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February 13, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE HOUSE OF REPRESENTATIVES:

I am returning without my approval H.R. 5247, the Public Works Employment Act of 1975.

Supporters of this bill claim that it represents a solution to the problem of unemployment. This is simply untrue.

The truth is that this bill would do little to create jobs for the unemployed. Moreover, the bill has so many deficiencies and undesirable provisions that it would do more harm than good. While it is represented as the solution to our unemployment problems, in fact it is little more than an election year pork barrel. Careful examination reveals the serious deficiencies in H.R. 5247.

First, the cost of producing jobs under this bill would be intolerably high, probably in excess of \$25,000 per job.

Second, relatively few new jobs would be created. The bill's sponsors estimate that H.R. 5247 would create 600,000 to 800,000 new jobs. Those claims are badly exaggerated. Our estimates within the Administration indicate that at most some 250,000 jobs would be created -- and that would be over a period of several years. The peak impact would come in late 1977 or 1978, and would come to no more than 100,000 to 120,000 new jobs. This would represent barely a one tenth of one percent improvement in the unemployment rate.

Third, this will create almost no new jobs in the immediate future, when those jobs are needed. With peak impact on jobs in late 1977 or early 1978, this legislation will be adding stimulus to the economy at precisely the wrong time: when the recovery will already be far advanced.

Fourth, Title II of the bill provides preferential treatment to those units of government with the highest taxes without any distinction between those jurisdictions which have been efficient in holding down costs and those that have not.

Fifth, under this legislation it would be almost impossible to assure taxpayers that these dollars are being responsibly and effectively spent.

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Effective allocation of over \$3 billion for public works on a project-by-project basis would take many months or years. The provision that project requests be approved automatically unless the Commerce Department acts within 60 days will preclude any useful review of the requests, and prevent a rational allocation of funds.

Sixth, this bill would create a new urban renewal program less than two years after the Congress replaced a nearly identical program -- as well as other categorical grant programs -- with a broader, more flexible Community Development block grant program.

I recognize there is merit in the argument that some areas of the country are suffering from exceptionally high rates of unemployment and that the Federal Government should provide assistance. My budgets for fiscal years 1976 and 1977 do, in fact, seek to provide such assistance.

Beyond my own budget recommendations, I believe that in addressing the immediate needs of some of our cities hardest hit by the recession, another measure already introduced in the Congress, H.R. 11860, provides a far more reasonable and constructive approach than the bill I am vetoing.

H.R. 11860 targets funds on those areas with the highest unemployment so that they may undertake high priority activities at a fraction of the cost of H.R. 5247. The funds would be distributed exclusively under an impartial formula as opposed to the pork barrel approach represented by the bill I am returning today. Moreover, H.R. 11860 builds upon the successful Community Development Block Grant program. That program is in place and working well, thus permitting H.R. 11860 to be administered without the creation of a new bureaucracy. I would be glad to consider this legislation more favorably should the Congress formally act upon it as an alternative to H.R. 5247.

We must not allow our debate over H.R. 5247 to obscure one fundamental point: the best and most effective way to create new jobs is to pursue balanced economic policies that encourage the growth of the private sector without risking a new round of inflation. This is the core of my economic policy, and I believe that the steady improvements in the economy over the last half year on both the unemployment and inflation fronts bear witness to its essential wisdom. I intend to continue this basic approach because it is working.

My proposed economic policies are expected to foster the creation of 2 to 2.5 million new private sector jobs in 1976 and more than 2 million additional jobs in 1977. These will be lasting, productive jobs, not temporary jobs payrolled by the American taxpayer.

This is a policy of balance, realism, and common sense. It is an honest policy which does not promise a quick fix.

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My program includes:

-- Large and permanent tax reductions that will leave more money where it can do the most good: in the hands of the American people;

-- Tax incentives for the construction of new plants and equipment in areas of high unemployment;

-- Tax incentives to encourage more low and middle income Americans to invest in common stock;

-- More than \$21 billion in outlays for important public works such as energy facilities, wastewater treatment plants, roads, and veterans' hospitals representing a 17 percent increase over the previous fiscal year;

-- Tax incentives for investment in residential mortgages by financial institutions to stimulate capital for home building.

I have proposed a Budget which addresses the difficult task of restraining the pattern of excessive growth in Federal spending. Basic to job creation in the private sector is reducing the ever-increasing demands of the Federal government for funds. Federal government borrowing to support deficit spending reduces the amount of money available for productive investment at a time when many experts are predicting that we face a shortage of private capital in the future. Less investment means fewer new jobs and less production per worker.

Last month, under our balanced policies, seasonally adjusted employment rose by 800,000. That total is almost three times as large as the number of jobs that would be produced by this legislation and the jobs those men and women found will be far more lasting and productive than would be created through another massive public works effort.

I ask the Congress to act quickly on my tax and budget proposals, which I believe will provide the jobs for the unemployed that we all want.

GERALD R. FORD

THE WHITE HOUSE,

February 13, 1976.

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February 13, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

BACKGROUND INFORMATION

REASONS FOR THE PRESIDENT'S VETO
TO H.R. 5247, THE
"PUBLIC WORKS EMPLOYMENT ACT OF 1975"

Summary of Reasons for the Veto:

The President opposes this bill for the following principal reasons:

- It would not be effective in creating jobs for the unemployed.
- . Relatively few new jobs would be created. The estimates by the bill's sponsors that it will create 600,000 to 800,000 jobs are not supportable. A more realistic estimate is a total of 250,000 person-years of employment spread over a number of years, with a peak impact of only 100,000 to 120,000 jobs.
- . By comparison, the employment statistics for January 1976 showed a one month increase in employment of 800,000, and a reduction of over 450,000 in the number of unemployed in the labor force.
- . Most of the relatively small number of new jobs produced by these programs would come in late 1977 and 1978, not now. Because public works projects are notoriously slow in creating jobs, the peak impact would occur in late 1977 or in 1978, when the economy will be well along the road to full recovery and the added stimulus is likely to be counterproductive.
- . The cost to the taxpayers of producing jobs under this bill would be unreasonably high, probably in excess of \$25,000 per year of employment.
- . Many of the jobs funded under this bill would simply replace jobs funded from other sources, without a real increase in employment.
- . Excessive Federal spending as represented by this kind of bill can close the door on reducing income taxes of families and businesses, which is a far more effective way of stimulating the economy and investment and creating good jobs, both in construction and in the production of goods and services.
- . This bill will contribute significantly to excessive Federal deficits, which draw capital resources away from the private sector, due to increased Federal borrowing, and inhibit the growth of private employment which is needed to sustain economic prosperity.

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- The direct cash assistance to State and local governments under Title II of the bill would provide undesirable incentives and is inequitable.
 - . It addresses the cyclical problems of State and local governments just at the time when those problems are beginning to abate, and when, generally, the revenues of those governments will be rising faster than their expenditures.
 - . It gives preference to those with the highest taxes and the biggest budgets, without any distinction between those jurisdictions which have and those which haven't been efficient in holding down costs. This could weaken incentives to improve government productivity and end low-priority spending.
- The proposed public works programs would result in a poor allocation of capital resources.
 - . Unlike construction in the private sector, public works construction does not add to the tax base of the communities.
 - . Although it won't speed up the creation of jobs, the premium on speed in obligating the funds will encourage many to apply for money for projects which are of low community priority but which can be quickly packaged into a grant request.
 - . The 100% Federal funding of specific public works may encourage irresponsibility by State and local officials who would not have to account to their constituents for the construction of unnecessary or extravagant public facilities with Federal funds.
- The bill would authorize funding which would push Federal spending to even higher levels.
 - . 1977 spending could be increased by about \$2.5 billion. 1978 spending could grow by over \$1 billion, and spending in 1979 and beyond would be increased by another \$1.5 billion or more.
 - . Although over 90% of the outlays from the bill would occur after fiscal year 1976, Congress has proposed this without considering the total budget picture for 1977 and beyond. Congress has not identified acceptable program reductions that could offset the cost increases of this bill.
- Much of the bill is completely unrelated to current unemployment problems.
 - . The allocation formula for Title II does not limit the grants to areas of very high unemployment. The rate of local taxation is a large part of the allocation formula.

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- . The \$1.4 billion increase for wastewater treatment facilities grants is not an anti-recession action. It would have no impact on jobs now. With the current legislation expiring, it is important that the Congress consider the Administration's proposals for program reforms before authorizing additional funds.
- . The \$100 million for an urban renewal program to be administered by the Commerce Department clearly would have no short-term impact.
- The bill would be almost impossible to administer effectively.
 - . Effective allocation of \$2.5 billion for Title I public works on a project-by-project basis would take many months or years.
 - . The provision that project requests be approved automatically unless the Commerce Department acts within 60 days will preclude any useful review of the requests, and prevent a rational allocation of funds.
 - . The bill extends the Job Opportunities program, which is almost impossible to administer effectively due to the complex process for allocating funds through other Federal agencies on a project-by-project basis.
 - . The provision in Title III to permit interest subsidy grants to private businesses provides no criteria for allocating this subsidy. It would be very difficult, if not impossible, to provide this subsidy only to those firms which need it in order to maintain or increase their employment levels.
- The bill would resurrect an ineffective urban renewal program in the Commerce Department.
 - . It would create a new categorical grant program for urban renewal less than two years after the Congress replaced a nearly identical program, and others, with the broader, more flexible Community Development block grant program.
 - . All activities and cities eligible under the proposed program already are eligible under the block grant program; the bill merely duplicates existing authorities.
 - . The Commerce Department has no experience with urban renewal, and is not equipped to effectively administer such a program.
 - . The current program of the Commerce Department to assist economic development activities in areas of chronically high unemployment or low income would be disrupted and distorted.
- The President has proposed realistic alternatives to overcome the unemployment problems and avoid a new round of inflation. These proposals will avoid the problems mentioned above.

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- . The 1976 Budget includes more than \$18 billion in outlays for important public works such as roads, energy facilities, wastewater treatment plants, and veterans' hospitals. The 1977 Budget will increase spending for these public works by more than \$3 billion, or nearly 17%. The spending level already included in the Budget for 1977 will finance public works that are really needed and which can be funded efficiently in the next 15 to 18 months.
- . Tax incentives are proposed for private construction initiated in the next year in areas of high unemployment which will result in much quicker and much more effective creation of jobs.
- . Renewal of the General Revenue Sharing program will permit State and local governments to maintain employment in basic services.
- . Additional permanent income tax reductions of over \$10 billion will permit a quick and major increase in take-home pay, in buying power and in private investment, all of which will create real, rewarding jobs in the private sector.
- . The 1977 Budget provides \$3.2 billion for Community Development block grants to States and local governments -- about \$450 million more than in 1976. These grants are allocated on the basis of relative need, and permit the States and local governments to carefully plan for the use of these funds.
- . Tax incentives are proposed for investment in residential mortgages by financial institutions, to stimulate capital for homes rather than for public monuments.
- . Tax incentives are proposed to induce broader ownership of common stock to stimulate investment which will provide long-term productive jobs, rather than increasing public, make-work jobs.
- . The President's economic policies are expected to foster the creation of 2 to 2.5 million additional jobs in 1977. This will include jobs for nearly one million of those now unemployed, as well as about 2.5 million jobs for workers who will be entering the labor force during this period.

In his veto message, the President indicated that he believes an alternative proposal before the Congress, H.R. 11860, represents a more reasonable approach in addressing the immediate needs of those areas of the country with exceptionally high unemployment rates.

- . Under H.R. 11860, the funds would be provided to communities with unemployment in excess of 8% and would provide them in direct proportion to unemployment beyond 8%. The program would be in effect only as long as national unemployment exceeds 7%.

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- . Also under H.R. 11860, funds would be provided for distribution each calendar quarter in an amount determined by multiplying \$15 million times each 1/10 of 1% by which unemployment in the next preceeding quarter exceeds 7%.
- . The Community Development Block Grant Program is already in place with an experienced staff and regulations and could be administered without the creation of a new bureaucracy and without the delay which would be encountered under H.R. 5247.
- . The program would fund eligible activities based on priorities identified by local governments as part of their community development programs.

The following paragraphs discuss several of the above points in more detail.

Public Works Construction Is Not Effective in Creating Jobs Quickly

The bulk of the funds that would be authorized by this bill would be used for public works, including \$2.5 billion for Title I, \$1.4 billion for EPA wastewater treatment facilities and \$600 million for other Commerce Department public works programs.

For more than four years the Economic Development Administration has been trying to find the fastest ways to create jobs through public works projects. This effort, the Public Works Impact Program (PWIP), has shown the difficulty of quickly creating jobs for the unemployed by funding public works.

The facts are as follows. During the year in which the funds are appropriated for accelerated public works, only 10% of the funds are actually spent. During the full second year after appropriations, half of the funds are used. And after four years, 10% of the funds are still not spent for the approved projects.

It is very time consuming for the Federal government to allocate a large amount of money on a project-by-project basis. Even with the small PWIP program, it has required about 9 months to allocate the funds to individual projects. It has taken about 17 months from the time of appropriation to get all of the approved projects under construction. And two years after appropriation of funds, only about 60% of the projects were completed.

Although Title I of the bill requires that the Commerce Department must approve or reject applications for funding within 60 days of receipt of the applications, this will not assure speedy allocation of these funds. The bill provides that appropriations may be provided at any time through the end of fiscal year 1977, which may delay

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allocations. Applications for funding may straggle in over a period of many months. Many of the initial applications might have to be rejected and resubmitted due to inadequate information. Accordingly, even with the 60 day approval or rejection requirement, it could take 18 months or longer to allocate all of the funds.

Once the funds are allocated, it can be expected that startup and construction of the projects will be no faster, and more likely slower, than the experience with PWIP projects.

Thus, we can expect that it would be late 1977 or early 1978 before all of the projects to be authorized by this bill will be under construction. It will be 1980 or later before all of the projects are completed.

Appendix A is a table that provides the most optimistic estimate of the speed with which the funds would be spent. It is likely to be more realistic to move most of these spending estimates to about one year later than shown on the table.

Estimate that 600,000 to 800,000 Jobs Would be Created is Unfounded

Sponsors of the bill have asserted that it would provide work for 600,000 to 800,000 people, primarily as a result of public works projects. This estimate is entirely unrealistic. A much more likely estimate is 250,000 years of employment over the next five years with a peak of about 100,000 to 120,000 in 1977 or early 1978.

When the House acted on its original bill to provide \$5 billion for public works grants, it was estimated by the Congress that it would produce about 250,000 jobs. We now have a \$6.3 billion bill, which includes \$1.5 billion in programs with almost no new job impact, and yet the employment estimates have suddenly increased by 320%.

Although there are no firm figures on jobs generated by construction, studies of employment in construction conducted by the Bureau of Labor Statistics show that a \$1 billion (1974 dollars) public works program would provide only about 40,000 years of employment, off-site and on-site. Including multiplier efforts there would be 60,000 years of employment created by \$1 billion in public works spending. Based on the optimistic spending estimates shown in Appendix A, the peak spending for public works in 1977 would produce a maximum of about 90,000 years. Since construction wages and other costs will be higher in 1977 and beyond than they were in 1974, these estimates of jobs could be high.

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It is very difficult to estimate the number of jobs that would be created by the \$1.6 billion in countercyclical grants (Title II).

There is substantial indication that State and local governments would not use much of these funds to hire additional personnel. Studies of revenue sharing have shown that State and local governments increased their purchases of goods and services by roughly one-third of the amount they received. The remainder was used to repay debt and reduce taxes. In addition, recent experience with public service employment indicates that, after the first year of funding, State and local governments may increase employment by only 10 to 40 percent of the number of public service jobs directly funded by the Federal government. Despite numerous regulations to make it difficult to substitute public service employment for regular employment, the practice is widespread. Title II of this bill would contain no requirements that these funds be used for additional jobs or even to maintain existing jobs.

The maximum expected payment under Title II of the bill is \$375 million per quarter. If as much as 50% of this were used for added jobs, it might create as many as 75,000 jobs. Given the experience with similar programs, it is more likely that only 10 to 20% of the funds would be used for added jobs, providing only 15-30,000 new jobs.

In summary, the peak employment impact is unlikely to exceed about 150,000, and is more likely to be near 100,000 to 120,000 sometime in fiscal year 1977 or 1978. Total employment is likely to be about 250,000 years, spread over five years or more.

If the bill provided a total of 250,000 years of employment, the average cost per job would be about \$25,000.

The Title II Countercyclical Assistance Grants Would Encourage Government Inefficiency and Would be Inequitable

The recent financial difficulties which have been facing many cities and other local governments have forced many to undertake a long-needed examination of their spending programs to identify the excesses and the inefficiencies. There is no doubt but that some local governments had reached a spending level that they simply will be unable to sustain in the long-term.

Title II allocates funds in large part on the basis of what the governments spend rather than what they need. More funds would be provided to those States and local governments with higher taxes, including those which have been least efficient in holding down costs. The proposed countercyclical assistance grants would take pressures off those States and local governments to more carefully evaluate their activities in terms of benefits produced. If the program becomes permanent, it will allow those governments to avoid economy measures, and then to further expand their programs as their tax revenue increases with the resurgence of the economy. They would be led to expect still more Federal assistance the next time they are in financial difficulty.

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The estimates of allocations to specific states and cities clearly show some of the distortions created by the formula. Eight States would receive about 65% of the Title II funds, including both the local and State allocations. This is over \$1 billion of the \$1.6 billion estimated for the Title. Also the program would disproportionately aid New York City, which would receive about \$150 million of the total of \$1.6 billion. This is more than three times as much as any other city would receive. New York City already is receiving special Federal assistance to alleviate its financial problems.

In addition to the above problems with the program, it would be very costly to administer. The Treasury Department's preliminary estimates show that it would require approximately 750 additional employees and approximately \$43 million to administer the countercyclical aid program, as contrasted to 110 employees and \$11 million currently devoted to administration of the entire General Revenue Sharing program.

\$1.4 Billion for EPA Sewage Treatment Grants is Unneeded and Irrelevant to Current Unemployment Problems

The purpose of this provision of the bill is completely unrelated to the purported desire to create jobs quickly for the unemployed.

Even if EPA were to use these added funds now, they would have almost no job creating impact in the next two years. It is simply not practical to significantly accelerate the construction of such facilities.

The real purpose of this provision is to change the formula for the allocation of funds under the wastewater treatment grant program of EPA. This would provide an additional \$1.4 billion to a large number of states without having considered essential reforms to the current law which could require an expenditure of at least \$333 billion to fully implement.

It Would Be Administratively Impossible to Effectively Allocate Over \$3 Billion for Public Works Projects Quickly

This bill requires that the Commerce Department attempt to allocate over \$3 billion, on a project-by-project basis, in a matter of a few months. All past experience would force a conclusion that this would be reckless and irresponsible.

Even without any substantive review of requests for funding, it is highly unlikely that the Department could physically process the tens of thousands of requests and the thousands of awards that would be involved, in less than nine months.

The Department's recent experience with the Job Opportunities program illustrates the point. After its initial experience in allocating \$125 million, it still required six months for Commerce and the cooperating agencies to allocate the additional \$375 million. Also, that allocation was done with only a minimum amount of substantive review of the proposals by the agencies.

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The Department received a good deal of criticism from Congress for relying too heavily on objective criteria to make the \$375 million allocation, rather than reviewing each particular project.

With over \$3 billion to award, the Department is likely to be faced with the choice of taking many months to do a responsible job, or taking nine months or more to throw Federal tax dollars at projects as they come through the door.

Large Amounts for Spending on High Priority Public Works are Already In the 1976 and 1977 Budgets

The attached table shows the amounts of expected spending for public works in the President's Budgets for 1976 and 1977. In 1976, a total of over \$18 billion is provided. This includes over \$11 billion in grants to state and local governments. In 1977, the spending for public works would increase by 17% or by over \$3 billion.

The spending for public works in the Budget is focused on the highest priority national needs, including energy, pollution abatement, flood control, and transportation. The Budget estimates reflect expected spending on projects which are already in the planning stages or under construction. Therefore, the \$3 billion increase will be providing jobs in 1977, rather than in 1978 or 1979. These projects will be helping us achieve important national objectives while at the same time providing employment opportunities.

There are adequate spending levels already in the 1977 Budget for those public works projects that are really needed.

Additional stimulus to private sector employment also would be provided by a 23% increase in spending in the 1977 Budget for major equipment purchases. Spending for this purpose is to increase by \$3.9 billion over 1976, to \$20.7 billion.

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Changes in Public Works Outlays, Fiscal Year 1976-77
(in millions of dollars)

<u>Description</u>	<u>1976</u>	<u>1977</u>	<u>Change</u>
<u>Direct construction</u>			
Civilian programs:			
FAP: Strategic petroleum storage.....	11	164	153
Agr: Forest Service roads and trails and other.....	135	173	38
Corps of Engineers: construction and flood control.....	1,367	1,424	57
Int: Bureau of Reclamation.....	410	507	97
Bonneville.....	135	150	15
NPS, BIA, and other.....	273	252	-21
HEW: Indian health facilities, NIH, other.....	162	138	-24
DOT: Coast Guard facilities.....	78	63	-15
FAA airway systems.....	231	236	5
ERDA: Plant, capital equipment, other..	439	672	233
NASA: Plant and equipment.....	115	126	11
VA: Hospitals and other.....	186	303	117
TVA: Power facilities.....	1,038	1,137	99
All other.....	174	165	-9
Subtotal, civilian programs.....	<u>4,754</u>	<u>5,510</u>	<u>756</u>
Defense programs:			
DOD: Military construction.....	1,713	1,710	-3
Family housing.....	320	287	-33
ERDA: Plant and equipment.....	204	215	11
Subtotal, defense programs.....	<u>2,237</u>	<u>2,212</u>	<u>-25</u>
Total, direct construction.....	<u>6,991</u>	<u>7,722</u>	<u>731</u>
<u>Grants to State and local governments</u>			
FAP: Appalachian regional development..	248	242	-6
Agr: Water and waste disposal, rural development, conservation.....	198	190	-8
Com: EDA and other.....	183	154	-29
HEW: Health.....	213	184	-29
Education and other.....	51	36	-15
Int: Land and water conservation and other.....	274	275	1
DOT: Airports.....	375	355	-20
Highways.....	6,202	6,711	509
Mass transit.....	573	1,179	606
EPA.....	2,350	3,770	1,420
All other.....	563	442	-121
Total, grants to State and local governments.....	<u>11,230</u>	<u>13,538</u>	<u>2,308</u>
Total public works.....	<u>18,221</u>	<u>21,260</u>	<u>3,039</u>

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APPENDIX A

Estimates of Outlays Local Public Works Capital Development and Investment Act (H.R. 5247)

(Dollars in Millions)

Program	Total Amount Authorized	Outlays ^{1/}				
		1976 & TO	1977	1978	1979	After 1979
Title I, Public works grants ^{2/}	2,500	248	1,230	638	137	247
Title II, Countercyclical grants	1,625 ^{3/}	750	875			
Title III						
. Interest subsidies ^{4/}	125	5	25	25	25	45
. Job opportunities grants ^{5/}	500	50	246	128	27	49
. Urban Development ^{6/}	100	1	19	29	22	29
. EPA wastewater treat- ment facility grants ^{7/}	1,418	0	30	300	700	388
Total	6,268	1,054	2,425	1,120	911	758

^{1/} The outlay estimates assume that initial appropriations would be provided by about March 1, 1976.

^{2/} This assumes that all funds would be obligated between May 1 and September 30, 1976. Since appropriations are authorized through fiscal year 1977, it may not be realistic to assume that all of the funds would even be available by September 30, 1976. In any case, it would be very difficult, if not impossible, to allocate this sum in such a short time, on a project-by-project basis. The estimate of outlays is based on four years of actual experience with EDA's Public Works Impact Program, which provides for accelerated public works to create temporary jobs. Considering the large size of this proposed program, and the likely resulting delays in starting projects, it would be more likely that the outlay peak would occur in 1978 rather than 1977.

^{3/} This amount would depend on national unemployment rates. This estimate is based on the rates used in the 1977 Budget projections.

^{4/} The outlays for this interest subsidy program would likely be spread out over the terms of the loans being guaranteed. It is assumed that loans would have terms of about 5 years.

^{5/} In view of the changes in the Job Opportunities program in this bill, it is expected that most of these funds would be used for public works. The outlay estimate assumes the same spending rate as for Title I projects.

^{6/} This program would have the same timing characteristics as EDA's regular development programs. The outlay estimates are based on actual experience with EDA's regular public works programs.

^{7/} This estimate assumes that these funds would be obligated in 1977 and that outlays would occur approximately at the same rate as for the current EPA grants.

FOR IMMEDIATE RELEASE

FEBRUARY 17, 1976

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE

OF

ROBERT P. GRIFFIN

SENATOR FROM THE STATE OF MICHIGAN

HUGH SCOTT

SENATOR FROM THE STATE OF PENNSYLVANIA

GARRY BROWN

REPRESENTATIVE FROM THE STATE OF MICHIGAN

AND

JOHN B. ANDERSON

REPRESENTATIVE FROM THE STATE OF ILLINOIS

THE BRIEFING ROOM

9:26 A.M. EST

MR. NESSEN: The President met this morning with the Republican Congressional leaders, as you know.

There may have been some misunderstanding. I read some overnighter suggesting he was going to discuss intelligence reforms with them. He did not. There was nothing at all about intelligence discussed there. I may have something for you a little later in the morning that will give you some guidance on where that stands.

The purpose of the meeting this morning with the Congressional leaders really was primarily to discuss the veto of the public works bill, and I think you know the President's reasons for that veto. He laid them out in the veto message.

There was also some discussion of an alternate bill that has been advocated by some of the Members on the Hill and to answer your questions and talk to you about that, we have Senator Bob Griffin and Congressman Brown to discuss that alternate bill, and we also have the Senate Republican leader, Senator Scott, and representing the House Republican leadership, Congressman Anderson.

SENATOR SCOTT: Ladies and gentlemen: I will discuss very briefly the public works bill. We have the two co-authors of the alternative bill here, and Congressman Anderson will discuss the briefing we had on the defense budget today.

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The President, as you know, is vetoing the public works bill and he sent a message giving his reasons, and we pointed out that the alternative bill is \$780 million and has more immediate and effective job impact since the public works bill will defer its major impact until 1977 and even until 1978 and does not create many real jobs at the point where they are needed; whereas the alternative bill is directed to the areas of greatest unemployment, those communities with unemployment in excess of 8 percent in some cases, and the program would be in effect only as long as national unemployment exceeds 7 percent. I won't go into any further details on that.

I will turn the defense budget briefing first over to Congressman Anderson and then we will ask Congressman Brown and Senator Griffin to say something.

CONGRESSMAN ANDERSON: The Secretary of Defense briefed the Republican leadership on the Administration's fiscal 1977 defense budget which calls for \$112.7 billion in new obligational authority and about \$102 billion in actual outlays during the coming fiscal year, and explained that that represents, when you take into consideration the anticipated inflation factor, about a 5 percent increase in real defense spending during the coming year, and that given the fact that the defense spending today for the past year has been only about 24 percent of the total Federal budget, which puts it back at the lowest level since before Pearl Harbor, that the kind of increases in real spending that are called for in the new budget are absolutely essential and, in that regard, anyone who has paid any attention at all to recent reports of increased force levels as far as the Soviet Union is concerned--increased spending by the Soviet Union for not only strategic arms but tanks and artillery and conventional weapons generally--realizes that if the United States is to maintain its present level of defense, which is one of sufficiency, of rough equivalency with the Soviet Union, this budget is a pragmatic answer to what otherwise would be a tendency on the part of the United States to fall behind and to come into second place as far as defense posture is concerned.

SENATOR SCOTT: I ask Senator Griffin and Congressman Brown to discuss the alternative bill.

SENATOR GRIFFIN: I will just add a word that since the gigantic \$6 billion so-called jobs bill passed the Senate last July with 28 votes against it there has been a good deal of change in the economy and in the situation that faces the country.

Needless to say, the President's economic policies are proving to be working. The latest unemployment figures were very encouraging and it is the feeling of Congressman Brown and I that the \$6 billion jobs bill, if it ever was relevant, is no longer relevant, and what we now need is a smaller, more precise bill that is directed and aimed right at the areas of high unemployment.

MORE

There still are high areas of unemployment and Detroit, of course, is one of them. Actually, on a short-term basis, the alternative bill that Congressman Brown and I have -- he introduced it last week, I will introduce it today -- we believe will have more immediate impact in terms of providing jobs -- and they will be jobs in the private sector rather than the public sector -- than in the case of the gigantic bill.

I will just say as the Whip that we feel that there is a good chance that President Ford's veto of that bill can be sustained in the Senate if it is not sustained in the House.

Q Senator, before you leave could you give us really a real quick rundown of the elements of the alternative bill?

SENATOR GRIFFIN: Let me turn you over to the expert right here.

CONGRESSMAN BROWN: Thank you, Bob.

The elements of the alternative are that, first of all, it is a supplemental program to the Community Development Program and it is keyed to high unemployment areas and it directly tracks in assistance the high unemployment. There are no other factors. The money is distributed on the basis of the community's unemployment as compared with national unemployment whereas 5247, the public works bill, has other factors in it so that everybody gets a little something.

I think probably the strongest selling point of the bill is that because it uses the Community Development Program as the mechanism for funding, the conduit for funding, those things are already in place. Adoption of the alternative could mean that funds would be flowing into communities of high unemployment by April 1.

Q How many jobs and how many dollars?

CONGRESSMAN BROWN: It would anticipate that there would be within the first or second quarter probably around 26,000 jobs, which is many more jobs than would be available under 5247. As you recall, 5247, Title II of the Countercyclical Program involves new regulations, the promulgation of regulations for distribution so that it would appear that money would not be flowing under that bill until, say, three to six months at the earliest after enactment.

MORE

Q Congressman, if your bill cuts off at 7 percent, which would be one of the highest unemployment levels since World War II with the exception of the period we have just gone through, does this mean that the Government is despairing in ever getting it below that level?

CONGRESSMAN BROWN: No. I think that you have to look upon this program as a program of immediate assistance. There would be funds flowing for at least three quarters and probably four quarters. In the sense that the program is based upon the next preceding quarter, it means that funds would be flowing even after unemployment reached a level below 7 percent because the funds are distributed to communities having greater than 8 percent any time that the unemployment in the next preceding quarter has exceeded 7 percent.

Q My point was, what is the magic to 7 percent which used to be considered intolerably high unemployment?

CONGRESSMAN BROWN: Well, I think the public works bill tracks at 6 percent. I would have to remind you that if the President's proposals with respect to accelerated depreciation in high unemployment areas, if all of the EPA funds that are in the pipeline for construction are put to work that this is a supplement to those things which would be measures to alleviate unemployment in the ongoing period.

What we need to have is something that takes care of high unemployment areas now, which I respectfully suggest the public works bill does not do.

Q Congressman, if the Congress buys your concept of how to set this up, how flexible are you on the figures -- the dollar amounts, the number of jobs in the 7 percent?

CONGRESSMAN BROWN: Obviously, the figures that are in my bill are the figures that I think are appropriate for the present time, and I think that these are the figures that should be adopted at the present time. If in the future it appears you want to continue a program of this nature, of course there could be a sliding down of that figure. I would not recommend it at this time.

Q What is the figure on those programs?

CONGRESSMAN BROWN: The program triggers in at 7 percent; it triggers out at 7 percent. So long as the national unemployment is above 7 percent, funds would flow into communities having unemployment greater than 8 percent and would continue to flow to those communities so long as the national unemployment did not exceed 7 percent.

MORE

Q I am sorry, my question was wrong.

How much money do you envision is being used in this program?

CONGRESSMAN BROWN: It would start on a funding level at \$900 million, of which \$225 million is in the first quarter and then, since it tracks unemployment, it would be reduced as we go along over the calendar year or five quarters so that the total amount that I asked in my bill to be authorized and appropriated would be \$780 million, which is an estimate of the unemployment reduction over the next year.

Q How is your bill different from the bill the Democrats want inasmuch as the President has been going around the country calling the Democrats' program a quick fix and a dead-end jobs and so on? Aren't you doing the same thing only on a smaller scale?

CONGRESSMAN BROWN: No, quite different, because the public works bill, if you project its formula you get above \$6 billion. It will include Title I and Title III. My proposal does track somewhat Title II except that it leaves out extraneous factors, it is tied to unemployment. The money goes where the unemployment is.

Q Would you call that a quick fix?

CONGRESSMAN BROWN: It is a quick fix certainly, but it is a fix that is much more sound than the public works bill since you tie in the Community Development Program. You don't establish a new bureaucracy, a new program, new administrative costs. This is a supplemental community development program where you can accelerate projects that are already planned because they are in the community's plans under community development and that is why I say funds could be flowing as of April 1 whereas under the public works bill you would be three to six months, if not nine months, down the road.

Q Could I ask Representative Anderson about the defense proposals? If the current negotiations in SALT, SALT II, do not come to fruition this year during the discussion of this budget, will this have to be raised?

CONGRESSMAN ANDERSON: Will the defense budget have to be raised if there is not a new SALT II agreement?

Q Yes.

MORE

CONGRESSMAN ANDERSON: That specific point was not addressed, as I recall it, by the Secretary of Defense but, certainly, when you take into consideration that over the last five years alone we have had, I believe, about a \$35 billion decrease in the amount of spending that was recommended for strategic weapons systems, we would have to take into consideration, I think, the necessity because that possibility would be inherent if we could not come to an agreement.

I should point out, of course, that the great advantage of negotiating a SALT II agreement is that it would put a ceiling on the total number of delivery vehicles for strategic nuclear weapons. Without that the Soviet Union can continue to escalate the arms race. That ceiling, if it stays at 2,400, as was proposed at Vladivostok, would not in any way require a reduction on the part of the United States.

Q Were you given any guidance today on the latest state of the negotiations?

CONGRESSMAN ANDERSON: No, we did not go into the details of the negotiations.

Q Were you told anything about Ambassador Dobrynin's visit yesterday and what he came for?

CONGRESSMAN ANDERSON: No, we didn't discuss that.

Q And there is no fat in this at all? I think the average American reader reading about the alleged bribes abroad and so forth, cost overruns, is there any new move to monitor the costs more on the Pentagon?

CONGRESSMAN ANDERSON: I think the Secretary of Defense has every intention of doing just that, and, as a matter of fact, the briefing that he gave us this morning emphasized the fact that every effort would be made to eliminate any gold plating, any frills that are still in the budget.

I think the big misconception that some people have is that there is this great reservoir of money here that can be drained dry and that you are going to be left with as strong and healthy a defense structure as you had before, and his emphasis was on the fact that this is already a lean budget and one where the increases have been dictated by the fact that clearly the trends by the Soviet Union in defense spending have been going up while ours have been going down steadily.

Q And have taken a lot of new bombers and that kind of new weaponry?

MORE

CONGRESSMAN ANDERSON: No, there is not a great deal in this new budget for new strategic systems.

Q Did any of you gentlemen register any difference in the presentation of the policy, the manner or the grasp or anything between Secretary Rumsfeld this morning and former Secretary Schlesinger's similar presentations in the past?

CONGRESSMAN ANDERSON: Well, I have had the opportunity over the last several years to attend defense briefings conducted by both gentlemen and I think they both demonstrate a thorough grasp and mastery of the details of the defense budget. I don't think there was any basic difference in the way they approached the problem, no.

Q Congressman, you have said a couple of times that there was some stress laid on the increase in Soviet spending. Is this going to be one of the Pentagon's arguments for this budget at this point? Is there going to be an emphasis on that?

CONGRESSMAN ANDERSON: Well, I think that we have already noted in unclassified stories coming out in the media and in the press the estimates not only by the Pentagon but by organizations like the Institute for Strategic Studies Abroad that there has been this tremendous upsurge in the real spending by the Soviet Union.

Yes, I think that will be one element in portraying to the country the necessity for a real increase in our spending this year.

Q Why is the Soviet Union upgrading its budget?

CONGRESSMAN ANDERSON: Hugh, did you want to add something?

SENATOR SCOTT: I think the Soviet Union is seeking something more than rough equivalence; they are seeking a superiority. The purpose of the SALT talks is to bring us back to rough equivalence.

It ought to be pointed out, as Secretary Rumsfeld did, that if we were spending the same percentage of our gross national product as the Soviets are spending, the defense budget this year would have to be in the neighborhood of \$200 billion.

Q Senator, did the Secretary say that the Soviets were increasing their weapons systems or only that we have discovered that their weapons systems are more expensive than we originally had thought?

MORE

SENATOR SCOTT: The Secretary's presentation in detail showed with charts the increase of Soviet weapons systems in virtually every category.

Q In weapons or in cost?

SENATOR SCOTT: In weapons as well as cost, and a very substantial increase in weapons over the last decade and particularly over the last few years.

CONGRESSMAN ANDERSON: Perhaps two important additional points that were made by the Secretary that bear repeating, one of them would be that a simple non-action on our part with respect to these recommendations in the budget will mean that we will be making a decision -- a decision to let the Soviet Union go first and to become first in the defense area.

The second is that if we ignore the recommendations that have been made in this budget for increasing our conventional forces -- for beefing up our Navy, our tank forces, our artillery and so on -- if we do that, then clearly we raise the possibility that the threshold of nuclear terror will be lowered and we would face the possibility sooner than otherwise of having to rely on that nuclear deterrent. Those are very important considerations, I think, in favor of supporting the recommendations for increased spending.

Q Senator Scott, you said "bring us back to an equivalency." Are you saying the Soviet Union -- and out of this briefing this morning you were told the Soviet Union is now ahead of the United States militarily?

SENATOR SCOTT: We were told that the Soviet building programs are ahead of the United States in almost every category, that we have been seeking to maintain a rough equivalency but that the trend in the Soviet Union will move them ahead of us in, I believe, every category of major importance except helicopters.

Q Does that not make detente sort of a farce?

SENATOR SCOTT: I don't think so. I think the purpose of detente is that if an agreement is reached the Soviet Government agrees to reduce from 2,400 missile systems by 200, a reduction of 200, we do not have to reduce our missile systems. If there is no SALT agreement, it is open-ended and the Soviet Government can continue its present trend which, if continued at the present rate, would ultimately lead to massive superiority.

Q In your opinion, why should the Russians agree then since they are obviously out to surpass us?

MORE

SENATOR SCOTT: Because they have certain considerations that we have -- the rise of consumer aspirations, the pressures on the domestic front, the desire to avoid nuclear confrontation and the necessity for some pursuit of internal tranquility as well as foreign tranquility.

Q Do any of you gentlemen question the validity of detente when once you were presented with these figures about the growing Soviet military capacity?

SENATOR SCOTT: I don't want to speak for anyone but myself, but I can say beyond that the President himself feels that detente is a desirable objective for the reasons I have just given you. I feel that way also and I think without detente you will have a spiraling arms race. The less conventional weaponry that the United States is allowed to build, the greater the risk of reliance upon the ultimate nuclear confrontation, not that the United States has any views or intentions in that regard, but that without conventional weapons we are left only with the nuclear type and we need the reduction in both, and I don't want to be misunderstood on that.

Q What is the long view on that? That means there is going to be an escalation every year in the defense spending, does it not?

SENATOR SCOTT: I cannot speak for any year but the present.

MR. NESSEN: Let me say that we hope to have an unclassified set of these charts that the Members were shown this morning here for you in a day or so from the Pentagon.

SENATOR SCOTT: Would you please excuse us?

THE PRESS: Thank you.

END (AT 9:47 A.M. EST)

~~see H. R. 11860 - Supplemental~~
~~Community Development Employment~~
~~Act of 1976~~

2/19 Veto override. 319-98 House
(nay to sustain - 98)
(yea to override - 319)

2/19 Veto Sustained 63-35 Senate



FEBRUARY 19, 1976

Office of the White House Press Secretary
(Keene, New Hampshire)

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I am pleased that the Senate of the United States has sustained my veto of H. R. 5247. Their action this afternoon in sustaining my veto of H. R. 5247, the Public Works Employment Act of 1975, is commendable, and those Members of Congress who stood firm against enormous political pressures in favor of this bill deserve the appreciation and gratitude of all Americans.

As I said last Friday in my veto message to the House of Representatives on this bill, the best and most effective way to create new jobs is to pursue balanced economic policies that encourage the growth of the private sector without risking a new round of inflation. This is the core of my economic policy, and I believe that the steady improvements in the economy over the last half year on both the unemployment and inflation fronts bear witness to its essential wisdom. I will continue this basic approach in dealing with the economy because it is sound and it is working.

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#

Tally Sheet

94th Congress

Border and Southern (Young)					New England and Mid-Atlantic (McDade)				
	Yes	No	Und.	N/R		Yes	No	Und.	N/R
Maryland					Connecticut				
Gude					McKinney				
Holt <i>leaning</i>					Sarasin <i>leaning no</i>				
Bauman					Delaware				
Missouri					duPont				
Taylor (ARW)					Maine				
Kentucky					Cohen				
Carter <i>will write</i>					Emery				
Snyder					Massachusetts				
Tennessee					Conte (ARW)				
Beard					Heckler				
Duncan					New Hampshire				
Quillen					Cleveland				
Florida					New Jersey				
Bafalis					Fenwick <i>leaning no</i>				
Burke <i>sick</i>					Forsythe				
Frey					Rinaldo				
Kelly					Vermont				
Young <i>if needed</i>					Jeffords				
North Carolina					New York				
Broyhill					Conable				
Martin					Fish				
South Carolina					Gilman				
Spence					Hastings				
Virginia					Horton <i>9/11 panel</i>				
Butler					Kemp <i>leaning no</i>				
Daniel					Lent				
Robinson					McEwen				
Wampler					Mitchell (ARW)				
Whitehurst (ARW)					Peyser				
Alabama					Walsh				
Buchanan					Wydler <i>Sol</i>				
Dickinson					Pennsylvania				
Edwards					Biester				
Arkansas					Coughlin <i>all</i>				
Hammerschmidt					Eshleman <i>off 1/2 hrs</i>				
Louisiana					Goodling <i>all</i>				
Moore					Heinz <i>firm under</i>				
Treen					Johnson (ARW)				
Mississippi					McDade				
Cochran					Myers				
Lott					Schneebeli				
Texas					Schulze				
Archer					Shuster				
Collins									
Steelman									
Total					Total				



Tally Sheet

A vote on the veto of H.R. 5247, the Local Public Works' bill, is scheduled for Thursday, Feb. 19. Cong. Gary Brown has introduced an alternative, H.R. 11860, which the President supports. Will you vote to sustain the veto of H.R. 5247?

	Yes	No	Und.	N/R		Yes	No	Und.	N/R
California					Indiana				
Bell <i>probably</i>	/				Hillis <i>possibly</i>	/			
Burgener	/				Myers	/			
Clausen	/				Iowa				
Clawson	/				Grassley	/			
Goldwater	/				Michigan				
<i>to vote</i> Hinshaw	/				Broomfield <i>if different</i>	/			
Ketchum	/				Brown	/			
Lagomarsino (ARW)	/				Cederberg <i>(absent?)</i>	/			
McCloskey <i>Scanning</i>	/				Esch	/			
Moorhead	/				Hutchinson	/			
Rousselot	/				Ruppe	/			
Talcott	/				Vander Jagt <i>OK</i>	/			
Wiggins <i>if needed</i>	/				Minnesota				
Wilson <i>2415 CIT</i>	/				Frenzel (ARW)	/			
Alaska					Hagedorn	/			
Young <i>absent</i>	/				Quie	/			
Arizona					Wisconsin				
Conlan <i>absent</i>	/				Kasten	/			
Rhodes	/				Steiger	/			
Steiger <i>absent</i>	/				Ohio				
Colorado					Ashbrook	/			
Armstrong (ARW)	/				Brown	/			
Johnson <i>drill case</i>	/				Clancy	/			
Idaho					Devine	/			
Hansen	/				Gradison	/			
Symms	/				Guyer	/			
New Mexico					Harsha	/			
Lujan	/				Kindness	/			
Washington					Latta	/			
Pritchard	/				Miller	/			
Kansas					Mosher	/			
Sebelius	/				Regula	/			
Shriver <i>if needed</i>	/				Stanton <i>if needed</i>	/			
Skubitz	/				Whalen	/			
Winn <i>all Hills</i>	/				Wylie	/			
Nebraska					Illinois				
McCollister	/				Anderson	/			
Smith	/				Crane	/			
Thone (ARW)	/				Derwinski <i>Lynn</i>	/			
North Dakota					Erlenborn	/			
Andrews	/				Findley	/			
Oklahoma					Hyde	/			
Jarman	/				Madigan	/			
South Dakota					McClory	/			
Abdnor	/				Michel	/			
Pressler	/				O'Brien	/			
					Railsback	/			
Total	25	2	2	6	Total	26	8	5	9
Total pages 1 and 2	83	26	22	59					

THE WHITE HOUSE

WASHINGTON

February 19, 1976

MEMORANDUM FOR: MAX FRIEDERSDORF
FROM: VERN LOEN *VL*
SUBJECT: Next move on Jobs Bill - H.R. 11860

Rep. Garry Brown will make public this afternoon a letter he is sending to Chairman Reuss and Housing Subcommittee Chairman Barrett asking for early full committee hearings on his Community Development Block Grants alternative, H.R. 11860.

He feels this is necessary in order to maintain both his integrity and that of the President. However, it is doubtful that the bill will go anywhere. The Democrats probably will want the issue instead of a solution.

I also have checked with Cliff Enfield as to whether there might be a Public Works Committee attempt to revive only Titles one (1) and three (3) of the vetoed bill, H.R. 5247. Cliff doubts this will happen for the same reason - they want the issue.

The next Public Works Committee action is likely to involve the bill extending the life of the Economic Development Administration (EDA) in Commerce for three (3) years. It is possible that they might attach the portion of Title three (3) in the vetoed bill relating to EDA.

This was pushed strongly by Economic Development Subcommittee Chairman Robert Roe during hearings on H.R. 5247.

cc: Jim Cannon
Paul O'Neill
Charles Leppert
Tom Loeffler
Bill Kendall
Joe Jenckes

ROLL NO. 62

H R 5247

2/3 YEA-AND-NAY

CLOSED 19 FEB. 1976 1:49 P

AUTHOR(S): MR. JONES OF ALA.

ON PRESIDENTIAL VETO

OK.

LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT

	YEA	NAY	PRES	NY
DEMOCRATIC	263	16		9
REPUBLICAN	55	32		6
OTHER				
TOTAL	319	98		15



ROLL NO. 62

DEMOCRATIC

OTHER

REPUBLICAN

ALABAMA				
BEVILL	YEA	BUCHANAN	YEA	
FLOWERS	YEA	DICKINSON	NAY	
JONES (AL)	YEA	EDWARDS (AL)	YEA	
RICHOLS	YEA			
ALASKA				
		YOUNG (AK)	NV	
ARIZONA				
UDALL	YEA	CONLAN	NV	
		RHODES	NAY	
		STEIGER (AZ)	NV	
ARKANSAS				
ALEXANDER	YEA	HAMMERSCHMIDT	YEA	
MILLS	NV			
THORNTON	YEA			
CALIFORNIA				
ANDERSON (CA)	YEA	BELL	NAY	
BROWN (CA)	YEA	BURGENER	NAY	
BURKE (CA)	YEA	CLAUSEN, DON H.	YEA	
BURTON, JOHN	YEA	CLANSON, BEL	NAY	
BURTON, PHILLIP	YEA	GOLDWATER	NAY	
CORMAN	YEA	HINSHAW	NV	
DANIELSON	YEA	KETCHUM	NAY	
DELLUMS	YEA	LAGOMARSINO	NAY	
EDWARDS (CA)	YEA	MC CLOSKEY	YEA	
HANNAFORD	YEA	MOORHEAD (CA)	NAY	
HAWKINS	YEA	PETTIS	YEA	
JOHNSON (CA)	YEA	ROUSSELOT	NAY	
KRESS	YEA	TALCOTT	NAY	
LEGGETT	YEA	WIGGINS	YEA	
LLOYD (CA)	YEA	WILSON, BOB	NAY	
MC FALL	YEA			
MILLER (CA)	YEA			
MINETA	YEA			
MOSS	YEA			
PATTERSON (CA)	YEA			
REES	NV			
ROYBAL	YEA			
RYAN	YEA			
SISK	NV			
STARK	YEA			
VAN DEERLIN	YEA			
WAXMAN	YEA			
WILSON, C. H.	YEA			
COLORADO				
EVANS (CO)	YEA	ARMSTRONG	NAY	
SCHROEDER	YEA	JOHNSON (CO)	NAY	
WIRTH	YEA			



ROLL NO. 62

DEMOCRATIC

OTHER

REPUBLICAN

CONNECTICUT

COTTER	YEA
BOBB	YEA
GIARDINO	YEA
HOFFETT	YEA

MC KINNEY	YEA
SARASIN	YEA

DELAWARE

DU PONT	NAY
---------	-----

FLORIDA

BENNETT	NAY
CHAPPELL	YEA
FASCELL	YEA
FUQUA	YEA
GIBBONS	NAY
HALEY	YEA
LEHMAN	YEA
PEPPER	YEA
ROGERS	YEA
SIKES	YEA

BAFALIS	YEA
BURKE (FL)	NAY
FREY	YEA
KELLY	NAY
YOUNG (FL)	YEA

GEORGIA

BRINKLEY	YEA
FLYNT	YEA
GINN	YEA
LANDRUM	NY
LEVITAS	YEA
MATHIS	YEA
MC DONALD	NAY
STEPHENS	NY
STUCKEY	YEA
YOUNG (GA)	YEA

HAWAII

MATSUMAGA	YEA
MINK	YEA

IDAHO

HANSEN	NAY
SYMS	NAY



ROLL NO. 62

DEMOCRATIC

OTHER

REPUBLICAN

BOIS
 ANNUNZIO YEA
 COLLINS (IL) YEA
 BERRY YEA
 FALL YEA
 FETCALFE YEA
 MIKVA YEA
 MURPHY (IL) YEA
 PRICE YEA
 ROSTENKOWSKI YEA
 RUSSO YEA
 SHIPLEY YEA
 SIMON YEA
 TATES YEA

ANA
 BRADENAS YEA
 EVANS (IN) YEA
 FITHIAN YEA
 HAMILTON YEA
 HAYES (IN) YEA
 JACOBS NAY
 LADDEN YEA
 ROUSH YEA
 SHARP YEA

SEDELL YEA
 SLOVIN YEA
 WARKIN YEA
 WEZVINSKY YEA
 SMITH (IA) YEA

AS
 KEYS YEA

UCKY
 BRECKINRIDGE YEA
 HUBBARD YEA
 MAZZOLI YEA
 WATCHEY YEA
 PERKINS YEA

LIANA
 BOGGS YEA
 BREAUZ YEA
 WEBERT YEA
 LONG (LA) YEA
 PASSMAN NAY
 MAGGONER YEA

ANDERSON (IL) YEA
 CRANE NAY
 DERWINSKI YEA
 ERLENSORN NAY
 FINDLEY NAY
 HYDE YEA
 MADIGAN NAY
 MC CLORY NAY
 MICHEL NAY
 O'BRIEN YEA
 RAILSBACK YEA

HILLIS YEA
 MYERS (IN) NAY

GRASSLEY NAY

SEBELIUS NAY
 SHRIVER NAY
 SKUBITZ NAY
 WINN NAY

CARTER YEA
 SNYDER NAY

MOORE NAY
 TREEN NAY



ROLL NO. 62

DEMOCRATIC

OTHER

REPUBLICAN

ALABAMA

COHEN	YE
EMERY	YE

ARIZONA

BYRON	NAY
LONG (MD)	YEA
MITCHELL (MD)	YEA
SARBANES	YEA
SPELLMAN	YEA

BAUMAN	NA
GUDE	YE
HOLT	NA

MASSACHUSETTS

BOLAND	YEA
BURKE (MA)	YEA
BRINAN	YEA
EARLY	YEA
HARRINGTON	YEA
MACDONALD	YEA
MOAKLEY	YEA
O'NEILL	YEA
STUDDS	YEA
TSONGAS	YEA

CONTE	YE
HECKLER (MA)	YE

MICHIGAN

BLANCHARD	YEA
BRODHEAD	YEA
CARR	YEA
CONYERS	YEA
DIGGS	YEA
DINGELL	YEA
FORD (MI)	YEA
HEDZI	YEA
O'HARA	YEA
RIEGLE	YEA
TRAXLER	YEA
VANDER VEEN	YEA

BROOMFIELD	YE
BROWN (MI)	NA
CEDERBERG	NY
ESCH	YE
HUTCHINSON	NA
RUPPE	YE
VANDER JAGT	NA

MINNESOTA

BERGLAND	YEA
FRASER	YEA
KARTH	YEA
NOLAN	YEA
OBERSTAR	YEA

FRENZEL	NA
HAGEDORN	NA
QUITE	NA

MISSISSIPPI

BOVEN	YEA
MONTGOMERY	NAY
WHITTEN	YEA

COCHRAN	YE
LOTT	YE



ROLL NO. 62

DEMOCRATIC

OTHER

REPUBLICAN

MISSOURI			
BOLLING	YEA	TAYLOR (MO)	NAY
BURLISON (MO)	NAY		
CLAY	YEA		
HUNGATE	YEA		
ICHORD	NAY		
LITTON	YEA		
RANDALL	YEA		
SULLIVAN	YEA		
SYMINGTON	YEA		
MONTANA			
BAUCUS	YEA		
WELCHER	YEA		
NEBRASKA			
		MC COLLISTER	NAY
		SMITH (NB)	NAY
		THONE	NAY
NEVADA			
SANTINI	YEA		
NEW HAMPSHIRE			
D'AMOURS	YEA	CLEVELAND	NAY
NEW JERSEY			
DANIELS (NJ)	YEA	FENWICK	YEA
FLORIO	YEA	FORSYTHE	YEA
HELSTOSKI	YEA	RINALDO	YEA
HOWARD	YEA		
HUGHES	YEA		
MAGUIRE	YEA		
MEYNER	YEA		
NINISH	YEA		
PATTEH (NJ)	YEA		
RODINO	YEA		
ROE	YEA		
THOMPSON	YEA		
NEW MEXICO			
RUNNELS	NAY	LUJAN	NAY



ROLL NO. 62

DEMOCRATIC

* * OTHER * *

REPUBLICAN

YORK	YEA	CONABLE	NAY
ABZUG	YEA	FISH	YEA
ADDABBO	YEA	GILMAN	YEA
AMBRO	YEA	HORTON	YEA
BADILLO	YEA	KEMP	YEA
BIAGGI	YEA	LENT	YEA
BINGHAM	YEA	MC EWE	NAY
CHISHOLM	YEA	HITCHELL (NY)	YEA
DELANEY	YEA	PETSER	YEA
DOWNEY (NY)	YEA	WALSH	YEA
HANLEY	YEA	WYDLER	YEA
HOLTZMAN	YEA		
KOCH	YEA		
LAFALCE	YEA		
MC HUGH	YEA		
MURPHY (NY)	YEA		
NOVAK	YEA		
OTTINGER	YEA		
PATTISON (NY)	YEA		
PIKE	YEA		
RANGEL	YEA		
RICHMOND	YEA		
ROSENTHAL	YEA		
SCHEUER	YEA		
SOLARZ	YEA		
STRATTON	YEA		
WOLFF	YEA		
ZEFERETTI	YEA		
ETH CAROLINA			
ANDREWS (NC)	YEA	BROYHILL	NAY
FOUNTAIN	YEA	MARTIN	YEA
HEFNER	YEA		
HENDERSON	YEA		
JONES (NC)	NAY		
NEAL	YEA		
PREYER	YEA		
ROSE	YEA		
TAYLOR (NC)	YEA		

К. Н. ВАРКОТН

ANDREWS (ND) YEA

ROLL NO. 62

DEMOCRATIC

OTHER

REPUBLICAN

ASHLEY YEA
 CARNEY YEA
 HAYS (OH) YEA
 KOTTL YEA
 REIBERLING YEA
 STANTON, JAMES V. YEA
 STOKES YEA
 VANIK YEA

ASHBROOK NAY
 BROWN (OH) NAY
 CLANCY NAY
 DEVINE NAY
 GRADISON NAY
 GUYER NAY
 HARSHA NAY
 KINDNESS NAY
 LATTA NAY
 MILLER (OH) NAY
 MOSHER NAY
 REGULA NAY
 STANTON, J. WILLIAM NAY
 WHALEN YEA
 WYLIE NAY

ADAMS
 ALBERT
 ENGLISH YEA
 JONES (OK) YEA
 RISENHOOVER YEA
 STEED YEA

JARMAN NAY

OH
 RUCCIN YEA
 BUNCAN (OR) YEA
 ULLMAN YEA
 WEAVER YEA

PENNSYLVANIA
 GARRETT YEA
 BENT YEA
 EDGAR YEA
 MILBERG NY
 FLOOD YEA
 GAYDOS YEA
 GREEN YEA
 MOORHEAD (PA) YEA
 MORGAN YEA
 MURTHA YEA
 HIX YEA
 ROONEY YEA
 VIGORITO YEA
 YATRON YEA

BIESTER YEA
 COUGHLIN YEA
 SHLEMAN NY
 GOODLING YEA
 HEINZ YEA
 JOHNSON (PA) NAY
 MC BADE YEA
 MYERS (PA) NAY
 SCHNEEBELI NAY
 SCHULZE YEA
 SHUSTER NAY

RIE ISLAND
 BEARD (RI) YEA
 ST GERMAIN YEA



ROLL NO. 62

DEMOCRATIC

OTHER

REPUBLICAN

SOUTH CAROLINA

DAVIS	YEA
DERRICK	YEA
HOLLAND	YEA
JENNETTE	YEA
NANN	YEA

SPENCE	YEA
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SOUTH DAKOTA

ABDHOR	NAY
PRESSLER	YEA

TENNESSEE

ALLEN	YEA
EVINS (TN)	YEA
FORD (TN)	YEA
JONES (TN)	YEA
LLOYD (TN)	YEA

BEARD (TN)	NAY
DUNCAN (TN)	NAY
QUILLEN	NAY

TEXAS

BROOKS	YEA
BURLESON (TX)	NAY
DE LA GARZA	YEA
ECKHARDT	YEA
GONZALEZ	YEA
HIGHTOWER	YEA
JORDAN	YEA
KAZEN	NAY
KRUEGER	YEA
MAHON	YEA
MILFORD	YEA
PATHAN (TX)	YEA
PICKLE	NAY
POAGE	NAY
ROBERTS	YEA
TEAGUE	NAY
WHITE	YEA
WILSON, (TX)	YEA
WRIGHT	YEA
YOUNG (TX)	YEA

ARCHER	NAY
COLLINS (TX)	NAY
STEELMAN	NAY

VIRGINIA

HOWE	YEA
MC KAY	YEA

VERMONT

JEFFORDS	YEA
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VIRGINIA

DANIEL, DAN	NAY
JOHNING (VA)	YEA
FISHER	YEA
HARRIS	YEA
SATTERFIELD	NAY

BUTLER	NAY
DANIEL, R. W.	NAY
ROBINSON	NAY
MACPLER	NAY
WHITEHURST	NAY



ROLL NO. 62

DEMOCRATIC

OTHER

REPUBLICAN

WASHINGTON

ADAMS	YEA
BONKER	YEA
FOLEY	YEA
HICKS	YEA
MC CORMACK	YEA
NEEDS	YEA

PRITCHARD

YEA

WEST VIRGINIA

MECHLER (WV)	YEA
MOLLOHAN	YEA
SLACK	YEA
STAGGERS	YEA

WISCONSIN

ASPIN	NY
BALDUS	YEA
CORNELL	YEA
KASTENMEIER	YEA
OBEY	YEA
REUSS	YEA
ZABLOCKI	YEA

KASTEN	YEA
STEIGER (WI)	YEA

YEA

YEA

MONTANA

RONCALIO	YEA
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* * * * * E N D O F R E P O R T * * * * *



THE WHITE HOUSE
WASHINGTON

File:

HR 5247



February 19, 1976

CONGRESSIONAL RECORD—HOUSE

H 1177

this Nation on the road to recovery again.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 319, nays 98, not voting 15, as follows:

[Roll No. 52]

YEAS—319

Abzug	Edgar	Leggett
Adams	Edwards, Ala.	Lehman
Addabbo	Edwards, Calif.	Lent
Alexander	Emery	Levitas
Allen	English	Litton
Ambro	Esch	Lloyd, Calif.
Anderson,	Evans, Colo.	Lloyd, Tenn.
Calif.	Evans, Ind.	Long, La.
Anderson, Ill.	Evins, Tenn.	Long, Md.
Andrews, N.C.	Fary	Lott
Andrews,	Fascell	McCloskey
N. Dak.	Fenwick	McCormack
Annunzio	Fish	McDade
Ashley	Fisher	McFall
AuCoin	Pithian	McHugh
Badillo	Flood	McKay
Bafalis	Florio	McKinney
Baldus	Flowers	Macdonald
Barrett	Flynt	Madden
Baucus	Foley	Maguire
Beard, R.I.	Ford, Mich.	Mahon
Bedell	Ford, Tenn.	Mann
Bergland	Forsythe	Martin
Bevill	Fountain	Mathis
Blaggi	Fraser	Matsunaga
Blester	Erey	Mazzoli
Bingham	Fuqua	Meeds
Blanchard	Gaydos	Melcher
Blouin	Gialmo	Metcalf
Boggs	Gilman	Meyner
Boland	Ginn	Mezvinsky
Bolling	Gonzalez	Mikva
Bonker	Goodling	Millford
Bowen	Green	Miller, Calif.
Brademas	Gude	Mineta
Breaux	Haley	Minish
Breckinridge	Hall	Mink
Brinkley	Hamilton	Mitchell, Md.
Brodhead	Hammer	Mitchell, N.Y.
Brooks	schmidt	Moakley
Broomfield	Hanley	Moffett
Brown, Calif.	Hannafor	Mollohan
Buchanan	Harkin	Moorhead, Pa.
Burke, Calif.	Harrington	Morgan
Burke, Mass.	Harris	Moss
Burton, John	Hawkins	Mottl
Burton, Phillip	Hayes, Ind.	Murphy, Ill.
Oarney	Hays, Ohio	Murphy, N.Y.
Carr	Hébert	Murtha
Carter	Hechler, W. Va.	Natcher
Chappell	Heckler, Mass.	Neal
Chisholm	Hefner	Nedzi
Clausen,	Heinz	Nichols
Don H.	Helstoski	Nix
Clay	Henderson	Nolan
Cochran	Hicks	Nowak
Cohen	Hightower	Oberstar
Collins, Ill.	Hillis	Obey
Conte	Holland	O'Brien
Conyers	Holtzman	O'Hara
Corman	Horton	O'Neill
Cornell	Howard	Ottinger
Cotter	Howe	Patman, Tex.
Coughlin	Hubbard	Patten, N.J.
D'Amours	Hughes	Patterson,
Daniels, N.J.	Hungate	Calif.
Danielson	Hyde	Pattison, N.Y.
Davis	Jeffords	Pepper
de la Garza	Jenrette	Perkins
Delaney	Johnson, Calif.	Pettis
Dellums	Jones, Ala.	Peyser
Dent	Jones, Okla.	Pike
Derrick	Jones, Tenn.	Pressler
Derwinski	Jordan	Freyer
Diggs	Karth	Price
Dingell	Kasten	Pritchard
Bodd	Kastenmeier	Rallsback
Downey, N.Y.	Kemp	Randall
Downing, Va.	Keys	Rangel
Drinan	Koch	Reuss
Duncan, Oreg.	Krebs	Richmond
Early	Krueger	Riegle
Eckhardt	LaFalce	Rinaldo

Risenhoover	Simon	Vander Veen
Roberts	Slack	Vanik
Rodino	Smith, Iowa	Vigorito
Roe	Solarz	Waggoner
Rogers	Speilman	Walsh
Roncalio	Spence	Waxman
Rooney	Staggers	Weaver
Rose	Stanton,	Whalen
Rosenthal	James V.	White
Rostenkowski	Stark	Whitten
Roush	Steed	Wiggins
Roybal	Steiger, Wis.	Wilson, C. H.
Ruppe	Stokes	Wilson, Tex.
Russo	Stratton	Wirth
Ryan	Stuckey	Wolf
St Germain	Studds	Wright
Santini	Sullivan	Wyder
Sarasin	Symington	Yates
Sarbanes	Taylor, N.C.	Yatron
Scheuer	Thompson	Young, Fla.
Schroeder	Thornton	Young, Ga.
Schulze	Traxler	Young, Tex.
Seiberling	Tsongas	Zablocki
Sharp	Udall	Zeferetti
Shipley	Ullman	
Sikes	Van Deerin	

NAYS—98

Abdnor	Gradison	Passman
Archer	Grassley	Pickle
Armstrong	Guyer	Poage
Ashbrook	Hagedorn	Quile
Bauman	Hansen	Quillen
Beard, Tenn.	Harsha	Regula
Bell	Holt	Rhodes
Bennett	Hutchinson	Robinson
Brown, Mich.	Ichord	Roussot
Brown, Ohio	Jacobs	Runnels
Broyhill	Jarman	Satterfield
Burgener	Johnson, Colo.	Schneebeli
Burke, Fla.	Johnson, Pa.	Schellus
Burleson, Tex.	Jones, N.C.	Shriver
Burison, Mo.	Kelly	Shuster
Butler	Ketchum	Skubitz
Byron	Kindness	Smith, Nebr.
Clancy	Lagomarsino	Snyder
Clawson, Del.	Latta	Stanton
Cleveland	Lujan	J. William
Collins, Tex.	McClary	Steelman
Conable	McCollister	Symms
Crane	McDonald	Talcott
Daniel, Dan	McEwen	Taylor, Mo.
Daniel, R. W.	Madigan	Thone
Devine	Michel	Treen
Dickinson	Miller, Ohio	Vander Jagt
Duncan, Tenn.	Montgomery	Wampler
du Pont	Moore	Whitehurst
Erlenborn	Moorhead,	Wilson, Bob
Findley	Calif.	Winn
Frenzel	Mosher	Wylie
Gibbons	Myers, Ind.	
Goldwater	Myers, Pa.	

NOT VOTING—15

Aspin	Hinshaw	Sisk
Cederberg	Kazen	Steiger, Ariz.
Conlan	Landrum	Stephens
Eilberg	Mills	Teague
Eshleman	Rees	Young, Alaska

The Clerk announced the following pairs:

On this vote:

Mr. Eilberg and Mr. Kazen for, with Mr. Teague against.

Mr. Sisk and Mr. Rees for, with Mr. Conlan against.

Until further notice:

Mr. Aspin with Mr. Landrum.

Mr. Mills with Mr. Stephens.

So, two-thirds having voted in favor thereof, the bill was passed, the objections of the President to the contrary notwithstanding.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the veto override of H.R. 5247.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

REPORT ON SENATE CONCURRENT RESOLUTION 88, AUTHORIZING PRINTING OF ADDITIONAL COPIES OF OPEN HEARINGS AND FINAL REPORT OF SENATE SELECT COMMITTEE ON INTELLIGENCE ACTIVITIES

Mr. BRADEMAs, from the Committee on House Administration, reported a privileged report to accompany the Senate concurrent resolution (S. Con. Res. 88, Rept. No. 94-835) authorizing the printing of additional copies of the open hearings and the final report of the Senate Select Committee on Intelligence Activities, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO HAVE UNTIL MIDNIGHT, MONDAY, FEBRUARY 23, 1976, TO FILE REPORT, ALONG WITH SEPARATE OR MINORITY VIEWS, ON H.R. 11893

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight Monday, February 23, 1976, to file a report, along with any separate or minority views, on H.R. 11893, a bill to increase the public debt limitation through June 30, 1976.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT TOMORROW, FRIDAY, FEBRUARY 20, 1976, TO FILE A REPORT ON JOINT RESOLUTION MAKING SUPPLEMENTAL APPROPRIATIONS FOR LEGISLATIVE BRANCH

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night to file a report on a joint resolution making supplemental appropriations for the legislative branch for fiscal year 1976 and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MAKING IN ORDER CONSIDERATION ON TUESDAY NEXT OR ANY DAY THEREAFTER OF HOUSE JOINT RESOLUTION 811, MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE LEGISLATIVE BRANCH FOR FISCAL YEAR 1976

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order in the House on Tuesday next or any day thereafter to consider House Joint Resolution 811, making supplemental appropriations for the legislative branch for fiscal year 1976 and for other purposes.

felt almost immediately by needy States and localities. For New York, this bill will mean some \$138 million in new funds to be provided to help them restore basic municipal services which have been curtailed due to the recession. This would include the rehiring of essential public safety personnel, such as the estimated 3,000 police, firemen and correction officers, who have been laid off by the city. I have specifically requested the mayor of New York City to make the rehiring of these personnel a priority once the funds are released.

The tragedy of unemployment has struck millions of households throughout this Nation. Job layoffs have occurred across the board, both in blue collar and white collar positions. In New York City, even career civil servants were forced to be laid off. In a nation which prides itself on being built by the hands of hard working people, there is no reason why millions who are willing and able to work, should not be afforded that opportunity now. This bill represents one of the most ambitious efforts to date, by this or any other Congress, to create new jobs for the unemployed. Its overall importance to this Nation cannot be minimized. Its future importance to restoring economic stability to this Nation must be recognized. Let us not fail to respond to the challenge before us. I urge the overwhelming approval of this measure by the House today, and the immediate signature of the President.

Ms. ABZUG. Mr. Speaker, I rise in strong support of this conference report on which I was a House conferee. We are a Nation that is still in a deep recession. When we passed the House version of H.R. 5247 last May, I urged support for the measure by noting the high unemployment figures in States throughout the country. I regret to say that a review of those unemployment figures reveals a continuation of the same unfortunate conditions, despite the claims of the Ford administration. In California, the unemployment rate is 9.6 percent. The Massachusetts rate is 11.8 percent. Michigan is suffering from 12.2 percent unemployment. Pennsylvania is experiencing an 8.7 percent rate, Alabama's figure is 8.6 percent, Oregon has 9.9 percent unemployed. The list of States with similar figures is, sadly, very long. A number of industries, particularly the construction industry are in a desperate situation.

The impact of H.R. 5247 is, simply stated, to put hundreds of thousands of people to work. In the process, we will increase public revenues and decrease our welfare rolls. Those who argue that this Federal commitment would be inflationary should remember that Congressional Budget Office studies show that for every percentage point decrease in unemployment in excess of 4 percent, there is a resultant decrease of \$2 billion in Government expenditures and a \$14 billion increase in Federal tax revenues. It is much more productive to put people back on payrolls doing the necessary work of this Nation, than to continue spending \$30 billion on unemployment insurance, food stamps, and other unemployment benefit programs.

Neither should we overlook the public

sector needs that the public works program will fulfill. This program will build hospitals, schools, court houses, highways, airports that are immediately needed. Local government has not had the ability to pay for these facilities, certainly not in these difficult and often desperate days of recession, and the concomitant lessened local tax revenues that recession has brought. How many communities are in desperate need of sewers, storm drains, libraries, and community facilities? How many communities could use the shot in the arm that an additional 400,000 jobs would bring?

Mr. ADAMS. Mr. Speaker, I rise at this time to advise the House on the status of the pending legislation, H.R. 5247, the Public Works Employment Act, under the congressionally adopted budget ceilings for fiscal 1976.

In setting the fiscal 1976 budget ceilings, the conferees on the second congressional resolution provided \$9.5 billion in budget authority and \$7 billion in outlays for the community and regional development function. In setting these levels, the managers stated in the conference report that \$3.9 billion in budget authority and \$1 billion in outlays was provided for the public works and anti-recession assistance legislation contained in H.R. 5247.

The actual fiscal 1976 impact of H.R. 5247 is now estimated to be below the levels provided in the second congressional resolution on the budget. The legislation authorizes that there be appropriated only \$3.5 billion in budget authority in fiscal 1976. Outlays from these appropriations, if Congress subsequently fully funds these programs, are estimated to be no more than \$600 million in fiscal 1976. Thus, the potential cost of this legislation is \$400 million in budget authority and outlays below the levels set for it in our present ceilings for the fiscal year.

I would also point out, Mr. Speaker, that the spending targets which the Congress has established for this year's transition period also assumes full funding of the programs authorized in this legislation.

Finally, Mr. Speaker, I would remind my colleagues that enactment of this legislation and subsequent full funding of the programs involved was a major assumption underlying the overall economic stimulus strategy embodied in the congressional budget. The economic stimulation, and particularly the resulting job creation, to result from this legislation is essential if we are to achieve our goal of recovery and continued growth.

Mr. JONES of Alabama. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. GIBBONS). All time has expired.

With out objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CLEVELAND. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 321, noes 80, not voting 31, as follows:

[Roll No. 27]

AYES—321

Abzug	Flood	Miller, Calif.
Adams	Florio	Mills
Addabbo	Flynt	Mineta
Alexander	Foley	Minish
Allen	Ford, Mich.	Mink
Ambro	Ford, Tenn.	Mitchell, Md.
Anderson,	Forsythe	Mitchell, N.Y.
Calif.	Fountain	Moakley
Anderson, Ill.	Fraser	Moffett
Andrews, N.C.	Frey	Mollohan
Annuzio	Fuqua	Montgomery
Ashley	Gaydos	Moorhead, Pa.
Aspin	Gialmo	Morgan
AuCoin	Gibbons	Mosher
Badillo	Gilman	Moss
Bafalis	Ginn	Murphy, Ill.
Baldus	Gonzalez	Murtha
Barrett	Gooding	Myers, Pa.
Baucus	Gude	Natcher
Beard, R.I.	Haley	Neal
Bedell	Hall	Nedzi
Bergland	Hamilton	Nichols
Bevill	Hammer-	Nix
Biaggi	schmidt	Nolan
Bieber	Hanley	Nowak
Bingham	Hannaford	Oberstar
Blanchard	Harkin	Obey
Blouin	Harrington	O'Brien
Boggs	Harris	O'Hara
Boland	Hawkins	O'Neill
Bolling	Hayes, Ind.	Otinger
Bonker	Hayes, Ohio	Passman
Bowen	Hechler, W. Va.	Patten, N.J.
Brademas	Heckler, Mass.	Patterson,
Breaux	Hefner	Calif.
Breckinridge	Heinz	Pattison, N.Y.
Brinkley	Helstoski	Perkins
Brodhead	Henderson	Pettis
Brooks	Hicks	Peyser
Broomfield	Hightower	Pike
Brown, Calif.	Hillis	Pressler
Buchanan	Holtzman	Preyer
Burke, Calif.	Horton	Price
Burke, Fla.	Howard	Pritchard
Burke, Mass.	Howe	Rallsback
Burton, John	Hubbard	Randall
Burton, Phillip	Hughes	Rangel
Carney	Hungate	Rees
Carr	Hyde	Regula
Carter	Jeffords	Reuss
Chappell	Jenrette	Richmond
Chisholm	Johnson, Calif.	Riegle
Clausen,	Jones, Ala.	Rinaldo
Don H.	Jones, Okla.	Risenhoover
Clay	Jones, Tenn.	Roberts
Cochran	Jordan	Rodino
Cohen	Kasten	Roe
Collins, Ill.	Kastenmeier	Rogers
Conte	Kasen	Roncalio
Corman	Kemp	Rooney
Cornell	Keys	Rosenthal
Cotter	Koch	Rostenkowski
Coughlin	Krebs	Roush
D'Amours	Krueger	Roybal
Daniels, N.J.	Landrum	Russo
Danielson	Leggett	Ryan
Davis	Lehman	St Germain
de la Garza	Lent	Santini
Delaney	Levitas	Sarasin
Dellums	Litton	Sarbanes
Dent	Lloyd, Calif.	Scheuer
Derrick	Lloyd, Tenn.	Schroeder
Derwinski	Long, La.	Schulze
Dingell	Long, Md.	Seiberling
Dodd	Lott	Sharp
Downey, N.Y.	McClory	Shipley
Downing, Va.	McCloskey	Sikes
Drinan	McCormack	Simon
Duncan, Ore.	McDade	Sisk
Duncan, Tenn.	McFall	Slack
Early	McHugh	Smith, Iowa
Eckhardt	McKay	Solarz
Edgar	McKinney	Spellman
Edwards, Calif.	Macdonald	Spence
Ellberg	Madden	Staggers
Emery	Maguire	Stanton
English	Mahon	J. William
Esch	Mann	Stanton
Evans, Colo.	Martin	James V.
Evans, Ind.	Matsunaga	Stark
Evins, Tenn.	Mazzei	Steed
Fary	Meeds	Steiger, Wis.
Fascell	Melcher	Stephens
Fenwick	Meyner	Stokes
Fish	Mezvinisky	Stratton
Fisher	Mikva	Stuckey
Fithian	Milford	Studds

Sullivan
Symington
Taylor, N.C.
Teague
Thompson
Thornon
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen

Vanik
Vigorito
Waggonner
Walsh
Waxman
Weaver
Whalen
White
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.

Wilson, Tex.
Wirth
Wolff
Wright
Wylder
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—30

Abdnor
Archer
Ashbrook
Bauman
Beard, Tenn.
Bennett
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burleson, Tex.
Burleson, Mo.
Butler
Byron
Cederberg
Clancy
Clawson, Del.
Cleveland
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Devine
Dickinson
du Pont

Erlenborn
Eshleman
Findley
Frenzel
Goldwater
Gradison
Grassley
Hagedorn
Hansen
Harsha
Holt
Hutchinson
Ichord
Jacobs
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Kelly
Ketchum
Kindness
Lagomarsino
Latta
Lujan
McDonald
McEwen
Michael

Miller, Ohio
Moore
Moorhead, Calif.
Myers, Ind.
Pickle
Poage
Quie
Robinson
Rouslet
Runnels
Satterfield
Schneebell
Shuster
Smith, Nebr.
Snyder
Steelman
Steiger, Ariz.
Symms
Taylor, Mo.
Thone
Treen
Wampler
Whitehurst
Wylie
Young, Alaska

NOT VOTING—31

Andrews
N. Dak.
Armstrong
Bell
Conyers
Diggs
Edwards, Ala.
Flowers
Green
Guyer
Hebert

Hinsbaw
Holland
Karth
LaFalce
McCollister
Madigan
Mathis
Metcalf
Mottl
Murphy, N.Y.
Patman, Tex.

Pepper
Rhodes
Rose
Ruppe
Sebelius
Shriver
Skubitz
Talcott
Udall
Winn

The Clerk announced the following pairs:

On this vote:

Mr. Murphy of New York for, with Mr. Hebert against.

Until further notice:

Mr. LaFalce with Mr. Andrews of North Dakota.

Mr. Patman with Mr. Edwards of Alabama.

Mr. Pepper with Mr. Mathis.

Mr. Udall with Mr. Rhodes.

Mr. Diggs with Mr. Armstrong.

Mr. Conyers with Mr. Madigan.

Mr. Karth with Mr. Ruppe.

Mr. Holland with Mr. Bell.

Mr. Rose with Mr. Guyer.

Mr. Flowers with Mr. Shriver.

Mr. Green with Mr. McCollister.

Mr. Metcalf with Mr. Sebelius.

Mr. Mottl with Mr. Talcott.

Mr. Winn with Mr. Skubitz.

Mr. McCORMACK changed his vote from "nay" to "yea."

So the conference report was agreed to. The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 5247.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 9803. An act to postpone for 6 months the effective date of the requirement that a child day care center meet specified staffing standards (for children between 6 weeks and 6 years old) in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no lower than those in effect in September 1975.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 9803) entitled "An act to postpone for 6 months the effective date of the requirement that a child day-care center meets specified staffing standards—for children between 6 weeks and 6 years old—in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no longer than those in effect in September 1975," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. HARTKE, Mr. REBICOFF, Mr. HARRY F. BYRD, Jr., Mr. MONDALE, Mr. HATHAWAY, Mr. FANNIN, Mr. HANSEN, and Mr. PACKWOOD to be the conferees on the part of the Senate.

APPOINTMENT OF CONFEREES ON H.R. 9803, DAY-CARE CENTER REQUIREMENTS

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9803) to postpone for 6 months the effective date of the requirement that a child day-care center meet specified staffing standards—for children between 6 weeks and 6 years old—in order to qualify for Federal payments for the services involved under title XX of the Social Security Act, so long as the standards actually being applied comply with State law and are no longer than those in effect in September 1975, with Senate amendments thereto disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oregon? The Chair hears none and appoints the following conferees: Messrs. ULLMAN, CORMAN, RANGEL, STARK, WAGGONNER, SCHNEEBELL, and VANDER JAGT.

RENEGOTIATION ACT AMENDMENTS OF 1975

Mr. MINISH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 10680) to revise and extend the Renegotiation Act of 1951.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. MINISH).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 10680), with Mr. DANIELSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on yesterday, the Clerk had read through section 1 ending on page 1, line 5, of the bill and there was pending an amendment in the nature of a substitute offered by the gentleman from Idaho (Mr. HANSEN).

The gentleman from Idaho (Mr. HANSEN) is recognized for 5 minutes at this time in support of the gentleman's amendment.

(Mr. HANSEN asked and was given permission to revise and extend his remarks.)

Mr. HANSEN. Mr. Chairman, my substitute amendment and language is to amend the renegotiation proposal that is in the committee bill. I feel that the enactment of the committee bill would create more problems than it would solve. Both these measures deal with the Renegotiation Board, an independent executive branch agency established in 1951 to review defense, space, and related contracts in order to eliminate excessive profits. Although continually improving Government procurement practices should eventually make the renegotiation process almost unnecessary, the Board provides an additional safeguard to make sure that taxpayers and their Government receive fair value for dollars spent.

Currently, however, the Renegotiation Board is in serious difficulty. With only 48 accountants and 9 lawyers on its small staff of 200 employees to screen more than \$40 billion in contracts annually, the Board fell 1,000 cases further behind in initial screening in 1975. The backlog of cases involving possible excessive profit increased in 1975 by 267 cases, to a total of 1,308, representing approximately \$100 billion of renegotiable sales.

Now, I believe there are a substantial number of people in this body on both sides that believe legislation to help the Board expedite consideration of this backlog is absolutely of paramount importance.

We feel also that the committee bill is the wrong way to proceed. The committee bill (H.R. 10680) creates new problems for the Renegotiation Board, the Nation's consumers, and business. At a time when Government regulations and restrictions are already costing American consumers an estimated \$130 billion a year, an average of about \$2,000 per family, this bill sets up a series of new, stringent requirements, putting such burdensome demands on contractors, particularly small businesses, that many will simply not compete for Government contracts and some may even close down altogether.

Inevitably the additional costs imposed by H.R. 10680 will be passed along to citizens in both higher taxes and higher prices.

We should be encouraging, not discouraging, business sector competition

H.R. 5247 (S. 1587) Local Public Works Capital Development + Investment Act of 1975

H 4404

CONGRESSIONAL RECORD—HOUSE

May 20, 1975

Passed House

the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER). The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FOLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5247) to authorize a local public works capital development and investment program, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the committee amendment in the nature of a substitute adopted in the Committee of the Whole.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. SNYDER

Mr. SNYDER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SNYDER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SNYDER moves to recommit the bill (H.R. 5247) to the Committee on Public Works and Transportation.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. ROE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 312, nays 86, not voting 35, as follows:

[Roll No. 227]

YEAS—312

Abzug	Baucus	Brademas
Adams	Beard, R.I.	Breaux
Addabbo	Bedell	Breckinridge
Alexander	Beil	Brinkley
Ambro	Bennett	Brodhead
Anderson, Calif.	Bergland	Brooks
Anderson, Ill.	Biaggi	Brown, Calif.
Andrews, N. Dak.	Bingham	Brown, Mich.
Ashley	Blanchard	Buchanan
Aspin	Blouin	Burgener
AuCoin	Boggs	Burke, Calif.
Badillo	Boland	Burke, Fla.
Bafalis	Bolling	Burke, Mass.
Baldus	Bonker	Burton, John
	Bowen	Burton, Phillip
		Byron

Carney	Hillis	Peyser	Grassley	McCollister	Schneebeli
Carr	Hinshaw	Pickle	Hagedorn	McDonald	Shriver
Carter	Holland	Pike	Hansen	McEwen	Skubitz
Casey	Holtzman	Pressler	Holt	Michel	Smith, Nebr.
Chappell	Howard	Preyer	Hutchinson	Miller, Ohio	Snyder
Chisholm	Howe	Price	Hyde	Montgomery	Steelman
Clausen,	Hubbard	Pritchard	Ichord	Moore	Steiger, Ariz.
Don H.	Hughes	Railsback	Jacobs	Moorhead,	Symms
Clay	Hungate	Randall	Jarman	Calif.	Talcott
Cochran	Jeffords	Rangel	Johnson, Colo.	Myers, Ind.	Taylor, Mo.
Cohen	Jenrette	Rees	Kelly	Poage	Thone
Collins, Ill.	Johnson, Calif.	Regula	Kemp	Quie	Treen
Conte	Jones, Ala.	Reuss	Ketchum	Quillen	Wampler
Conyers	Jones, N.C.	Richmond	Krueger	Rhodes	Whitehurst
Corman	Jones, Okla.	Rinaldo	Lagomarsino	Robinson	Winn
Cornell	Jones, Tenn.	Risenhoover	Landrum	Rousselot	Wylder
Cotter	Jordan	Roberts	Latta	Runnels	Wyllie
D'Amours	Karth	Rodino	Lent	Satterfield	Young, Fla.
Daniels, N.J.	Kasten	Roe			
Davis	Kastenmeier	Rogers			
de la Garza	Kazen	Roncalio			
Deianey	Keys	Roosey			
Dellums	Kindness	Rosenthal			
Dent	Koch	Rostenkowski			
Derwinski	Krebs	Roush			
Dickinson	LaFalce	Roybal			
Diggs	Leggett	Russo			
Dodd	Lehman	Ryan			
Downey	Levitas	St. Germain			
Drinan	Lloyd, Calif.	Santini			
Duncan, Oreg.	Lloyd, Tenn.	Sarasin			
Duncan, Tenn.	Long, La.	Sarbanes			
Early	Long, Md.	Scheuer			
Eckhardt	Lott	Schroeder			
Edgar	McClary	Schulze			
Edwards, Ala.	McCloskey	Seiberling			
Edwards, Calif.	McCormack	Sharp			
Emery	McDade	Shipley			
English	McFall	Shuster			
Esch	McHugh	Sikes			
Evans, Colo.	McKay	Simon			
Evans, Ind.	McKinney	Sisk			
Evins, Tenn.	Macdonald	Slack			
Fascell	Madigan	Smith, Iowa			
Fenwick	Maguire	Solarz			
Fish	Mahon	Spellman			
Fisher	Mann	Spence			
Fithian	Mathis	Staggers			
Flood	Matsunaga	Stanton,			
Flowers	Mazzoli	James V.			
Foley	Meeds	Stark			
Ford, Mich.	Melcher	Steed			
Ford, Tenn.	Metcalfe	Steiger, Wis.			
Fountain	Meyner	Stokes			
Fraser	Mezvinsky	Stratton			
Fulton	Mikva	Stuckey			
Puqua	Millford	Studds			
Gaydos	Miller, Calif.	Sullivan			
Gialmo	Mills	Symington			
Gibbons	Mineta	Taylor, N.C.			
Gilman	Minish	Teague			
Ginn	Mink	Thompson			
Goldwater	Mitchell, Md.	Thornton			
Gonzales	Mitchell, N.Y.	Traxler			
Goodling	Moakley	Tsongas			
Green	Moffett	Udall			
Gude	Moher	Ullman			
Guyer	Moss	Van Deerin			
Haley	Mottl	Vander Jagt			
Hall	Murphy, Ill.	Vander Veen			
Hamilton	Murphy, N.Y.	Vanik			
Hammer-	Myers, Pa.	Waggonner			
schmidt	Natcher	Walsh			
Hanley	Nedzi	Waxman			
Harkin	Nichols	Weaver			
Harrington	Noian	Whalen			
Harris	Nowak	White			
Harsha	Oberstar	Whitten			
Hastings	Obey	Wiggins			
Hawkins	O'Hara	Wilson, Bob			
Hayes, Ind.	O'Neill	Wilson, C.H.			
Hays, Ohio	Ottinger	Wilson, Tex.			
Hébert	Passman	Wirth			
Hechler, W. Va.	Patten, N.J.	Wolff			
Heckler, Mass.	Patterson,	Wright			
Heinz	Calif.	Yates			
Helstoski	Pattison, N.Y.	Young, Ga.			
Henderson	Pepper	Young, Tex.			
Hicks	Perkins	Zablocki			
Hightower	Pettis	Zaferetti			

NAYS—86

Abdnor	Cederberg	Devine
Archer	Clancy	Downing
Armstrong	Clawson, Del	du Pont
Ashbrook	Cleveland	Erlenborn
Bauman	Collins, Tex.	Eshleman
Beard, Tenn.	Conable	Findley
Broomfield	Conlan	Flynt
Brown, Ohio	Crane	Forsythe
Burleson, Tex.	Daniel, Dan	Frenzel
Burlison, Mo.	Daniel, R.W.	Frey
Butler	Derrick	Gradison

NOT VOTING—35

Andrews, N.C.	Horton	O'Brien
Annunzio	Johnson, Pa.	Patman, Tex.
Barrett	Litton	Riegle
Blester	Lujan	Rose
Broyhill	Madden	Ruppe
Coughlin	Martin	Sebelius
Danielson	Molohan	Stanton,
Dingell	Moorhead, Pa.	J. William
Ellberg	Morgan	Stephens
Florio	Murtha	Vigorito
Hannaford	Neal	Yatron
Hefner	Nix	Young, Alaska

So the bill was passed.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Litton.
Mr. Ellberg with Mr. Neal.
Mr. Florio with Mr. Murtha.
Mr. Hefner with Mr. Riegle.
Mr. Moorhead of Pennsylvania with Mr. Rose.
Mr. Horton with Mr. Patman.
Mr. Morgan with Mr. Andrews of North Carolina.
Mr. Nix with Mr. Hannaford.
Mr. Vigorito with Mr. Stephens.
Mr. Yatron with Mr. Broyhill.
Mr. Dingell with Mr. O'Brien.
Mr. Blester with Mr. Lujan.
Mr. Barrett with Mr. Ruppe.
Mr. Danielson with Mr. Coughlin.
Mr. Madden with Mr. Johnson of Pennsylvania.
Mr. Molohan with Mr. Martin.
Mr. J. William Stanton with Mr. Sebelius.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on H.R. 5247, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

MAKING IN ORDER ON TOMORROW OR ANY DAY THEREAFTER CONSIDERATION OF CONFERENCE REPORT ON H.R. 5899, MAKING SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR ENDING JUNE 30, 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order in the House on tomorrow or any day thereafter to consider a conference report on the bill (H.R. 5899) making supplemental appropriations for the fiscal year



Senate Sustains Public Works Jobs Veto

President Ford won a major legislative and political victory Feb. 19 when the Senate sustained his veto of a \$6.1-billion public works jobs and anti-recession aid bill (HR 5247) by three votes. Less than three hours before, the House had voted to override the Feb. 13 veto by a comfortable 41-vote margin.

The Senate vote was 63-35; the House vote, 319-98. A two-thirds majority of those present and voting is needed in both chambers to enact legislation over the President's veto. (Senate vote 37, p. 449; House vote 42, p. 450)

Characterized as a key component of the Democratic alternative to Ford's economic policies, HR 5247 authorized \$2.5-billion in fiscal 1976-77 to speed construction on public works projects, \$1.5-billion in annual funding for "countercyclical" aid to state and local governments so that they could continue vital services without having to raise taxes or lay off employees, and a total of \$2.1-billion for a wide variety of projects including wastewater treatment plant construction. The bill's supporters estimated that the legislation would create at least 600,000 jobs, mostly in the private sector. (Final provisions, 1975 Weekly Report p. 2792)

It was the second time in less than a year that the Democratic leadership was unable to pass job-creating legislation over the President's veto. In June 1975 the House fell five votes short of overriding Ford's veto of a \$5.3-billion emergency jobs appropriations bill (HR 4481). About half that amount was subsequently appropriated, however. (HR 4481 veto sustained, 1975 Weekly Report p. 1159)

A third confrontation was in the works. The House Feb. 10 passed a bill (HR 11453) that would nearly double the number of federally financed public service jobs. The Senate Labor and Public Welfare Subcommittee on Employment, Poverty and Migration was expected to begin markup of the legislation by mid-March. (House action, Weekly Report p. 307)

Reaction to the override failure was immediate. House Majority Leader Thomas P. O'Neill Jr. (D Mass.) called it a "bitter disappointment," while President Ford issued a statement calling the Senate vote "commendable."

"Those members of the Congress who stood firm against enormous political pressures in favor of this bill deserve the appreciation of all Americans," Ford said.

"The White House may consider it a victory," said an AFL-CIO spokesman, "but we consider it a tragic loss for the people and intend to report the results of this vote to the members of the AFL-CIO for their guidance in the November elections."

Ford Veto

Ford also portrayed the bill as a political issue, calling it "little more than an election year pork barrel" in his Feb. 13 veto message. (Text, p. 437)

Rather than create 600,000 jobs as the Democrats claimed, Ford said the bill would create only about 250,000 jobs whose cost would be "intolerably high, probably in excess of \$25,000." Ford also said the jobs would be created over a period of years with the peak employment coming in

"Those members of Congress who stood firm against enormous political pressure in favor of this bill deserve the appreciation of all Americans."

—President Ford



late 1977 or 1978. That, he said, would provide a "stimulus to the economy at precisely the wrong time: when the recovery will already be far advanced."

Ford also criticized the countercyclical aid to state and local governments, saying that it would give "preferential treatment to those units of government with the highest taxes without any distinction between those jurisdictions which have been efficient in holding down costs and those that have not."

Alternative Endorsed

Once again, Ford said that his program of tax incentives to stimulate job creation in the private sector was the best approach to reducing the unemployment rate, which stood at 7.8 per cent in January.

But he agreed that some additional aid to areas suffering from extremely high joblessness might be necessary and endorsed more limited legislation (HR 11860, S 2986) introduced by Michigan colleagues Rep. Garry Brown (R) and Senate Minority Whip Robert P. Griffin (R).

That legislation would channel funds to local governments through the community development block grant mechanism established under the Housing and Community Development Act of 1974. The funds would be distributed only when the national jobless rate exceeded 7 per cent and only to cities and counties having a jobless rate of 8 per cent or higher. Although the amount of funding would depend on the national unemployment rate, the legislation authorized \$780-million for one year. (1974 housing act, 1974 Almanac p. 345)

Ford said the alternative proposal would be more effective because it would channel money only to areas in need. Using the existing block grant mechanism would obviate the need to create a new bureaucracy, he added.

Democratic Response

The Democrats denied that HR 5247 would create only 250,000 jobs. In a fact sheet released Feb. 18 by Rep. Jim Wright (D Texas), floor manager of the bill in the House, the Democrats said analyses by the AFL-CIO, the Commerce Department and the Congressional Budget Office showed that 655,000 new jobs would be created.

Requirements that funding be given only to public works projects where on-site labor could begin within 90 days would ensure that hiring would begin almost immediately, the Democrats said. A stipulation that projects must be funded or disapproved within 60 days of their submission also would speed up hiring, they added.

Claiming that the Brown-Griffin alternative was not "even a pale imitation" of HR 5247, the Democrats noted that all of its jobs would be created in the public sector, adding that it was ironical Ford would support such legislation when he insisted the better way was to stimulate jobs in the private sector. The Democrats said 80 per cent of the jobs created under HR 5247 would be in the private sector.

Floor Action

Although debate on the override attempt was shorter and more subdued in the Senate than in the House, members in both chambers made similar arguments.

PRO: Sustain the Veto

"This bill at this time in this sum is too much," said Sen. Howard H. Baker (R Tenn.). "We are almost a year beyond the time when these proposals first saw the light of day. Circumstances, the jobs situation, certainly the momentum and the direction of the economy are entirely different."

House Minority Leader John J. Rhodes (R Ariz.) agreed. "All the signs regarding the economy [indicate] we are coming out of a very deep and serious recession," he said. Enacting the bill over the veto, he continued, "would have the effect of rekindling the fires of inflation, those very fires which...are basically responsible for the economic problems of the country."

CON: Override the Veto

"As long as more than 7 per cent of Americans are unemployed we are not close to recovery," House Speaker Carl Albert (D Okla.) responded. HR 5247 "is not a leaf-raking proposition," he continued. "We are talking about putting federal funds into the private sector of this country so that private jobs, private projects, which are sorely needed, can be created to take this country out of the second deepest recession in the history of the 20th century."

"The veto," said Sen. Joseph M. Montoya (D N.M.), whose Public Works Economic Development Subcommittee had jurisdiction over the bill, was "simply another reflection of economic thinking that favors corporate, banking and investment interests over those of workingmen and workingwomen, small businessmen, farmers, consumers, the poor and the unemployed."



"We are talking about putting federal funds into the private sector of this country so that private jobs...can be created" to end the recession.

—House Speaker
Carl Albert (D Okla.)

Vote Analysis

Election-year pressure on House Republicans and a steady improvement in the economic picture were the reasons most often cited for the House vote to override and the Senate vote to sustain the veto.

In the House, where all seats were up for election in November, 56 of the 144 Republicans voted to override, while 82 voted to uphold the veto. In the Senate, where 12 Republicans voted to override and 25 voted to sustain, only 11 Republican seats were up for election. Four of those Republicans had announced their retirement; all four voted to sustain the veto. Of the remaining seven up for re-election, five voted to override: Beall (Md.), Brock (Tenn.), Buckley (N.Y.), Stafford (Vt.) and Weicker (Conn.). Two—Roth (Del.) and Taft (Ohio)—voted to sustain the veto.

With the exception of William D. Hathaway (D Maine), switched votes in the Senate followed party lines. Four Democrats who had opposed the bill when it was first passed July 29, 1975, voted to override the veto. Eight Republicans and Hathaway had supported HR 5247 when it passed the Senate in July but switched their positions to support the President on the veto. Two of those, Griffin and Baker, indicated on the floor that the improved economy and the declining unemployment rate had led them to reconsider their earlier support of the bill. (*Senate action, 1975 Weekly Report p. 1692*)

In the House, only 16 Democrats joined the 82 Republicans to vote to sustain the veto; 263 Democrats voted to override. Only 12 members, nine Republicans and three southern Democrats, who had voted for the conference report Jan. 29 switched their position to vote against the override attempt. (*House conference action, Weekly Report p. 252*)

Ford's veto of HR 5247 was his 43rd veto of a public bill. Congress had overridden only eight of those vetoes.

—By Martha V. Gottron

ECONOMY NOTES

Economic Statistics

The consumer price index (CPI) rose .4 per cent in January, signaling continued moderation in the rate of inflation, the Labor Department announced Feb. 20.

A decline in the prices of food at the retail level, for the first time in five months, and in gasoline and motor oil helped offset an increase in the price of services including a postal rate increase and higher medical costs and auto insurance rates.

The seasonally adjusted rate followed an increase of .5 per cent in December.

In another development, the Commerce Department issued revised data Feb. 19 on the growth of the gross national product (GNP) and inflation during the final three months of 1975.

The revised statistics showed that the fourth-quarter growth rate for "real" GNP, after inflation was accounted for, was 4.9 per cent, down from the original 5.4 per cent estimate. It was the third quarter of growth, indicating a continuing recovery from the recession, but was considerably less than the 12 per cent real growth during the third quarter.

38. HR 11233. Library Aid Extension. Brademas (D Ind.) motion to suspend the rules and pass the bill to extend the Library Service and Construction Act for five years, through fiscal 1981. Motion agreed to 378-7: R 121-5; D 257-2 (ND 178-1; SD 79-1), Feb. 17, 1976. A two-thirds majority vote (257 in this case) is required for passage under suspension of the rules. A "nay" was a vote supporting the President's position. (Story, 454)

39. HR 11455. Indiana Dunes National Lakeshore. Taylor (D N.C.) motion to suspend the rules and pass the bill to authorize \$53.5-million to expand the Indiana Dunes National Lakeshore on the southeastern coast of Lake Michigan. Motion agreed to 272-118: R 44-84; D 228-34 (ND 176-6; SD 52-28), Feb. 17, 1976. A two-thirds majority vote (260 in this case) is required for passage under suspension of the rules. (Story, p. 436)

40. HR 11645. Library of Congress Madison Memorial Building. Roncalio (D Wyo.) motion to suspend the rules and pass the bill to provide an additional authorization of \$33-million for the completion of the James Madison Memorial Building of the Library of Congress. Motion agreed to 342-48: R 102-26; D 240-22 (ND 164-18; SD 76-4), Feb. 17, 1976. A two-thirds majority vote (260 in this case) is required for passage under suspension of the rules.

41. H J Res 801. Supplemental Railroad Appropriations. Passage of the joint resolution to appropriate \$2.032-billion in order to provide for the purchase of Consolidated Rail Corporation (ConRail) securities by the United States Railway Association for fiscal years 1976, 1978, 1979 and the budget transition period, July-September 1976. Passed 298-95: R 83-48; D 215-47 (ND 171-13; SD 44-34), Feb. 18, 1976. (Story, p. 442)

42. HR 5247. Public Works Projects. Passage, over the President's Feb. 13, 1976, veto, of the bill to authorize \$6.1-billion for job-creating public works projects and anti-recession aid to state and local governments. Passed 319-98: R 56-82; D 263-16 (ND 190-5; SD 73-11), Feb. 19, 1976. A two-thirds majority of those present and voting (278 in this case) is required to override a veto. A "nay" was a vote supporting the President's position. (Story, p. 415)

43. H Res 1042. Investigation of Intelligence Leaks. O'Neill (D Mass.) motion to refer to the House Rules Committee the resolution requiring the House Committee on Standards of Official Conduct to look into the circumstances surrounding publication of portions of a secret report of the House Select Intelligence Committee. Motion rejected 172-219: R 9-121; D 163-98 (ND 148-38; SD 15-60), Feb. 19, 1976. (Story, p. 417)

44. H Res 1042. Investigation of Intelligence Leaks. Adoption of the resolution to require the House Committee on Standards of Official Conduct to look into the circumstances surrounding publication of portions of a secret report of the House Select Intelligence Committee and to make recommendations. Adopted 269-115: R 123-7; D 146-108 (ND 83-98; SD 63-10), Feb. 19, 1976. (Story, p. 417)

KEY													
Y	Voted for (yea)												
✓	Paired for.												
†	Announced for.												
N	Voted against (nay).												
X	Paired against.												
-	Announced against.												
P	Voted "present."												
•	Voted "present" to avoid possible conflict of interest.												
?	Did not vote or otherwise make a position known.												

		38	39	40	41	42	43	44

CQ Senate Votes 24-31

Corresponding to Congressional Record Votes 28, 29, 30, 31, 32, 33, 34, 35

	24	25	26	27	28	29	30	31		24	25	26	27	28	29	30	31		24	25	26	27	28	29	30	31													
ALABAMA									IOWA									NEW HAMPSHIRE									KEY												
Alien	Y	Y	Y	N	N	N	Y	N	Clark	Y	N	Y	Y	Y	N	N	N	Durkin	N	N	N	Y	Y	N	N	N	Y	Voted for (yea)											
Sparkman	N	N	Y	Y	Y	N	N	N	Culver	Y	-	?	Y	Y	N	N	N	McIntyre	N	N	Y	?	?	-	-	?	✓	Paired for.											
ALASKA									KANSAS									NEW JERSEY									† Announced for.												
Gravel	?	-	?	Y	Y	N	N	N	Dole	N	Y	Y	N	N	N	N	N	Williams	?	?	N	Y	Y	N	N	N	N	N	N	Voted against (nay).									
Stevens	?	Y	Y	N	N	N	N	N	Pearson	?	N	Y	Y	Y	N	N	N	Case	Y	N	N	Y	Y	N	N	N	N	N	X	Paired against.									
ARIZONA									KENTUCKY									NEW MEXICO									- Announced against.												
Fannin	?	Y	N	N	N	Y	Y	Y	Ford	Y	Y	Y	Y	Y	N	N	N	Montoya	?	Y	Y	Y	Y	N	N	N	Y	P	Voted "present."										
Goldwater	?	Y	N	N	N	Y	Y	Y	Huddleston	?	?	Y	Y	Y	N	N	N	Domenici	?	?	Y	N	N	N	N	Y	Y	•	Voted "present" to avoid possible conflict of interest.										
ARKANSAS									LOUISIANA									NEW YORK									? Did not vote or otherwise make a position known.												
Bumpers	N	N	Y	Y	Y	N	N	N	Johnston	N	Y	Y	N	N	N	Y	N	Buckley*	N	Y	N	N	N	N	?	?	?	?											
McClellan	N	Y	N	N	N	N	Y	N	Long	?	Y	Y	N	N	N	Y	Y	Javits	?	N	Y	Y	Y	N	N	N	N												
CALIFORNIA									MAINE									NORTH CAROLINA																					
Cranston	-	N	N	Y	Y	N	N	N	Hathaway	N	N	Y	Y	Y	N	N	N	Morgan	Y	Y	Y	N	N	N	Y	Y													
Tunney	N	N	N	Y	Y	N	N	N	Muskie	?	N	Y	Y	Y	N	N	N	Helms	Y	Y	Y	Y	N	N	Y	Y													
COLORADO									MARYLAND									NORTH DAKOTA																					
Hart	?	?	?	?	?	?	N	N	Beall	Y	Y	Y	Y	Y	N	N	N	Burdick	?	N	Y	Y	Y	N	N	N													
Haskell	?	?	?	?	Y	Y	N	N	Mathias	N	?	Y	Y	Y	N	N	N	Young	?	?	?	?	?	?	?	?													
CONNECTICUT									MASSACHUSETTS									OHIO																					
Ribicoff	?	N	Y	Y	Y	N	N	N	Kennedy	?	N	Y	Y	Y	N	N	N	Glenn	N	Y	Y	N	N	N	N	N													
Welcker	?	N	N	Y	Y	N	N	N	Brooke	?	?	N	Y	Y	N	N	N	Taft	?	Y	•	N	N	N	N	N													
DELAWARE									MICHIGAN									OKLAHOMA																					
Biden	?	N	N	Y	Y	N	N	N	Hart	?	?	?	?	?	?	N	N	Bartlett	Y	Y	N	N	N	N	Y	Y													
Roth	?	N	Y	N	N	N	N	N	Griffin	?	Y	N	N	?	?	Y	Y	Belmon	Y	Y	Y	N	N	N	Y	Y													
FLORIDA									MINNESOTA									OREGON																					
Chiles	?	N	Y	Y	Y	N	N	N	Humphrey	?	N	-	Y	Y	N	N	N	Hatfield	Y	N	Y	Y	Y	Y	N	N													
Stone	?	N	N	Y	Y	N	N	N	Mondale	N	N	Y	Y	Y	N	N	N	Packwood	Y	N	Y	N	N	N	N	N													
GEORGIA									MISSISSIPPI									PENNSYLVANIA																					
Nunn	Y	Y	Y	N	N	N	N	N	Eastland	?	Y	Y	N	N	N	Y	Y	Schwelker	Y	N	Y	Y	Y	Y	N	N													
Talmadge	?	Y	N	N	N	N	Y	N	Stennis	N	Y	Y	N	N	N	Y	Y	Scott	N	N	N	N	N	N	N	N													
HAWAII									MISSOURI									RHODE ISLAND																					
Inouye	?	N	Y	Y	Y	N	N	N	Eagleton	N	N	Y	Y	Y	Y	N	N	Pastore	N	N	Y	†	†	-	-	-													
Fong	?	?	?	?	?	?	?	?	Symington	N	N	Y	Y	Y	Y	N	N	Pell	?	N	Y	Y	Y	Y	N	N													
IDAHO									MONTANA									SOUTH CAROLINA																					
Church	?	?	?	?	?	?	N	N	Mansfield	N	N	Y	Y	Y	Y	N	N	Hollings	Y	Y	Y	N	N	N	N	N													
McClure	?	?	Y	N	N	Y	Y	Y	Metcalf	Y	N	Y	Y	Y	Y	N	N	Thurmond	Y	Y	Y	N	N	N	Y	Y													
ILLINOIS									NEBRASKA									SOUTH DAKOTA																					
Stevenson	?	?	?	?	?	?	?	?	Curtis	Y	?	?	N	N	Y	Y	Y	Abourezk	?	N	Y	Y	Y	Y	N	N													
Percy	Y	Y	Y	N	Y	N	N	N	Hruska	?	Y	Y	N	N	N	Y	Y	McGovern	?	N	Y	Y	Y	N	N	N													
INDIANA									NEVADA									TENNESSEE																					
Bayh	?	?	?	?	?	?	N	N	Cannon	Y	Y	Y	Y	Y	N	N	N	Baker	N	Y	Y	N	N	N	Y	N													
Hartke	Y	N	Y	Y	Y	N	N	N	Laxalt	?	?	?	?	?	?	?	?	Brock	?	Y	N	N	N	N	N	N													

Democrats Republicans

*Buckley elected as Conservative.

**Byrd elected as independent.

24. S 22. Copyright Law Revision. Thurmond (R S.C.) motion to table, and thus kill, the Tunney (D Calif.) amendment to reduce to seven years, from the 10 years provided in the bill, the period between reviews of royalty rates by the Copyright Royalty Tribunal to be set up under the bill. Motion agreed to 28-23: R 15-6; D 13-17 (ND 7-12; SD 6-5), Feb. 16, 1976.

25. S 2662. Foreign Military Aid/Sales. Tower (R Texas) amendment to allow the President to submit a classified supplement to the annual foreign sales report required to be submitted to Congress. Rejected 36-44: R 20-10; D 16-34 (ND 4-29; SD 12-5), Feb. 17, 1976. (Story, p. 421)

26. S 22. Copyright Law Revision. Pastore (D R.I.) motion to table, and thus kill, the Cranston (D Calif.) amendment to require programers on public broadcasting stations to give copyright owners 14 days advance notice of the programer's intention to use an owner's copyrighted non-dramatic literary material. Motion agreed to 61-22: R 21-11; D 40-11 (ND 27-6; SD 13-5), Feb. 17, 1976.

27. S 2662. Foreign Military Aid/Sales. Kennedy (D Mass.) amendment to prohibit government cash sales or commercial sales of arms and military equipment to Chile. Adopted 48-39: R 10-24; D 38-15 (ND 32-3; SD 6-12), Feb. 18, 1976. (As reported by the committee, the bill prohibited only U.S. military grants and credit sales to Chile.) (Story, p. 421)

28. S 2662. Foreign Military Aid/Sales. Humphrey (D Minn.) motion to table, and thus kill, the Helms (R N.C.) motion to reconsider the vote by which the Kennedy (D Mass.) amendment (see vote 27, above) was adopted. Motion agreed to 49-37: R 11-22; D 38-15 (ND 32-3; SD 6-12), Feb. 18, 1976. (Story, p. 421)

29. S 2662. Foreign Military Aid/Sales. Abourezk (D S.D.) amendment to bar military aid to any nation that violated the air space or territorial sovereignty of another nation. Rejected 8-79: R 6-27; D 2-52 (ND 2-34; SD 0-18), Feb. 18, 1976. (Story, p. 421)

30. S 2662. Foreign Military Aid/Sales. Tower (R Texas) amendment to delete language in the bill permitting Congress to terminate military assistance to nations that engaged in a pattern of "gross violations of human rights" and provisions establishing a new office of human rights in the State Department to serve as a fact-finder on human rights violations. Rejected 21-70: R 14-19; D 7-51 (ND 0-40; SD 7-11), Feb. 18, 1976. (Story, p. 421)

31. S 2662. Foreign Military Aid/Sales. Bartlett (R Okla.) amendment to delete language in the bill prohibiting military assistance to Angola unless the President submitted a request that was not disapproved by Congress within 30 days. Rejected 16-75: R 12-21; D 4-54 (ND 0-40; SD 4-14), Feb. 18, 1976. A "yea" was a vote supporting the President's position. (Story, p. 421)

CQ Senate Votes 32-38
Corresponding to Congressional Record Votes 36, 37, 38, 39, 40, 41, 42

32333435363738							32333435363738							32333435363738							KEY
ALABAMA							IOWA							NEW HAMPSHIRE							Y Voted for (yea) ✓ Paired for. † Announced for. N Voted against (nay). X Paired against. - Announced against. P Voted "present." • Voted "present" to avoid possible conflict of interest. ? Did not vote or otherwise make a position known.
Allen Sparkman							Clark Culver							Durkin McIntyre							
ALASKA							KANSAS							NEW JERSEY							
Gravel Stevens							Dole Pearson							Williams Case							
ARIZONA							KENTUCKY							NEW MEXICO							
Fannin Goldwater							Ford Huddleston							Montoya Domenici							
ARKANSAS							LOUISIANA							NEW YORK							
Bumpers McClellan							Johnston Long							Buckley* Javits							
CALIFORNIA							MAINE							NORTH CAROLINA							
Cranston Tunney							Hathaway Muskie							Morgan Helms							
COLORADO							MARYLAND							NORTH DAKOTA							
Hart Haskell							Beall Mathias							Burdick Young							
CONNECTICUT							MASSACHUSETTS							OHIO							
Ribicoff Welcker							Kennedy Brooke							Glenn Taft							
DELAWARE							MICHIGAN							OKLAHOMA							
Biden Roth							Hart Griffin							Bartlett Bellmon							
FLORIDA							MINNESOTA							OREGON							
Chiles Stone							Humphrey Mondale							Hatfield Packwood							
GEORGIA							MISSISSIPPI							PENNSYLVANIA							
Nunn Talmadge							Eastland Stennis							Schweiker Scott							
HAWAII							MISSOURI							RHODE ISLAND							
Inouye Fong							Eagleton Symington							Pastore Pell							
IDAHO							MONTANA							SOUTH CAROLINA							
Church McClure							Mansfield Metcalf							Hollings Thurmond							
ILLINOIS							NEBRASKA							SOUTH DAKOTA							
Stevenson Percy							Curtis Hruska							Abourezk McGovern							
INDIANA							NEVADA							TENNESSEE							
Bayh Hartke							Cannon Laxalt							Baker Brock							

32333435363738						
TEXAS						
Bentsen						
Tower						
UTAH						
Moss						
Garn						
VERMONT						
Leahy						
Stafford						
VIRGINIA						
Byrd*						
Scott						
WASHINGTON						
Jackson						
Magnuson						
WEST VIRGINIA						
Byrd						
Randolph						
WISCONSIN						
Nelson						
Proxmire						
WYOMING						
McGee						
Hansen						

Democrats Republicans

*Buckley elected as Conservative.

**Byrd elected as independent.

32. S 2662. Foreign Military Aid/Sales. Passage of the bill to authorize \$3,050,000,000 in foreign military assistance during fiscal 1976 and to give Congress new authority to control the sales of military weapons and equipment to other nations by the federal government and private industry. Passed 60-30; R 20-13; D 40-17 (ND 32-8; SD 8-9), Feb. 18, 1976. (Story, p. 421)

33. S 22. Copyright Law Revision. Tunney (D Calif.) amendment to reduce to eight years, from the 10 years provided in the bill, the period between reviews of royalty rates by the Copyright Royalty Tribunal to be set up by the bill. Rejected 32-56; R 11-24; D 21-32 (ND 17-20; SD 4-12), Feb. 19, 1976.

34. S 22. Copyright Law Revision. Hollings (D S.C.) amendment to make the jukebox royalty of \$8 per machine per year a fixed statutory rate, not subject to periodic adjustment by the Copyright Royalty Tribunal to be set up by the bill. Rejected 30-60; R 8-27; D 22-33 (ND 11-27; SD 11-6), Feb. 19, 1976.

35. S 22. Copyright Law Revision. Abourezk (D S.D.) amendment to provide that the duration of a copyright be for the life of the

author or 56 years, whichever was longer, instead of the period of life of the author plus 50 years provided in the bill. Rejected 14-78; R 2-32; D 12-46 (ND 9-31; SD 3-15), Feb. 19, 1976.

36. S 22. Copyright Law Revision. Passage of the bill to provide for a general revision of the U.S. copyright laws. Passed 97-0; R 36-0; D 61-0 (ND 43-0; SD 18-0), Feb. 19, 1976.

37. HR 5247. Public Works. Passage, over the President's Feb. 13, 1976, veto, of the bill authorizing \$6.1-billion for job-creating public works projects and anti-recession aid to state and local governments. Rejected (thus sustaining the President's veto) 63-35; R 12-25; D 51-10 (ND 40-3; SD 11-7), Feb. 19, 1976. A two-thirds majority of those present and voting (66 in this case) is needed to override a veto. A "nay" was a vote supporting the President's position. (Story, p. 415)

38. S 1664. Lead-Based Paint Poisoning Prevention. Passage of the bill to authorize \$91.5-million in fiscal 1976-78 for the prevention and detection of poisoning caused by exposure to lead-based paint often found in older city buildings. Passed 84-5; R 28-5; D 56-0 (ND 39-0; SD 7-0), Feb. 19, 1976.

THE WHITE HOUSE

WASHINGTON

February 23, 1976

MEMORANDUM FOR: MAX FRIEDERSDORF
FROM: VERN LOEN ✓
SUBJECT: New Public Works bill?

I have asked Clif Enfield, House Public Works Committee minority counsel, to keep his ear to the ground about any new version of a public works jobs bill.

Today Clif reports that the Democratic leadership, badly stung by the Senate's sustaining of the veto last week, is weighing alternative approaches. Since this was a major initiative of the Democratic leadership, the Speaker, O'Neill, McFall, Jim Wright and Bob Roe feel they have to come up with something.

Majority Counsel Dick Sullivan says this package will be "new and novel," will not include countercyclical aid or an accelerated public works approach and probably will surface this week.

There has been some talk in both House and Senate of a scaled-down version of H.R. 5246 Titles I and III.

Meanwhile, Garry Brown continues to push for his community development bloc grant alternative. Chairmen Reuss and Barrett have been unresponsive to his call for early full committee hearings in Banking and Currency. He is approaching Bob Georgine of the Building Trades Union to enlist labor support and is looking for a suitable Senate vehicle to which his bill (and Griffin's) could be piggy-backed. All this is intended to keep the opposition off balance on the issue. It is selling well in Brown's district, he says.

cc: Jim Cannon
Paul O'Neill
Charles Leppert
Tom Loeffler
Bill Kendall
Joe Jenckes

RED TAG

February 23, 1976

MEMORANDUM FOR: MAX L. FRIEDERSDORF
FROM: CHARLES LEPPERT, JR.
SUBJECT: Rep. Bill Harsha (R-Ohio)

Rep. Bill Harsha called today to advise that Rep. Jim Wright (D-Tex.) has come up with a "new jobs bill." Wright is circulating a three page summary or fact sheet on his proposed "new jobs bill" while it is being formally drafted and seeking co-sponsors for its introduction.

Attached is the three page summary or fact sheet that is being circulated for your information. Note that this "new jobs bill" will be in the neighborhood of \$6 billion also.

Rep. Harsha would like to have our reaction to this approach on "jobs" before he makes a commitment in support of this Wright approach. Can we have some of our substantive people talk to Harsha on this? Maybe a meeting with Harsha and Wright would be useful?

cc: Jim Cannon
Paul O'Neill
Tom Loeffler
Bill Kendall
Joe Jencks



File

E.D.A. BUSINESS EMPLOYMENT INCENTIVE GRANTS

The Problem

More than seven million Americans are unable to find work, and the nation is spending \$19.4 billion this year on unemployment compensation.

The nation's industrial plant is operating at only about 70% of its capacity, and the national economy is losing an estimated \$125 billion in idle productive potential.

The Purpose

The purpose of this program is to stimulate the growth of employment opportunities in private business through incentive grants to private employers who will expand their business operations to provide jobs for long-term unemployed Americans who have been seriously endeavoring to secure work.

It is so structured as to encourage sound investment and expansion in the private sector and to gain for the American economy the greatest possible number of new jobs for the public dollars invested.

It also is designed to simplify administrative procedures by processing these incentive grants through an existing agency, the Economic Development Administration, which for the past several years has administered an active program of private business loans and grants.

The Program

Here is what this program would provide:

For any private business, farm or other legitimate employer which will increase its payroll by employing any person who has been out of work and actively seeking employment for at least four months prior to the date of such new employment:

An incentive grant for the first six months of each such additional employment equal to one-third of the employee's salary for the six-month period or \$4,000, whichever is the lesser; and

An incentive grant for the second six months of such continuous employment equal to one-fourth of the employee's salary for the second six-months period or \$3,000, whichever is the lesser.

Provided that such employment must represent an actual increase in the total employment by such employer and is not achieved by laying off or replacing any other employee.

To be eligible, the employee must certify that he/she has been out of work for the previous four months or longer and



during such period has been actively seeking employment.

Employer must certify that the position filled is an actual addition to the work force of such employer and has not been created by the dismissal of another employee for purpose of receiving such Federal matching grant.

Penalty for false swearing shall be, in the case of an employee, not more than \$5,000; and in the case of an employer not less than \$1,000 nor more than \$10,000 for each such offense.

For purpose of making such incentive grants, there is authorized to be appropriated to the E.D.A.:

For the transition quarter (July 1 - September 30, 1976), a total of \$1.25 billion; and

For fiscal 1977 (October 1, 1976 - September 30, 1977) a total of \$5 billion.

Maximum annual cost, \$5 billion; maximum fifteen month cost, \$6.25 billion. Of which, not more than one percent (1%) shall be available for administrative expenses.

ADVANTAGES

The advantages of the above-described program include the following:

1. It will encourage the expansion of employment in private business, and it can go into effect rapidly.
2. Every Federal dollar for the first six months will generate a private business investment of at least two dollars, and for the second six month of at least three dollars.
3. Thus, for each Federal dollar spent to generate a new and additional job for one year, private business will invest at least \$2.50.
4. Therefore, if \$6 billion in Federal funds should be expended on new employment over the 15 month period, this amount will generate at least \$15 billion in private funds, for a total investment in new jobs of \$21 billion.
5. Per job cost to the public for each new and additional job created in no case would be more than \$7,000. Assuming an average job at \$15,000 annually, the average Federal cost for each new job created would be \$4,375 for the full year.
6. Based upon this assumption, if \$6 billion in Federal incentive grants should be utilized over the next fifteen months, it would create a minimum of 857,000 jobs. Based upon an average salary of \$15,000 annually, it would create approximately 1,370,000 new jobs.
7. One million, three hundred and seventy thousand people earning \$15,000 each, assuming two dependents each, would pay to the government

approximately \$3.425 billion in income taxes during the first year of their employment.

8. If only about 60 percent of such workers, or some 700,000 of them, were thus removed from the unemployment compensation rolls--assuming an average annual unemployment compensation cost of \$5,000 for each jobless worker on the rolls -- it would relieve the government of some \$3.5 billion in expense.

9. Thus, the \$6 billion if fully utilized in creating some 1,370,000 new jobs in the private sector, would return to the government some \$6.925 billion. In the very near term, then, the cost of the program would appear to be self-liquidating.

The above projections are based upon an assumption of the average employee's earning \$15,000 annually. If we should assume an average salary at \$7,000 a year, the \$6 billion in incentive grants could generate almost three million new jobs at a public cost per job of only \$2,047. Assuming that two thirds are taken off unemployment compensation at a per capita public saving of \$3,000 annually, the government would save \$6 billion in unemployment compensation and the income taxes realized at about \$1200 per employed worker would come to some \$3.6 billion--for a total fiscal benefit to the government of about \$9.6 billion for its \$6 billion investment.

10. Therefore, the more of this E.D.A. incentive grant "seed money" that actually could be put into the stream of private employment, the greater the dividends to the government and the greater the benefits to the nation's economy.

11. Most of the jobs so created are not likely to be "dead end" jobs. No business would make the private investment required unless it could see at least a reasonable potential that the new and additional employment will be profitable and self-sustaining after one year.

12. To the extent that these incentive grants--by relieving business of a part of the labor costs involved in business expansion--could free up capital for additional investments in plant, equipment and materials, the "seed money" would truly generate a multiplier effect within the nation's private economy, resulting in still more job opportunities in related industries. And the added purchasing power of one million or more additional employed bread earners could spark a remarkably sound and continuing recovery.

AT THE WHITE HOUSE

WITH RON NESSEN

AT 11:42 A.M. EST

FEBRUARY 23, 1976

MONDAY

MR. NESSEN: You know the President made his speech over at the Governors' Conference today.

Also, the President is sending to Congress today his message on financial assistance for the Community Services Act. That would give \$2.5 billion a year to the States in block grants. The overall purpose is to provide the States with greater flexibility in delivering social services to low income families and to eliminate undue Federal regulation and restrictions. I think you have the message and you have the fact sheets.

Just to run through the schedule quickly today, at noon Ambassador-designate Anderson, who will be leaving shortly for Morocco, will come in to see the President to discuss relations with Morocco.

At 2:00 the President will see Governor Evans of Washington. The Governor is here for the Governors' Conference and asked for a chance to talk to the President about some specific questions and problems he has.

At 2:30 the President will see Peter B. Bensinger, who is being sworn in this morning -- right about now, as a matter of fact -- as the new Administrator of the Drug Enforcement Administration. The President wanted Mr. Bensinger to come in on his first day on the job so the President could discuss with him his concern about the drug abuse problem and about concentrating Federal efforts on the traffickers in hard drugs, and to tell Mr. Bensinger that he has the President's full support in this and that the President expects him to get on with the job and launch a serious effort against the traffickers in hard drugs.

Q Who else was in the meeting, Ron?

MORE

#442

MR. NESSEN: Mrs. Bensinger will be there, and from the staff Cannon, and Parsons of the Domestic Council.

Q Ron, has the President ever stated, declared that he thinks that there should be an easing up of efforts to crack down on marijuana?

MR. NESSEN: No, I think he was asked that question a couple of times recently, perhaps New Hampshire -- I don't remember exactly the place -- but the intensification of the efforts against hard drugs did not, to his mind, indicate any lessening of the enforcement of the marijuana laws.

Q Does he include in this discussion on hard drugs the great amount of heroin coming in from Mexico-- and I think he is working on that--and will we get a transcript of what he says?

MR. NESSEN: In the meeting with Bensinger?

Q Yes.

MR. NESSEN: I will check. We may have a pool in there for all or part of that meeting.

Q Ron, the President also said, if my recollection is correct, in that University of New Hampshire appearance that he was against the decriminalization of marijuana until the scientists decided what the safety factor was. Subsequently, in the middle of the week, there was a report saying that marijuana was less harmful than cigarette smoking and alcohol. Has the President changed his view?

MR. NESSEN: No, he hasn't, and I think I know the report you are referring to, Jim. I am not sure that was the precise timing, but if I read the report that you are referring to correctly, it didn't say it was less of a health problem. It referred to smoking and alcohol as less of a social problem in terms of its effects on the economy and people's ability to go to work the next day and that kind of thing. It was not a medical report. It was a report on the social effects, if I am correct.

Q The President has not altered his views?

MR. NESSEN: No, he has not.

Q Ron, we don't have a transcript. Would you check to see if he emphasized the heroin coming in from Mexico?

MR. NESSEN: I will.

Q Ron, the report you are referring to said it was virtually harmless -- medical, physically?

MR. NESSEN: I have to look it up. I don't recall it that way.

Q What would be the organization or in what way would the President -- this President or any President, I suppose -- get a definitive statement, a definitive scientific or medical statement? Who would it come from? Is there an organization that would do this, an organization whose verdict would be, in the President's mind, determining, and if there is such a group or organization, or agency, has the President issued instructions to them or set in motion a program that would give once and for all some kind of definitive finding on marijuana?

MR. NESSEN: I think there is a good deal of scientific work going on in that area, Jim. It is the kind of question that I don't think has been assigned to a specific scientific group, but there are a number of scientists and doctors and research organizations looking into that question.

Q I am just wondering since we always get, not only from this President but from previous Presidents, the statement that the President is waiting for the scientific evidence, precisely where this scientific evidence is supposed to come from, who it is supposed to come from, and what basis we have for believing it is ever going to come, if there is no specific directive from the White House to a specific agency. Now, let's get a definitive ruling on this.

MR. NESSEN: As I say, that is something being conducted by a number of groups, and the very fact they have not agreed is what I think the President has pointed out on a number of occasions.

Q It is actually not so much a matter of a scientific or medical determination that the White House really wants as it is the White House waiting until the political time and climate is right. Isn't this a political decision on a scientific decision?

MR. NESSEN: No.

Q It is not?

MR. NESSEN: No

Q It is not?

MR. NESSEN: No, it is not a political decision.

MORE

#442

Q Then what is the mechanism you have set in motion to get the scientific finding that you say you want?

MR. NESSEN: I have answered three times, Jim, that it is being conducted by various doctors, universities and laboratories. I don't know what else I can say.

At 2:45 the President is meeting with Governor Longley of Maine. Governor Longley is also in town for the Governors' Conference and also asked for an opportunity to meet the President to discuss some problems involving State-Federal relationships that he wants to discuss.

Q Ron, could we have a readout on Governor Longley's meeting? We have some questions from our dear people up in Maine about that.

MR. NESSEN: I will see if I can have Governor Longley outside for you.

MORE

Q Is this about tanks?

MR. NESSEN: I think one of the matters the Governor wants to talk about is that contract that a Maine firm has bid on, I believe it is for guns to go on a tank.

Q Is that the Merrimont?

MR. NESSEN: That is the name of the company, yes.

Q Could I ask a question on Jim's question? Is the President waiting for unanimity in the medical community before he changes or reconsiders his position on marijuana?

MR. NESSEN: If I read his remarks and understand his views correctly, he wants at least more unanimity than there is now.

Q Ron, the Surgeon General --

MR. NESSEN: Jim, we are beating a dead horse to death. You know there is nothing on the marijuana subject today, so let's go on with the events of the day. We could spend 45 minutes here and nothing is going to happen. Let's move on.

Q Ron, I would like to ask if he could ask the question?

MR. NESSEN: Jim, we have had a request for your question.

Q My question is simply that the Surgeon General quite some time ago in a definitive statement said cigarette smoking was harmful to health. What is the President's position on cigarette smoking since that was a definitive ruling?

MR. NESSEN: I can't give you that, Jim. I don't have it.

Q Why are you giving up smoking cigarettes?
(Laughter)

MR. NESSEN: At 8 o'clock tonight the President is going to give a dinner, as you know, for the Governors and their wives or husbands.

Is Sheila Weidenfeld handling the social arrangements for this, the coverage arrangements?

We can provide you with the various coverage plans.

Q Will we have an advance on the President's toast?

MR. NESSEN: I don't think so, no.

Let me tell you about some weekend plans coming up, if you will. The President will leave early on Saturday to go to Florida. He is going to go first to Miami. Then he will go to West Palm Beach and from there go by motorcade down to Fort Lauderdale. That is next Saturday.

In the evening on Saturday the President will go to Sarasota where he will stay overnight. There is some problem getting enough accommodations in Sarasota to take care of all of the press corps but we are working on it.

On Sunday afternoon the President will leave Sarasota and go to Tampa, and then he will come back to the White House on Sunday evening.

Now obviously there are a lot of blanks to fill in on this schedule and I will take care of that as the week goes on.

Q Are those all the cities he is apt to hit?

MR. NESSEN: Yes. There probably will not be any cities added to the schedule but the specific events in the cities.

Q This is to further his political efforts in the Florida primary?

MR. NESSEN: Yes.

Q Will this be his last trip to Florida before the primary?

MR. NESSEN: I don't know of any plans beyond this trip but we are not making --

Q Ron, is he going to have a lot of public appearances, motor parades and that sort of thing, or is it a relatively quiet trip?

MR. NESSEN: There is one motorcade from West Palm Beach to Fort Lauderdale. The details of the rest of the trip I just don't have yet.

Q How long is that motorcade?

MR. NESSEN: You mean in miles?

Q Or hours?

MR. NESSEN: I don't have the exact details yet, Fran.

Q You stopped in kind of mid-sentence a minute ago, Ron. You are not closing the door on the possibility he will go back to Florida on the following weekend?

MR. NESSEN: There are no plans right now that I know of to go back after this trip.

Q Is it a possibility he might go back?

MR. NESSEN: I don't know of any plans to go back.

Q Are there any plans to go somewhere else the weekend after that?

MR. NESSEN: None that have been firmly made yet.

Q Will Mrs. Ford join him Saturday and Sunday?

MR. NESSEN: I don't know, Dick. I didn't have a chance to ask.

Q She will be in Miami Friday night.

MR. NESSEN: That is right. She is going down there this weekend. If she is down there, she will hook up with him on Saturday.

Q Is a third Florida trip under consideration?

MR. NESSEN: Not that I know of.

Q Early Saturday morning -- are you speaking of his arrival time for a breakfast meeting or breakfast speech?

MR. NESSEN: I just don't have the departure time yet. But, actually, I think I know enough about the first day's schedule to know that a breakfast meeting is not part of it, John.

Q Ron, the first appearance will probably be mid-morning?

MR. NESSEN: I don't have the exact times yet.

I don't have any further announcements.

Q Ron, can you give us a feeling on the Florida trip, where he will be going and the places?

MORE

MR. NESSEN: I don't have that yet, other than the motorcade that I know for sure.

Q Mr. Reagan has repeatedly mentioned among his differences with the President the Panama Canal issue, which is a rather hot issue, as I think you know, in Florida. I would like to ask, in view of the current negotiations, is the President concerned about the deportation and the closing down of the Panamanian business executives with troops and the accusation by the Panamanian Ambassador the way he views it, as strangulation, colonialism, oppression and blackmail? Is the President aware of this?

MR. NESSEN: That is the first I have heard of it, Les. I will have to look it up for you.

Q None of these things he is aware of?

MR. NESSEN: I say I am not aware of them.

Q Will it be possible for you to check and find out what is the reaction to these various things going on in Panama, and the accusations?

MR. NESSEN: Yes.

Q The President's reaction to Richard Nixon's statement in Peking about the naivete of signing agreements, et cetera?

Q Question, please.

MR. NESSEN: Dick is asking, I believe, for the reaction to a toast former President Nixon made in Peking.

We have looked at the entire toast and we do not interpret it as being critical of U.S. foreign policy.

Q Including Helsinki, right?

Q How did you get a copy of the toast or did somebody phone you from Peking and read it to you?

MR. NESSEN: No, these are published by the New Chinese News Agency and American press and so forth.

Q What does the White House think the former President did mean in that statement?

MR. NESSEN: We just don't interpret it as being critical of U.S. foreign policy.

Q When did you get a copy of the text?

MORE

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MR. NESSEN: I don't know precisely.

Q Did you get it before he delivered it?

MR. NESSEN: No, and my understanding is that he delivered it off the cuff.

Q Do you know if the President thinks now that Mr. Nixon is still a private citizen and nothing more there, and there is no more implication than that?

MR. NESSEN: I don't have any change to make in what we said before.

Q Do you have anything new to say about the possibility of a report from Mr. Nixon when he returns?

MR. NESSEN: As I have said from the very first day, there are no plans for the President to receive a report from former President Nixon. If he feels that he --

Q Who is he?

MR. NESSEN: If former President Nixon feels that he has anything significant to report, I would expect him to convey that to the State Department.

Q Ron, does the White House subscribe to the theory that Mr. Nixon has injected himself into the campaign to cause confusion and to increase the possibility John Connally will wind up the nominee?

MR. NESSEN: I don't think I will attempt to answer that question.

Q Ron, do you know why Madame Chou apparently said Chou En-lai was familiar with the former President's travel plans as early as early January before his death?

MR. NESSEN: I have no idea.

Q And the President had no knowledge of it, he says, until about a month later?

MR. NESSEN: I have no explanation for that.

Q Ron, the President has had a series of telephone conversations and a personal meeting with Mr. Nixon since he pardoned him. Is it inconceivable that the President might talk by telephone with Mr. Nixon about his China trip?

MR. NESSEN: There are no plans for either a visit or a call.

Q Is it U.S. policy or does the President believe it would be naive for anyone to accept the Helsinki Accords at face value for relieving tensions?

MR. NESSEN: I don't get the drift of your question, Tom.

Q The question is, as I read it, former President Nixon says it would be naive to think that those accords will actually lead, in themselves, to a relaxation of tensions without following up in other steps. You say you don't see this as criticism of Mr. Ford's policy?

MR. NESSEN: I say we don't interpret this as being critical of U.S. foreign policy.

Q Does that mean you embrace the policy statement by Mr. Nixon, that it would be naive to believe the Helsinki Accords will stand on their own?

MR. NESSEN: I will stick to what I said about the toast.

Q Ron, there is no possible chance that the President would fail to talk to Mr. Nixon to get what information he may have, is there, in view of the fact that Mr. Nixon would have made the acquaintanceship and gotten the chance to talk with this new leader over there when the rest of the Administration has not?

MR. NESSEN: There is no plan for a visit or call to the former President. If he feels he found out something he thinks is significant, then I would expect him to pass that on to the State Department.

Q Then if he calls the White House and wants to talk to the President, would he get a chance to?

MR. NESSEN: I don't think I will get into speculative questions.

Q Has the President discussed the subject of former President Nixon's trip in the last two or three days with Secretary Kissinger?

MR. NESSEN: Not that I know of.

Q Ron, is the President, or anyone at the White House, or State Department, receiving reports from former President Nixon during this trip?

MR. NESSEN: No.

Q And has he telephoned the White House?

MR. NESSEN: No.

Q Is anyone receiving reports from the Liaison Office in Peking about the activities of Mr. Nixon?

MR. NESSEN: I don't know that, Ann.

Q Is there any sense in which the Administration is concerned about the former President's trip as an embarrassment?

MR. NESSEN: I don't think I will take that question, Jim.

Q Ron, do the formal statements by any former President of the United States made in a foreign country have any prior clearance with the Ford Administration, or are they considered to reflect general American foreign policy, or American policy? Do the statements of a former President have no bearing on current Administration policy?

MR. NESSEN: That is a very broad question and I don't see any need to answer it.

Q In response to Tom DeFrank's question at the President's last news conference in the East Room, Tom asked, "I would like to ask" -- this is, of course, to the President -- "if you really think it is wholesome and healthy for the conduct of American foreign policy for Mr. Nixon to be making this trip?" President Ford responded: "He is not going there involving any foreign policy matters."

Is that still the President's position, that Mr. Nixon is not going there involving any foreign policy matters?

MR. NESSEN: Yes.

Q To your knowledge, has Nixon sought any guidance from anyone in the Administration on how he should conduct himself in China?

MR. NESSEN: He has not that I know of.

Q Over the weekend it was reported that the State Department has evidently given the go-ahead to Gulf Oil to conduct direct negotiations with the MPLA in Angola regarding their oil concessions in Cabinda. I wonder, first of all, did this approval from the State Department come to the attention of the President first for his okay?

MR. NESSEN: Let me say two things: One, there are no plans to extend diplomatic recognition to the MPLA organization in Angola, and especially the President has strong personal views about not doing that as long as 12,000 Cuban troops are in Angola.

Q I wasn't asking that.

MR. NESSEN: I know but I wanted you to understand.

The second part of the question, or the question involving Gulf, I understand the report you are referring to was an incorrect report, that the matter--that Gulf is in discussion with the State Department, but no such approval has been given and the State Department has full details of what the situation actually is and will help you if you will call them.

Q Ron, is it still your plan not to issue any statement tomorrow night? Is the President issuing a statement after there is a conclusive result in New Hampshire?

MR. NESSEN: I want to talk to the President about that and I haven't had a chance to do it yet. Perhaps tomorrow morning I could give you a little better idea of what, if any, activities will be around here tomorrow night.

MORE

Q If Gulf does go in there, are we going to be prepared, if facilities or property is seized by the Soviets? Will we go in there and try to get it back for Gulf?

MR. NESSEN: This is being discussed by Gulf, and the State Department, and you should check with them about where it stands.

Q Two questions. Are we going to get a transcript of the Globe Interview?

MR. NESSEN: Yes, you may. If you would like it, ask for it.

Q I have been asking for it.

Q Question?

MR. NESSEN: Fran wanted to know about the transcript of a Boston Globe interview. Whether we have them run off yet or not, I don't know. If they are, you can have them.

Q The second question is, tonight is the start of a series of public interviews with Presidential candidates sponsored by the League of Women Voters. Is the President going to participate in any of them as a Presidential candidate?

MR. NESSEN: On the President's behalf, I wrote back and told Jim Carrion, who is the producer of those, I think -- I don't know his exact title -- saying the President would not be able to take part in the first one, which is tonight, as you say, in Boston, but we would get to him later as the President's schedule for the days on which the other four are being held is made firm.

Q Ron, is the White House concerned about the fact that apparently the Saudi Arabians have bought ARAMCO and the property of American oil companies there, and the fact we are depending more than ever on Saudi Arabia for oil? Isn't this going to mean we will have less and less chance of getting oil if they don't want us to have it?

MR. NESSEN: I don't know anything about that specific case. This is the first time I have heard anything about it. It is just a further argument for what the President has been trying to say for over a year, which is we need to remove our dependence on foreign oil producers, whoever they may be, and be independent in producing our own energy. That is why he sent his energy bill to Congress and pushed for passage of it.

Q Ron, is there a possibility that Dr. Kissinger will meet with former President Nixon?

MR. NESSEN: I think the proper place for Nixon to give any report he feels has any significance to it would be the State Department.

Q Dr. Kissinger, specifically?

MR. NESSEN: I don't know who would be the proper person over there.

Q Ron, could you give us some explanation or detail of why Vice President Rockefeller is making this trip next week in connection with foreign policy matters? Is this because the President is unable to go himself?

MR. NESSEN: Really, there is a specific reason for each of the stops, which I dug out last week. I wonder if I still have it here. Each of the stops involves a specific invitation for a specific event. I don't know what I did with my list of places. If you will stop around later, I will give you the reason for each stop.

Q Ron, were you aware of the offer of two Cabinet posts to Ronald Reagan at any time prior to Reagan's disclosure last week?

MR. NESSEN: I think we pretty much talked about that last week, Les.

Q Could you tell me, were you aware of it before Reagan disclosed it?

MR. NESSEN: I don't think the state of my knowledge is important to the issue.

Q I am fascinated with the state of your knowledge. Could you possibly answer the question?

MR. NESSEN: No.

Q Ron, this morning the President spoke about unrealistic suggestions made in the heat of the election year, and I wonder if he had Reagan in mind?

MR. NESSEN: I will have to look at the context of that, John. I forget where that came in the speech, and I would like to see what went around it.

Q Could I ask another question on Kissinger? I accept the White House position that Nixon is not going there involving any foreign policy matters, but I would like to ask under those circumstances what business does the Secretary of State have announcing foreign policy down there that Mr. Nixon would probably report back to the Administration, being the State Department, if indeed that was the case. You know the White House is saying one thing and it would seem Henry is saying something entirely different.

MR. NESSEN: As always, I try to give you the most accurate version of the President's views. I think I have.

Q Ron, is President Nixon traveling with a green passport like all the rest of us private citizens, or is he carrying a diplomatic passport?

MR. NESSEN: I have no idea. You will have to ask the State Department.

Q Last weekend in New Hampshire Ronald Reagan put a number on his expectation for the primary of 52-48. Does the President share that?

MR. NESSEN: No, the President has simply said that he expects to win.

THE PRESS: Thank you, Ron.

END (AT 12:09 P.M. EST)

2/24/76

Carl Hystad
x4634

THE WHITE HOUSE
WASHINGTON

OMB
will call Pat

Caldwell Butler

Pat Mc Bride x5431

HR 5247



Where did you get statement -

"Our estimates within the Admin.
indicate that at most some
250 th. jobs would be created --
& that would be over a period of
several years".

February 13, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE HOUSE OF REPRESENTATIVES:

I am returning without my approval H.R. 5247, the Public Works Employment Act of 1975.

Supporters of this bill claim that it represents a solution to the problem of unemployment. This is simply untrue.

The truth is that this bill would do little to create jobs for the unemployed. Moreover, the bill has so many deficiencies and undesirable provisions that it would do more harm than good. While it is represented as the solution to our unemployment problems, in fact it is little more than an election year pork barrel. Careful examination reveals the serious deficiencies in H.R. 5247.

① First, the cost of producing jobs under this bill would be intolerably high, probably in excess of \$25,000 per job.

② Second, relatively few new jobs would be created. The bill's sponsors estimate that H.R. 5247 would create 600,000 to 800,000 new jobs. Those claims are badly exaggerated. Our estimates within the Administration indicate that at most some 250,000 jobs would be created -- and that would be over a period of several years. The peak impact would come in late 1977 or 1978, and would come to no more than 100,000 to 120,000 new jobs. This would represent barely a one tenth of one percent improvement in the unemployment rate.

③ Third, this will create almost no new jobs in the immediate future, when those jobs are needed. With peak impact on jobs in late 1977 or early 1978, this legislation will be adding stimulus to the economy at precisely the wrong time: when the recovery will already be far advanced.

④ Fourth, Title II of the bill provides preferential treatment to those units of government with the highest taxes without any distinction between those jurisdictions which have been efficient in holding down costs and those that have not.

⑤ Fifth, under this legislation it would be almost impossible to assure taxpayers that these dollars are being responsibly and effectively spent.

more

Too costly

*Few jobs created
Public jobs
not private jobs*

*no immediate job
Peak
impact
late 77 + early 78
wrong timing*

*Preferential
treatment for
inefficient gov't*



Effective allocation of over \$3 billion for public works on a project-by-project basis would take many months or years. The provision that project requests be approved automatically unless the Commerce Department acts within 60 days will preclude any useful review of the requests, and prevent a rational allocation of funds.

Supplemental expenditure 838

Sixth, this bill would create a new urban renewal program less than two years after the Congress replaced a nearly identical program -- as well as other categorical grant programs -- with a broader, more flexible Community Development block grant program.

Create new urban renewal program

I recognize there is merit in the argument that some areas of the country are suffering from exceptionally high rates of unemployment and that the Federal Government should provide assistance. My budgets for fiscal years 1976 and 1977 do, in fact, seek to provide such assistance.

Beyond my own budget recommendations, I believe that in addressing the immediate needs of some of our cities hardest hit by the recession, another measure already introduced in the Congress, H.R. 11860, provides a far more reasonable and constructive approach than the bill I am vetoing.

H.R. 11860 targets funds on those areas with the highest unemployment so that they may undertake high priority activities at a fraction of the cost of H.R. 5247. The funds would be distributed exclusively under an impartial formula as opposed to the pork barrel approach represented by the bill I am returning today. Moreover, H.R. 11860 builds upon the successful Community Development Block Grant program. That program is in place and working well, thus permitting H.R. 11860 to be administered without the creation of a new bureaucracy. I would be glad to consider this legislation more favorably should the Congress formally act upon it as an alternative to H.R. 5247.

Target unemployment areas
fraction of cost
62 b. v. 700-400
no new bureaucracy
COB program in place
Admin in place

We must not allow our debate over H.R. 5247 to obscure one fundamental point: the best and most effective way to create new jobs is to pursue balanced economic policies that encourage the growth of the private sector without risking a new round of inflation. This is the core of my economic policy, and I believe that the steady improvements in the economy over the last half year on both the unemployment and inflation fronts bear witness to its essential wisdom. I intend to continue this basic approach because it is working.

My proposed economic policies are expected to foster the creation of 2 to 2.5 million new private sector jobs in 1976 and more than 2 million additional jobs in 1977. These will be lasting, productive jobs, not temporary jobs payrolled by the American taxpayer.

This is a policy of balance, realism, and common sense. It is an honest policy which does not promise a quick fix.

more



My program includes:

-- Large and permanent tax reductions that will leave more money where it can do the most good: in the hands of the American people;

-- Tax incentives for the construction of new plants and equipment in areas of high unemployment;

-- Tax incentives to encourage more low and middle income Americans to invest in common stock;

-- More than \$21 billion in outlays for important public works such as energy facilities, wastewater treatment plants, roads, and veterans' hospitals representing a 17 percent increase over the previous fiscal year;

-- Tax incentives for investment in residential mortgages by financial institutions to stimulate capital for home building.

I have proposed a Budget which addresses the difficult task of restraining the pattern of excessive growth in Federal spending. Basic to job creation in the private sector is reducing the ever-increasing demands of the Federal government for funds. Federal government borrowing to support deficit spending reduces the amount of money available for productive investment at a time when many experts are predicting that we face a shortage of private capital in the future. Less investment means fewer new jobs and less production per worker.

Last month, under our balanced policies, seasonally adjusted employment rose by 800,000. That total is almost three times as large as the number of jobs that would be produced by this legislation and the jobs those men and women found will be far more lasting and productive than would be created through another massive public works effort.

I ask the Congress to act quickly on my tax and budget proposals, which I believe will provide the jobs for the unemployed that we all want.

GERALD R. FORD

THE WHITE HOUSE,

February 13, 1976.

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