, Bill.....	56,381	+3,921	+2,968
Relatively uncon- trollable.....	(31,649)	(+5)	(+1,755)
Relatively controllable.	(17,768)	(+3,916)	(-1,380) <u>2/</u>
Federal trust fund pay- ments with no con- trollability impact <u>1/</u> .	(6,964)	(---)	(+2,593)

*Excludes advance appropriations.

**The Budget included a preliminary estimate that \$400 million would be requested next March.

1/ These transactions do not affect budget totals except as they are reflected in the receiving trust funds, not covered in this appropriations bill.

2/ Includes reduction of \$2.8 billion due to no 1977 appropriation for temporary employment assistance.

The remainder of this analysis discusses the changes made by the Congress to the requests for the Department of Health, Education, and Welfare, the Department of Labor, the Community Services Administration, the Corporation for Public Broadcasting, and ACTION. All other changes are minor and amount to a net decrease of \$452,425.

Department of Health, Education, and Welfare

Your requests for the Department of Health, Education, and Welfare are increased by a net \$3.1 billion ---almost entirely for uncontrollable programs. Your requests for major uncontrollable programs such as public assistance and supplemental security income were not increased. While there are many specific problems, it is the overall size of this increase--distributed among most HEW programs--along with the implied future impact that I find most disturbing. This statement of Congressional priorities follows last year's Congressional increase of more than \$3 billion over your requests for these programs.



Of this year's overall increase for HEW, more than half (\$1,612 million) is for education programs. The Congress did not act on your proposed consolidation of a number of education programs into the Financial Assistance for Elementary and Secondary Education block grant program. This inaction resulted in the continuation of existing programs and the increases to your regular requests discussed below:

- Elementary and secondary education programs receive an additional \$499.4 million. Of this, grants for disadvantaged children are increased by \$385 million. The remaining increases are for such programs as Follow Through, bilingual education, and support and innovation grants.
- For school assistance in Federally affected areas an additional \$468 million is included. You had proposed reforms that would make possible a distribution of funds that comes closer to reflecting the true impact of Federal activity. The Congress rejected this proposal, thus resulting in the additional funding.
- The Congress has increased funding for vocational education by a net total of \$319.4 million.
- Your request for education for the handicapped is increased by \$231.2 million. The Senate Appropriations Committee--in its report--stated that "enactment of the Education for All Handicapped Children Act implies increasing Federal support in this area."
- Requests for other education programs are increased by a net \$94.3 million--primarily for library resources, emergency school aid, special projects, and higher education.

For health programs, similar inaction on your Financial Assistance for Health Care block grant proposal as well as other changes to your requests results in a net increase of \$1,121 million distributed as follows:

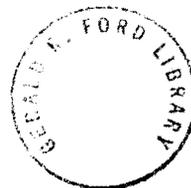
- The enrolled bill increases your request for the Health Services Administration by \$368.5 million--providing an increase for every health services program, with the exception of quality assurance. The largest increase is for maternal and child health State formula grants (+\$123 million). Programs for which the President made no request are funded close to or above the 1976 appropriations level--increases totalling \$104 million. Additional increases of \$60 million for expansion of the Community Health Center network and \$21 million for Public Health Service hospitals are provided.



- The bill funds the National Institutes of Health at a level 16% or \$366 million above your request of \$2,165 million. Much of the increase would fund second year costs of research initiated under the 1976 Congressional increase. The bill includes \$42 million for completion of a building for the National Institute of Environmental Health Sciences, the construction of which you did not request. In addition, the bill would restore funding for training of biomedical researchers to the 1976 level despite your proposal to phase out special subsidies for graduate students in the life sciences. The bill further provides unrequested funding for a formula grant program for research institutions, known as biomedical research support grants.
- A net increase of \$218.8 million is provided for the Alcohol, Drug Abuse, and Mental Health Administration. The largest single increase is for general mental health training grants (+\$56.6 million). General mental health community programs, for which you made no request for new activity, are increased by \$102 million. An increase of \$2.5 million for St. Elizabeth's Hospital is to cover salaries and other costs associated with a Congressionally proposed increase of 175 positions.
- The enrolled bill increases funds for health resources activities by \$135.7 million. This amount includes \$88 million for nurse training activities and \$35 million for health planning. The Congress also included \$9 million for direct construction grants to selected medical facilities. In addition, the bill authorizes \$250 million in new direct loan and loan guarantee authority. No new construction funds or loan authority was requested.
- The Congress has provided an additional \$31.9 million for preventive health services of the Center for Disease Control. This is primarily to fund grants under the newly-authorized National Disease Control and Health Education and Promotion Act of 1976.

For the welfare programs of HEW, the Congress has provided a net increase of \$373.4 million, primarily as follows:

- A net increase of \$323.3 million is for human development programs. This includes \$209 million for aging programs authorized by the Older Americans Act, \$61.4 million for rehabilitation services, and \$40.7 million for the Head Start program.



- Activities of the Social and Rehabilitation Service are funded by an additional \$73.4 million. This provides unnecessary funds for Child Welfare services and training and an increase over the 1976 program level for the Work Incentives (WIN) program. Your 1977 budget program for WIN is actually increased by \$110 million--a combination of an additional \$55 million more than your appropriation request and inaction on your proposed legislation which would have allowed a \$55 million decrease in your request.
- Benefit payments of the Supplemental Security Income program are decreased by \$15 million due to a lower cost-of-living benefit increase than projected in the budget.

Department of Labor

The enrolled bill provides a net increase of \$404.9 million to your budget authority requests for the Department of Labor, excluding their action on Summer Youth Employment. The bill includes a total of \$595 million for Summer Youth Employment in calendar year 1977. This is \$195 million over the preliminary estimate of \$400 million included in your January Budget, but planned to be requested later when a better estimate of the amount required for operation of the 1977 program would be available. It will be March before the need for the program will be determined, so we cannot say at this point whether the \$195 million increase is excessive.

Other major changes made by the Congress are:

- +\$300 million to maintain the 1976 outlay levels (which were artificially high due to carryover) of employment and training programs under Title I of the Comprehensive Employment and Training Act.
- +\$77 million for Community Service Employment for Older Americans. In 1976, the Congress appropriated unrequested funds for nine months of 1977. In the 1977 Mid-Session Review the Administration accepted the need (+\$14 million) for funding the balance of 1977. The increase includes \$7 million over the accepted level for 1977 plus \$70 million intended to fund the first nine months of 1978.
- +\$66 million for new personnel and additional computerization for the Employment Service. This includes an additional \$58 million in transfers from the Unemployment Trust Fund and \$8 million in new budget authority.



- ° +\$22 million to provide for a ten percent enrollment increase in the Job Corps.

Community Services Administration

The Congress provides an additional \$177.2 million for the Community Services Administration--an increase of 53 percent over your requests. This amount provides:

- ° \$96 million for categorical programs for which no funds were requested.
- ° An additional \$70 million for the local initiative program. The Congress rejected your position that 1977 Federal support should decrease in response to increased non-Federal matching requirements.
- ° An additional \$9.2 million for community economic development.
- ° Funds are provided for an additional 60 permanent positions over the budget (from 900 to 960) to retain the 1976 staff level.

Corporation for Public Broadcasting

A total increase of \$90.4 million more than your requests for the Corporation for Public Broadcasting is included to provide larger grants to public radio and public television stations, increase support activities, and develop new national programs. This includes an additional \$33 million in 1977 and increased advance funding in 1978 of \$27.2 million and in 1979 of \$30.2 million.

ACTION

For the domestic programs of ACTION, a net increase of \$14.3 million is included. This includes an additional \$13 million to maintain the 1976 activity levels of the Volunteers in Service to America program (VISTA) and the University Year for ACTION (UYA) program.

Language Provisions

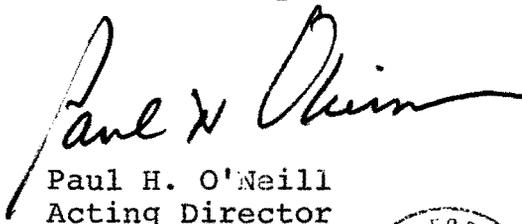
Section 209 of the enrolled bill limits the financing of abortions under the Medicaid program to instances "where the life of the mother would be endangered if the fetus were carried to term."



Payment for abortions as a method of family planning or for emotional or social convenience is prohibited. Under the Medicaid program approximately \$50 million is now being provided to the States each year to help fund abortions for about 300,000 low-income women. No savings will result from this restriction, however, because Medicaid funding of pre- and post-natal care related to pregnancies brought to full term is considerably more costly than the funding of abortions.

Recommendation

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


Paul H. O'Neill
Acting Director

Attachment



OMB
ATTACHMENT

TO THE HOUSE OF REPRESENTATIVES

I return without my approval H.R. 14232, the Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1977.

This bill epitomizes what is wrong with the Congress.

The Congress says it cares about cutting inflation and controlling Federal spending.

The Congress says it wants to stop fraud and abuse in Federal programs.

The Congress says it wants to end duplication and overlap in Federal activities.

The Congress says it wants to end taxpayer subsidies to the undeserving so the taxpayers can spend more of their own money.

But when you get to the bottom line of this bill you find out what the Congress means -- and it doesn't have anything to do with what they say.

If the Congress really cared about inflation and about the great damage inflation does to all Americans -- particularly the aged and the poor -- they wouldn't send me a bill that is \$4 billion over the budget request.



If the Congress really wanted to end fraud and abuse in Federal programs they would connect their rhetoric to their actions and enact the major reforms I have proposed.

If the Congress really wanted to end the duplication and overlap in Federal programs they would legislate the consolidation proposals that I sent to them last spring.

If the Congress really wanted to keep the undeserving out of the Federal Treasury they would adopt my proposals for change.

But they haven't done any of these things. In the mistaken notion that more dollars mean more compassion, they have simply put more money in virtually every program basket.

My 1977 budget requests for the programs in this bill totalled \$52.5 billion. Funding for these programs has been rising at an enormous rate. In January 1970, the Congress sustained a veto of the 1970 Labor-HEW appropriation bill and approved a bill that provided \$19 billion. My requests for 1977, just seven years later, represent an increase of more than 175 percent. In that same period, the budget as a whole has increased a little over 100 percent. At the same time the inflation rate rose about 55 percent and the gross national product grew by 92 percent.



Nevertheless, the Congress has added \$4 billion to this bill -- making the Labor-HEW appropriations very nearly three times what they were just seven years ago.

This \$4 billion increase is not properly measured as an increase in the \$52.5 billion request. Most of that request was for mandatory programs. Virtually all the \$4 billion add-on was applied to \$13.9 billion in requests for programs which can be controlled. This is an increase of 28 percent for the discretionary programs in the bill.

These are the very programs that add to the size of government and its administrative burden.

It is not surprising that the American people are demanding that government lift the dead weight of bureaucracy and regulation.

It is surprising that Congress does not heed these demands.

This bill not only continues the same old Washington-controlled categorical programs, it adds to their size. It ignores the proposals in my health and education block grant proposals to make States and local governments partners with the Federal Government. It rejects my proposals to make these programs more rational and more responsive to real needs.



The bill does not hold down the size of government; it adds more Federal workers. It does not stop the growing web of Federal rules, it encourages their use.

I cannot accept this bill in its present form. I urge the Congress to act immediately to provide funding levels that are in line with my budget requests and to accept the program reforms that I recommended in January.



VETOED
9/29/76

THE WHITE HOUSE
WASHINGTON

September 29, 1976

H.R. 14232

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CAVANAUGH ~~JD~~

SUBJECT: Revised Veto Message

Attached is the revised veto message on the Labor-HEW Appropriation Bill, incorporating your changes.

Jim Cannon, Jim Lynn, and Bob Hartmann have all reviewed and approved it. (Scowcroft has signed off on the language about Great Britain.)

_____ Approve

_____ Disapprove



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 23

Time: 1100pm

FOR ACTION: Spencer Johnson
 David Lissy *Changes* cc (for information): Jack Marsh
 Max Friedersdorf *veto in message* Jim Connor
 Bobbie Kilberg *veto* Jeanne Holm *veto* Ed Schmults
 Robert Hartmann
 Bill Seidman *veto*

FROM THE STAFF SECRETARY

DUE: Date: September 24

Time: noon

SUBJECT:

H.R. 14232-Departments of Labor & HEW Appropriation Act, 1978

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

Date: September 23

Time: 1130pm

FOR ACTION: Spencer Johnson
 David Lissy
 Max Friedersdorf
 Bobbie Kilberg
 Robert Hartmann
 Bill Seidman

cc (for information): Jack Marsh
 Jim Connor
 Jeanne Holm
 Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: September 24

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SUBJECT:

H.R. 14232-Departments of Labor & HEW Appropriation Act, 1977

ACTION REQUESTED:

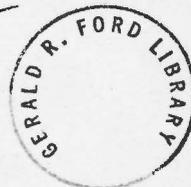
 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

9.24
 Recommend veto.
 Will revisions on
 veto message.

mf



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James M. Cannon
 For the President

Living Changes

ATTACHMENT

TO THE HOUSE OF REPRESENTATIVES

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The Congress says it cares about cutting inflation and controlling Federal spending.

The Congress says it wants to stop fraud and abuse in Federal programs.

The Congress says it wants to end duplication and overlap in Federal activities.

Education?

The Congress says it wants to end taxpayer subsidies to the undeserving so the taxpayers can spend more of their own money.

But when you get to the bottom line of this bill you find out what the Congress means -- and it doesn't have anything to do with what they say.

If the Congress really cared about inflation and about the great damage inflation does to all Americans -- particularly the aged and the poor -- they wouldn't send me a bill that is \$4 billion over the budget request.

not a bad sentence but what does it refer to in this bill?



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If the Congress really wanted to end fraud and abuse in Federal programs they would connect their rhetoric to their actions and enact the major reforms I have proposed.

If the Congress really wanted to end the duplication and overlap in Federal programs they would legislate the consolidation proposals that I sent to them last spring.

If the Congress really wanted to keep the undeserving out of the Federal Treasury they would adopt my proposals for change.

But they haven't done any of these things. *spent inefficiently* In the mistaken notion that more dollars mean more compassion, they have simply put more money in virtually every program basket.

My 1977 budget requests for the programs in this bill totalled \$52.5 billion. *Just seven years ago* ~~Funding for these programs has been rising at an enormous rate~~ In January 1970, the Congress sustained a veto of the 1970 Labor-HEW appropriation bill and approved a bill that provided \$19 billion. My requests *later* for 1977, *\$52.5 billion* ~~just seven years later~~, represents an increase of more than 175 percent, *in seven years* In that same period, the budget as a whole has increased a little over 100 percent. At the same time the inflation rate rose about 55 percent and the gross national product grew by 92 percent.



PI
12
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14

Nevertheless, the Congress has added \$4 billion to this bill -- making the Labor-HEW appropriations very nearly three times what they were just seven years ago.

But This \$4 billion increase is not properly measured as an increase in the \$52.5 billion request. Most of that request was for mandatory programs. Virtually all the \$4 billion add-on was applied to \$13.9 billion in requests for programs which can be controlled. This is an increase of 28 percent for the discretionary programs in the bill.

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It is surprising that Congress does not heed these demands.

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THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 23

Time: 1130pm

FOR ACTION: Spencer Johnson
David Lissy
Max Friedersdorf
Bobbie Kilberg
Robert Hartmann
Bill Seidman

cc (for information): Jack Marsh
Jim Connor
Ed Schmults
Jeanne Holm

FROM THE STAFF SECRETARY

DUE: Date: September 24

Time: noon

SUBJECT:

H.R. 14232-Departments of Labor & HEW Appropriation Act, 1977

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 veto. Good veto statement. Agree
that veto statement should not mention Hyde
amendment*

Lilly 9/23/76



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

SEP 2 1977
THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 23

Time: 1130pm

FOR ACTION: Spencer Johnson
David Lissy
Max Friedersdorf
Bobbie Kilberg
Robert Hartmann
Bill Seidman ✓

cc (for information): Jack Marsh
Jim Connor
Ed Schmults
Jeanne Holm

FROM THE STAFF SECRETARY

DUE: Date: September 24

Time: noon

SUBJECT:

H.R. 14232-Departments of Labor & HEW Appropriation Act, 1977

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

Veto jobs



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James M. Cannon
For the President

THE WHITE HOUSE

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For Necessary Action

For Your Recommendations

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Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

I concur with the recommendation of OMB and with the proposed statement for the President. I note that in the latter, there is no mention of the limitations that this bill would impose on the use of HEW funds for abortions. I fully agree with this.

In recent months, the subject of abortion has become a major campaign issue, a fact that is viewed with increased alarm and considerable distaste by the national women's organizations with whom we are in direct contact. Almost without exception, they view this as a highly emotional and moral issue of paramount concern to women which does not belong in a political campaign. They urge that the President do what he can to de-fuse this issue by commenting on it as little as possible.

Jeanne M. Holm
 September 23, 1976



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

James M. Cannon
 For the President



THE WHITE HOUSE
WASHINGTON

September 24, 1976

MEMORANDUM FOR THE STAFF SECRETARY

FROM: MAX FRIEDERSDORF *MF*

SUBJECT: HR 14232 - Departments of Labor & HEW
Appropriation Act, 1977

Veto likely cannot be sustained, however, because of
extreme budget impact, I recommend veto.



Rec. 9/23/76 - 10:45 am
n

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 23

Time: 1130pm

FOR ACTION: Spencer Johnson
David Lissy
Max Friedersdorf
Bobbie Kilberg
Robert Hartmann
Bill Seidman

cc (for information): Jack Marsh
Jim Connor
Ed Schmults
Jeanne Holm

FROM THE STAFF SECRETARY

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Time: noon

SUBJECT:

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

REMARKS:

please return to judy johnston, ground floor west wing



9/23/76 - copy sent for researching. nm

9/24/76 - Researched copy returned. nm

This was carefully designed to force a Presidential veto of every holy "compassion" program, and then override it. Hold your nose and sign it.

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

Rec. 9/23/76 - 10:45 am
m

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 23

Time: 1130pm

FOR ACTION: Spencer Johnson
David Lissy
Max Friedersdorf
Bobbie Kilberg
Robert Hartmann
Bill Seidman

cc (for information): Jack Marsh
Jim Connor
Ed Schmults

to Res
9-24 2:23
GAm

to DJS
9-24 12:15
GAm

FROM THE STAFF SECRETARY

DUE: Date: September 24

Time: noon

SUBJECT:

H.R. 14232-Departments of Labor & HEW Appropriation Act, 1977

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

MWB



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

DRAFT

I return without my approval H.R. 14232, the Department of Labor, and Health, Education and Welfare Appropriations Act, 1977.

There is a growing recognition around the country that you cannot simply equate ^{COMPASSION WITH} more dollars, ~~with more compassion~~.
Unfortunately this recognition has not yet reached the Congress.

I believe strongly in compassionate concern for those who cannot help themselves, but I have compassion for the taxpayer too. ~~My~~ sense of compassion also says that we shouldn't ask the taxpayers to spend their money for a tangled mess of programs. ~~We~~ We shouldn't ask them to spend more money on programs that the Congress itself has shown all too often to be wasteful and inefficient. ~~Programs~~ programs which all too often fail to really help those in need.

The Congress says it cares about cutting inflation and controlling Federal spending.

The Congress says it wants to stop fraud and abuse in Federal programs.

The Congress says it wants to end duplication and overlap in Federal activities.



But when you examine this bill carefully you discover that what the Congress says has very little to do with what the Congress does.

If the Congress really cared about cutting inflation and controlling Federal spending, would they send me a bill that is \$4 billion over my \$52.5 billion request?

If the Congress really wanted to stop fraud and abuse in Federal programs like Medicaid, would they appropriate more money for it this year than they did last year without any reform?

If the Congress really wanted to end duplication and overlap in Federal activities, would they continue all of these narrow programs this year -- at higher funding levels than last year?

If the Congress really wanted to cut the deficit and ease the burden on the taxpayer, would they ignore serious reform proposals?

The resounding answer to all of these questions is no.

FUNDED BY THESE APPROPRIATIONS
The program all have good intentions. Most of these programs are serving the public well. Indeed, my budget for these same purposes totaled \$52.5 billion, providing an increase since 1970 that is 75% greater than the rate of



growth in the Federal budget as a whole. But my proposals also included substantial reforms in the major areas covered by these appropriations.

We cannot ask the taxpayers to accept even greater increases without a commitment to serious reform. I do not believe the people want more business as usual. I do believe the people want the reforms I have proposed which would target the dollars on those in real need while reducing Federal interference in our daily lives and returning more decision-making freedom to State and local levels where it belongs.

I urge the Congress to enact immediately ^{my} budget proposals and to adopt my program reforms.



D R A F T

I return without my approval H.R. 14232, the Departments of Labor, and Health, Education and Welfare Appropriations Act, 1977.

This bill epitomizes what is wrong with the Congress--there is no relationship between what they say and what they do.

The Congress says it cares about cutting inflation and controlling Federal spending.

The Congress says it wants to stop fraud and abuse in Federal programs.

The Congress says it wants to end duplication and overlap in Federal activities.

The Congress says it wants to cut the deficit and ease the burden on the taxpayer.

But when you examine this bill carefully you discover that what the Congress says has very little to do with what the Congress does.

If the Congress really cared about cutting inflation and controlling Federal spending, would they send me a bill that is \$4 billion over my \$52.5 billion request?

If the Congress really wanted to stop fraud and abuse in Federal programs like Medicaid, would they appropriate more money for it this year than they did last year without any reform?



If the Congress really wanted to end duplication and overlap in Federal activities, would they continue all of these ^{many} programs this year--at higher funding levels than last year?

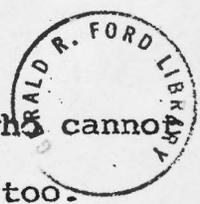
If the Congress really wanted to cut the deficit and ease the burden on the taxpayer, would they ignore ~~my~~ my reform proposals?

The resounding answer to all of these questions is no.

It is time that the Congress stop trying to equate more dollars with more compassion. It is time that the Congress face up to the need to target the taxpayers' hard earned dollars on those who need and deserve our help. It is time that the Congress say no to the special interest groups.

Just seven years ago, in 1970, the funds appropriated for these programs totaled \$19 billion. My request of \$52.5 billion would have provided ^{an increase} a ~~rate of growth~~ for these programs ^{since 1970 that is 75% greater than} ~~over this period nearly twice as fast as~~ the rate of growth in the ~~rest of the~~ Federal budget; ^{as a whole} ~~nearly twice as fast as~~ ^{much} the rate of growth in our gross national product and more than three times the rate of inflation.

I believe strongly in compassionate concern for those who cannot help themselves but I have compassion for the taxpayer too. And my sense of compassion says we shouldn't ask the taxpayers to spend their money for a tangled mess of programs and we shouldn't ask them to spend more money on programs that the



If the Congress really wanted to end duplication and overlap in Federal activities, would they continue all of these programs this year--at higher funding levels than last year?

If the Congress really wanted to cut the deficit and ease the burden on the taxpayer, would they ignore ~~all of~~ my reform proposals?

The resounding answer to all of these questions is no.

It is time that the Congress stop trying to equate more dollars with more compassion. It is time that the Congress face up to the need to target the taxpayers' hard earned dollars on those who need and deserve our help. It is time that the Congress say no to the special interest groups.

Just seven years ago, in 1970, the funds appropriated for these programs totaled \$19 billion. My request of \$52.5 billion would have provided a rate of growth for these programs over this period nearly twice as fast as the rate of growth in the rest of the Federal budget; nearly twice as fast as the rate of growth in our gross national product and more than three times the rate of inflation.

I believe strongly in compassionate concern for those who cannot help themselves but I have compassion for the taxpayer too.

And my sense of compassion says we shouldn't ask the taxpayers to spend their money for a tangled mess of programs and we shouldn't ask them to spend more money on programs that the

Congress itself has shown to be scandal ridden.

This bill is a travesty. It masquerades under the banner of compassion, but it is nothing more than the "business as usual" approach that has given the Congress the lowest rating in the public opinion polls in recent memory.

I do not believe the people want more business as usual. I do believe the people want the reforms I have proposed which would target the dollars on those in real need while reducing Federal interference in ~~their~~^{our} daily lives and returning more decision-making freedom to State and local levels where it belongs.

I urge the Congress to enact immediately my budget proposals and to adopt my program reforms.

To: Johnson
9-23-76
9:15 a.m.

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

SEP 22 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14232 - Departments of Labor
and Health, Education, and Welfare and Related
Agencies Appropriation Act, 1977
Sponsor - Rep. Flood (D), Pennsylvania

Last Day for Action

September 29, 1976 - Wednesday

Purpose

Appropriates for activities of two cabinet departments—Labor and Health, Education, and Welfare—and other related agencies, \$56,381,379,575 for fiscal year 1977 and advance funding of \$116,628,000 for fiscal year 1978 and \$120,200,000 for fiscal year 1979.

Agency Recommendations

Office of Management and Budget	Disapproval (draft veto statement attached)
Department of Health, Education, and Welfare	Disapproval (informally)
Department of Labor	Approval (informally)

Discussion

Approved by a vote of 279-100 in the House and a voice vote in the Senate, the enrolled bill provides a total net increase of \$3,988 million--\$3,921 million in 1977, \$37 million in 1978, and \$30 million in 1979--above your budget authority requests. These changes increase spending in 1977 by \$1,684 million and in 1978 by \$1,780 million.



The following compares the enrolled bill with House and Senate appropriations subcommittee allocations under the first concurrent resolution on the Budget. Appropriations subcommittee allocations have not been worked out for the recently passed second concurrent resolution.

ATTACHMENT

TO THE HOUSE OF REPRESENTATIVES

I return without my approval H.R. 14232, the Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1977.

This bill epitomizes what is wrong with the Congress.

The Congress says it cares about cutting inflation and controlling Federal spending.

The Congress says it wants to stop fraud and abuse in Federal programs.

The Congress says it wants to end duplication and overlap in Federal activities.

The Congress says it wants to end taxpayer subsidies to the undeserving so the taxpayers can spend more of their own money.

But when you get to the bottom line of this bill you find out what the Congress means -- and it doesn't have anything to do with what they say.

If the Congress really cared about inflation and about the great damage inflation does to all Americans -- particularly the aged and the poor -- they wouldn't send me a bill that is \$4 billion over the budget request.



If the Congress really wanted to end fraud and abuse in Federal programs they would connect their rhetoric to their actions and enact the major reforms I have proposed.

If the Congress really wanted to end the duplication and overlap in Federal programs they would legislate the consolidation proposals that I sent to them last spring.

If the Congress really wanted to keep the undeserving out of the Federal Treasury they would adopt my proposals for change.

But they haven't done any of these things. In the mistaken notion that more dollars mean more compassion, they have simply put more money in virtually every program basket.

My 1977 budget requests for the programs in this bill totalled \$52.5 billion. Funding for these programs has been rising at an enormous rate. In January 1970, the Congress sustained a veto of the 1970 Labor-HEW appropriation bill and approved a bill that provided \$19 billion. My requests for 1977, just seven years later, represent an increase of more than 175 percent. In that same period, the budget as a whole has increased a little over 100 percent. At the same time the inflation rate rose about 55 percent and the gross national product grew by 92 percent.

Nevertheless, the Congress has added \$4 billion to this bill -- making the Labor-HEW appropriations very nearly three times what they were just seven years ago.

This \$4 billion increase is not properly measured as an increase in the \$52.5 billion request. Most of that request was for mandatory programs. Virtually all the \$4 billion add-on was applied to \$13.9 billion in requests for programs which can be controlled. This is an increase of 28 percent for the discretionary programs in the bill.

These are the very programs that add to the size of government and its administrative burden.

It is not surprising that the American people are demanding that government lift the dead weight of bureaucracy and regulation.

It is surprising that Congress does not heed these demands.

This bill not only continues the same old Washington-controlled categorical programs, it adds to their size. It ignores the proposals in my health and education block grant proposals to make States and local governments partners with the Federal Government. It rejects my proposals to make these programs more rational and more responsive to real needs.



The bill does not hold down the size of government; it adds more Federal workers. It does not stop the growing web of Federal rules, it encourages their use.

I cannot accept this bill in its present form. I urge the Congress to act immediately to provide funding levels that are in line with my budget requests and to accept the program reforms that I recommended in January.



TO THE HOUSE OF REPRESENTATIVES:

Just before adjourning for the final weeks of the election campaign, the Congress has sent me H.R. 14232, the Departments of Labor, and Health, Education, and Welfare appropriations for fiscal year 1977 which begins October 1. This last and second largest of the major Federal appropriation bills to be considered by this Congress is a perfect example of the triumph of election-year politics over fiscal restraint and responsibility to the hard-pressed American taxpayer.

Contained in this bill are appropriations for numerous essential domestic programs which have worthy purposes. My budget for these purposes totaled \$52.5 billion, \$700 million more than this year. Since 1970 expenditures for these programs have increased at a rate 75% greater than the rate of growth in the overall Federal Budget. Therefore, my 1977 proposals included substantial reforms in the major areas covered by these appropriations designed to improve their efficiency and reduce the growth of Federal bureaucracy and red tape.

The majority in control of this Congress has ignored my reform proposals and added nearly \$4 billion in additional spending onto these programs.

The partisan political purpose of this bill is patently clear. It is to present me with the choice of vetoing these inflationary increases and appearing heedless of the human needs which these Federal programs were intended to meet, or to sign the measure and demonstrate inconsistency with my previous anti-inflationary vetoes on behalf of the American taxpayer.

It is to present me with the dilemma of offending the voting groups who benefit by these government programs, or offending those primarily concerned with certain restrictions embodied in the bill.

Delivered to House: 9/29/76 (7:00pm)

(Stencilled)



I am sympathetic to the purposes of most of these programs. I agree with the restriction on the use of Federal funds for abortion. My objection to this legislation is based purely and simply on the issue of fiscal integrity.

I believe the American people are wiser than the Congress thinks. They know that compassion on the part of the Federal Government involves more than taking additional cash from their paychecks. They know that inflationary spending and larger deficits must be paid for not only by all Federal taxpayers but by every citizen, including the poor, the unemployed, the retired persons on fixed incomes, through the inevitable reduction in the purchasing power of their dollars.

I believe strongly in compassionate concern for those who cannot help themselves, but I have compassion for the taxpayer, too. My sense of compassion also says that we shouldn't ask the taxpayers to spend their money for a tangled mess of programs that the Congress itself has shown all too often to be wasteful and inefficient -- programs which all too often fail to really help those in need.

The Congress says it cares about cutting inflation and controlling Federal spending.

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If the Congress really wanted to stop fraud and abuse in Federal programs like Medicaid, would it appropriate more money this year than it did last year without any reform?



If the Congress really wanted to end duplication and overlap in Federal activities, would it continue all of these narrow programs this year -- at higher funding levels than last year?

If the Congress really wanted to cut the deficit and ease the burden on the taxpayer, would it ignore serious reform proposals?

The resounding answer to all of these questions is no.

Our longtime ally, Great Britain, has now reached a critical point in its illustrious history. The British people must now make some very painful decisions on government spending. As Prime Minister Callaghan courageously said just yesterday, "Britain for too long has lived on borrowed time, borrowed money and borrowed ideas. We will fail if we think we can buy our way out of our present difficulties by printing confetti money and by paying ourselves more than we earn."

I cannot ask American taxpayers to accept unwarranted spending increases without a commitment to serious reform. I do not believe the people want more bureaucratic business as usual. I believe the people want the reforms I have proposed which would target the dollars on those in real need while reducing Federal interference in our daily lives and returning more decision-making freedom to State and local levels where it belongs.

I therefore return without my approval H.R. 14323, and urge the Congress to enact immediately my budget proposals and to adopt my program reforms.

Ronald R. Ford

THE WHITE HOUSE,
September 29, 1976



TO THE HOUSE OF REPRESENTATIVES:

Just before adjourning for the final weeks of the election campaign, the Congress has sent me H.R. 14232, the Departments of Labor, and Health, Education, and Welfare appropriations for fiscal year 1977 which begins October 1. This last and second largest of the major Federal appropriation bills to be considered by this Congress is a perfect example of the triumph of election-year politics over fiscal restraint and responsibility to the hard-pressed American taxpayer.

Contained in this bill are appropriations for numerous essential domestic programs which have worthy purposes. My budget for these purposes totaled \$52.5 billion, \$700 million more than this year. Since 1970 expenditures for these programs have increased at a rate 75% greater than the rate of growth in the overall Federal Budget. Therefore, my 1977 proposals included substantial reforms in the major areas covered by these appropriations designed to improve their efficiency and reduce the growth of Federal bureaucracy and red tape.

The majority in control of this Congress has ignored my reform proposals and added nearly \$4 billion in additional spending onto these programs.

The partisan political purpose of this bill is patently clear. It is to present me with the choice of vetoing these inflationary increases and appearing heedless of the human needs which these Federal programs were intended to meet, or to sign the measure and demonstrate inconsistency with my previous anti-inflationary vetoes on behalf of the American taxpayer.

It is to present me with the dilemma of offending the voting groups who benefit by these government programs, or offending those primarily concerned with certain restrictions embodied in the bill.



(Good Copy)
(STENCILED)

I am sympathetic to the purposes of most of these programs. I agree with the restriction on the use of Federal funds for abortion. My objection to this legislation is based purely and simply on the issue of fiscal integrity.

I believe the American people are wiser than the Congress thinks. They know that compassion on the part of the Federal Government involves more than taking additional cash from their paychecks. They know that inflationary spending and larger deficits must be paid for not only by all Federal taxpayers but by every citizen, including the poor, the unemployed, the retired persons on fixed incomes, through the inevitable reduction in the purchasing power of their dollars.

I believe strongly in compassionate concern for those who cannot help themselves, but I have compassion for the taxpayer, too. My sense of compassion also says that we shouldn't ask the taxpayers to spend their money for a tangled mess of programs that the Congress itself has shown all too often to be wasteful and inefficient -- programs which all too often fail to really help those in need.

The Congress says it cares about cutting inflation and controlling Federal spending.

The Congress says it wants to stop fraud and abuse in Federal programs.

The Congress says it wants to end duplication and overlap in Federal activities.

But when you examine this bill carefully you discover that what the Congress says has very little to do with what the Congress does.

If the Congress really cared about cutting inflation and controlling Federal spending, would it send me a bill that is \$4 billion over my \$52.5 billion request?

If the Congress really wanted to stop fraud and abuse in Federal programs like Medicaid, would it appropriate more money this year than it did last year without any reform?

If the Congress really wanted to end duplication and overlap in Federal activities, would it continue all of these narrow programs this year -- at higher funding levels than last year?

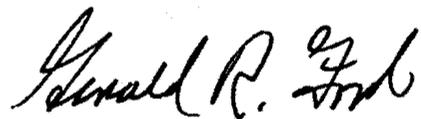
If the Congress really wanted to cut the deficit and ease the burden on the taxpayer, would it ignore serious reform proposals?

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Our longtime ally, Great Britain, has now reached a critical point in its illustrious history. The British people must now make some very painful decisions on government spending. As Prime Minister Callaghan courageously said just yesterday, "Britain for too long has lived on borrowed time, borrowed money and borrowed ideas. We will fail if we think we can buy our way out of our present difficulties by printing confetti money and by paying ourselves more than we earn."

I cannot ask American taxpayers to accept unwarranted spending increases without a commitment to serious reform. I do not believe the people want more bureaucratic business as usual. I believe the people want the reforms I have proposed which would target the dollars on those in real need while reducing Federal interference in our daily lives and returning more decision-making freedom to State and local levels where it belongs.

I therefore return without my approval H.R. 14323, and urge the Congress to enact immediately my budget proposals and to adopt my program reforms.



THE WHITE HOUSE,
September 29, 1976



Doug Smith

TO THE HOUSE OF REPRESENTATIVES

I return without my approval H. R. 14232, the Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1977.

This bill epitomizes what is wrong with this Congress.

The Congress says it cares about cutting inflation and controlling Federal spending.

The Congress says it wants to stop fraud and abuse in Federal programs.

The Congress says it wants to end duplication and overlap in Federal activities.

The Congress says it wants to end taxpayer subsidies to the undeserving so the taxpayers can spend more of their own money.

But when you get to the bottom line of this bill you find out what the Congress means -- and it doesn't square with what they say.

If the Congress really cared about inflation and about the great damage inflation does to all Americans -- particularly the aged and the poor -- they wouldn't send me a bill that is \$4 billion over the budget request.



If the Congress really wanted to end the duplication and overlap in Federal programs they would have included in this legislation the consolidation proposals that I sent to them last spring.

The Congress has not accomplished any of these noble deeds. Instead, in the mistaken notion that more dollars spent mean more compassion, they have simply put more money in virtually every program basket.

My 1977 budget requests for the programs in this bill totalled \$52.5 billion. Ignoring my attempt to keep spending in line with the inflationary trend, the Congress has added \$4 billion to this bill -- making the Labor-HEW appropriations very nearly three times what they were just 10 years ago.

More important, this \$4 billion increase is not fairly measured as an increase in the \$52.5 billion request alone. Most of that request was for mandatory programs whereas virtually all the \$4 billion add-on was applied to \$13.9 billion in requests for programs which can be controlled.

This amounts to an increase of 28 percent for the discretionary programs in the bill in this gross budget alone.

These are the very programs that add to the size of government and its administrative burden.

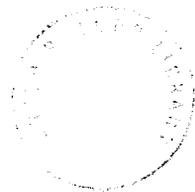


It is not surprising that the American people are demanding that government lift the dead weight of bureaucracy and regulation. It is incredible that Congress does not heed these demands.

This bill not only continues the same old bureaucratically-controlled categorical programs, but it adds to their size. It ignores the proposals in my health and education block grant proposals to make States and local governments partners with the Federal Government. It rejects my proposals to make these programs more rational and more responsive to real needs.

The bill does not hold down the size of government; it adds more Federal workers. It does not stop the growing web of Federal rules; it encourages their use.

I refuse to be a party to such irresponsible spending practices, and cannot accept this bill in its present form. I urge the Congress to act immediately to provide funding levels that are in line with my budget requests and to accept the program reforms that I recommended in January.



ATTACHMENT

TO THE HOUSE OF REPRESENTATIVES

I return without my approval H.R. 14232, the Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1977.

This bill epitomizes what is wrong with the Congress.

The Congress says it cares about cutting inflation and controlling Federal spending.

The Congress says it wants to stop fraud and abuse in Federal programs.

The Congress says it wants to end duplication and overlap in Federal activities.

The Congress says it wants to end taxpayer subsidies to the undeserving so the taxpayers can spend more of their own money.

But when you get to the bottom line of this bill you find out what the Congress means -- and it doesn't have anything to do with what they say.

If the Congress really cared about inflation and about the great damage inflation does to all Americans -- particularly the aged and the poor -- they wouldn't send me a bill that is \$4 billion over the budget request.



*Back up
C. Q. Adams
Pg. 2476*

If the Congress really wanted to end fraud and abuse in Federal programs they would connect their rhetoric to their actions and enact the major reforms I have proposed.

If the Congress really wanted to end the duplication and overlap in Federal programs they would legislate the consolidation proposals that I sent to them last spring.

If the Congress really wanted to keep the undeserving out of the Federal Treasury they would adopt my proposals for change.

But they haven't done any of these things. In the mistaken notion that more dollars mean more compassion, they have simply put more money in virtually every program basket.

My 1977 budget requests for the programs in this bill totalled \$52.5 billion. Funding for these programs has been rising at an enormous rate. In January 1970, the Congress sustained a veto of the 1970 Labor-HEW appropriation bill and approved a bill that provided \$19 billion. My requests for 1977, just seven years later, represent an increase of more than 175 percent. In that same period, the budget as a whole has increased a little over 100 percent. At the same time the inflation rate rose about 55 percent and the gross national product grew by 92 percent.

Calvin
M. 133
1970



Nevertheless, the Congress has added \$4 billion to this bill --
making the Labor-HEW appropriations very nearly three times
what they were just seven years ago.

This \$4 billion increase is not properly measured as an increase
in the \$52.5 billion request. Most of that request was for
mandatory programs. Virtually all the \$4 billion add-on was
applied to \$13.9 billion in requests for programs which can
be controlled. This is an increase of 28 percent for the
discretionary programs in the bill.

These are the very programs that add to the size of government
and its administrative burden.

It is not surprising that the American people are demanding
that government lift the dead weight of bureaucracy and
regulation.

It is surprising that Congress does not heed these demands.

This bill not only continues the same old Washington-controlled
categorical programs, it adds to their size. It ignores the
proposals in my health and education block grant proposals to
make States and local governments partners with the Federal
Government. It rejects my proposals to make these programs
more rational and more responsive to real needs.



The bill does not hold down the size of government; it adds more Federal workers. It does not stop the growing web of Federal rules, it encourages their use.

I cannot accept this bill in its present form. I urge the Congress to act immediately to provide funding levels that are in line with my budget requests and to accept the program reforms that I recommended in January.



The attached is the last
& final good material
regarding the veto message

— per R. Linden 9/29/76 5:30 pm

TO THE HOUSE OF REPRESENTATIVES:

Just before adjourning for the final weeks of the election campaign, the Congress has sent me H.R. 14232, the Departments of Labor, and Health, Education, and Welfare appropriation for fiscal year 1977 which begins October 1. This last and second largest of the major Federal appropriations bills to be considered by this Congress is a perfect example of the triumph of ~~partisan~~ election-year politics over fiscal restraint and responsibility to the hard-pressed American taxpayer.

Contained in this bill are appropriations for numerous essential domestic programs which have worthy purposes. ~~and~~ ~~affect millions of citizens.~~ My budget for these purposes totals ^{ed} \$52.5 billion, ^{\$ 70 million more than this year.} providing an increase since 1970 ^{expenditures} ~~that~~ ^{for these programs have increased at a rate} 75% greater than the rate of growth in the Federal Budget ^{overall} ~~as a whole~~ ^{therefore} ~~and~~ my proposals ~~also~~ included substantial reforms in the major areas covered by these appropriations designed to improve their efficiency and reduce the growth of Federal bureaucracy and red tape.

The majority in control of this Congress has ignored my reform proposals and ^{added} ~~loaded~~ nearly \$4 billion in additional spending onto these ~~popular~~ programs.

The partisan political purpose of this bill is patently clear. It is to present me with the choice of vetoing these inflationary increases and appearing heedless of the human needs which these Federal programs were intended to meet, or to sign the measure and demonstrate inconsistency with my previous anti-inflationary vetoes on behalf of the American taxpayer.

It is to present me with the dilemma of offending the voting groups who benefit by these government programs, or offending those primarily concerned with certain restrictions embodied in the bill.



~~While~~ I am ~~generally~~ sympathetic to the purposes of most of these programs, ^{agree with} ~~and to~~ the restriction on the use of Federal funds for abortion, ~~My~~ objection to this legislation is based purely and simply on the issue of fiscal integrity.

I believe the American people are wiser than the Congress thinks. They know that compassion on the part of the Federal Government involves more than taking additional cash from their paychecks. They know that inflationary spending and larger deficits must be paid for not only by all Federal taxpayers but by every citizen, including the poor, the unemployed, the retired persons on fixed incomes, through the inevitable reduction in the purchasing power of their dollars.

I believe strongly in compassionate concern for those who cannot help themselves, but I have compassion for the taxpayer, too. My sense of compassion also says that we shouldn't ask the taxpayers to spend their money for a tangled mess of programs that the Congress itself has shown all too often to be wasteful and inefficient -- programs which all too often fail to really help those in need.

The Congress says it cares about cutting inflation and controlling Federal spending.

The Congress says it wants to stop fraud and abuse in Federal programs.

The Congress says it wants to end duplication and overlap in Federal activities.

But when you examine this bill carefully you discover that what the Congress says has very little to do with what the Congress does.

If the Congress really cared about cutting inflation and controlling Federal spending, would ~~they~~ ^{it} send me a bill that is \$4 billion over my \$52.5 billion request?

If the Congress really wanted to stop fraud and abuse in Federal programs like Medicaid, would ~~it~~ ^{it} appropriate more money ~~for it~~ ^{it} this year than they did last year without any reform?



If the Congress really wanted to end duplication and overlap in Federal activities, would ~~it~~ continue all of these narrow programs this year -- at higher funding levels than last year?

If the Congress really wanted to cut the deficit and ease the burden on the taxpayer, would ~~it~~ ignore serious reform proposals?

The resounding answer to all of these questions is no.

Change

Our Long Time Ally, Great Britain, Has Now Reached A
~~The British people are today experiencing the result~~
Critical point in its illustrious history. The British people must
~~of saying "yes" to every social spending proposal that has~~
Now make some very painful decisions on government spending.
~~come along for many years. As Prime Minister Callaghan said~~ *courageously*
~~just yesterday, "Britain for too long has lived on borrowed~~ *completely*
 time, borrowed money and borrowed ideas. We will fail if we
 think we can buy our way out of our present difficulties by
 printing confetti money and by paying ourselves more than we
 earn."

I cannot ask American taxpayers to accept unwarranted spending increases without a commitment to serious reform. I do not believe the people want more bureaucratic business as usual. I believe the people want the reforms I have proposed which would target the dollars on those in real need while reducing Federal interference in our daily lives and returning more decision-making freedom to State and local levels where it belongs.

I therefore return without my approval H.R. 14323, and urge the Congress to enact immediately my budget proposals and to adopt my program reforms.

THE WHITE HOUSE,



TO THE HOUSE OF REPRESENTATIVES:

Just before adjourning for the final weeks of the election campaign, the Congress has sent me H.R. 14232, the Departments of Labor, and Health, Education, and Welfare appropriation for fiscal year 1977 which begins October 1. This last and second largest of the major Federal appropriations bills to be considered by this Congress is a perfect example of the triumph of ~~partisan~~ election-year politics over fiscal restraint and responsibility to the hard-pressed American taxpayer.

Contained in this bill are appropriations for numerous essential domestic programs which have worthy purposes, and ~~affect millions of citizens.~~ My budget for these purposes

totals \$52.5 billion, ^{\$700 million more than this year} providing an increase Since 1970

for these programs have increased at a rate 75% greater than the rate of growth in the overall expenditures

~~as a whole.~~ ^{Therefore,} ¹⁹⁷⁷ proposals also included substantial reforms in the major areas covered by these appropriations designed to improve their efficiency and reduce the growth of Federal bureaucracy and red tape.

The majority in control of this Congress has ignored my reform proposals and ^{added} ~~loaded~~ nearly \$4 billion in additional spending ~~onto~~ ^{into} these popular programs.

The partisan political purpose of this bill is patently clear. It is to present me with the choice of vetoing these inflationary increases and appearing heedless of the human needs which these Federal programs were intended to meet, or to sign the measure and demonstrate inconsistency with my previous anti-inflationary vetoes on behalf of the American taxpayer.

It is to present me with the dilemma of offending the voting groups who benefit by these government programs, or offending those primarily concerned with certain restrictions embodied in the bill.



~~While~~ I am ~~generally~~ sympathetic to the purposes of most of these programs, ^{I agree with} ~~and~~ to the restriction on the use of Federal funds for abortion. ^{My} objection to this legislation is based purely and simply on the issue of fiscal integrity.

I believe the American people are wiser than the Congress thinks. They know that compassion on the part of the Federal Government involves more than taking additional cash from their paychecks. They know that inflationary spending and larger deficits must be paid for not only by all Federal taxpayers but by every citizen, including the poor, the unemployed, the retired persons on fixed incomes, through the inevitable reduction in the purchasing power of their dollars.

I believe strongly in compassionate concern for those who cannot help themselves, but I have compassion for the taxpayer, too. My sense of compassion also says that we shouldn't ask the taxpayers to spend their money for a tangled mess of programs that the Congress itself has shown all too often to be wasteful and inefficient -- programs which all too often fail to really help those in need.

The Congress says it cares about cutting inflation and controlling Federal spending.

The Congress says it wants to stop fraud and abuse in Federal programs.

The Congress says it wants to end duplication and overlap in Federal activities.

But when you examine this bill carefully you discover that what the Congress says has very little to do with what the Congress does.

If the Congress really cared about cutting inflation and controlling Federal spending, would ^{it} ~~they~~ send me a bill that is \$4 billion over my \$52.5 billion request?

If the Congress really wanted to stop fraud and abuse in Federal programs like Medicaid, would ^{it} ~~they~~ appropriate more money ~~for~~ this year than ^{it} ~~they~~ did last year without any reform?



If the Congress really wanted to end duplication and overlap in Federal activities, would ~~they~~ ^{we} continue all of these narrow programs this year -- at higher funding levels than last year?

If the Congress really wanted to cut the deficit and ease the burden on the taxpayer, would ~~they~~ ^{we} ignore serious reform proposals?

The resounding answer to all of these questions is no.

(A) ~~The British people are today experiencing the result of saying "yes" to every social spending proposal that has come along for many years.~~ As Prime Minister Callaghan ^{Courageously} said just yesterday, "Britain for too long has lived on borrowed time, borrowed money and borrowed ideas. We will fail if we think we can buy our way out of our present difficulties by printing confetti money and by paying ourselves more than we earn."

I cannot ask American taxpayers to accept unwarranted spending increases without a commitment to serious reform. I do not believe the people want more bureaucratic business as usual. I believe the people want the reforms I have proposed which would target the dollars on those in real need while reducing Federal interference in our daily lives and returning more decision-making freedom to State and local levels where it belongs.

I therefore return without my approval H.R. 14323, and urge the Congress to enact immediately my budget proposals and to adopt my program reforms.

(A) Our long ally, Great Britain, has now reached a critical point in its illustrious history. The British people must now make some very painful decisions on government spending.

THE WHITE HOUSE,

THE WHITE HOUSE
WASHINGTON

9/29/76 5:30 pm

The attached material (3 sets)
represents preliminary versions
of the Vets message leading
up to the final good
version and is not any
good now

— per R Zander today!



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While I am generally sympathetic to the purposes of most of these programs and to the restriction on the use of Federal funds for abortion, my objection to this legislation is based purely and simply on the issue of fiscal integrity.

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Revised
11/1/76

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Mr. Linder

9/29

10:30 a.m.

Carres. has for typing —

Vets Message

N.L. 14232

To the House of Representatives: *[Signature]*

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A large, stylized handwritten signature in black ink, appearing to be 'R. A. ...' with a large flourish.

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