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THE WHITE HOUSE
WASHINGTON


September 4, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JAMES T. LYNN

FROM:

JAMES E. CONNOR 

SUBJECT:

Veto Strategy for the State,
Justice, Commerce Appropriation
Bill

The President has reviewed your memorandum of August 27 and indicated the following:

Recommendation:

That you indicate that you will veto this appropriation bill unless the objectionable increases and provisions are removed.

- Disapproved -

Alternative Strategies for Implementing a Veto Strategy

Recommendation: That you select a combination of Alternatives #2 and #3.

- Approved --

Please follow-up with appropriate action.

cc: Don Rumsfeld

THE WHITE HOUSE
WASHINGTON

September 3, 1975

MR PRESIDENT:

The staffing of the attached letter has not been completed.

Mr. Lynn has indicated that he intends to discuss this matter with you at his meeting today. I believe you would be interested in receiving the comments submitted by Phil Buchen (Tab A) and NSC (Tab B).

Jim Connor



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

THE PRESIDENT HAS SEEN

AUG 27 1975

MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES T. LYNN
SUBJECT: Veto Strategy for the State, Justice, Commerce
Appropriation Bill

Background

This appropriation bill is pending floor action in the Senate and will be taken up when the Congress reconvenes on September 3. The House version of this bill while otherwise acceptable includes a provision limiting Panama Canal negotiations. The Senate Committee version contains particularly undesirable funding increases. These undesirable features prompt us to ask for your guidance on whether to indicate to the Senate and the conference committee your intention to veto the bill unless the objectionable provisions are removed in the hope that such a veto signal will result in an acceptable bill.

Overall Impact of Congressional Action

The Senate Appropriations Committee version is substantially more costly than the House version. Compared to your budget request the Senate Committee bill would increase 1976 outlays by \$51 million, decrease those in the transition quarter by \$32 million, and increase those in 1977 by \$151 million. The House version would decrease 1976 outlays by \$31 million and transition quarter outlays by \$60 million, while increasing those in 1977 by \$21 million.

The most worrisome outlay increases flow from the Senate Committee bill which provides \$579 million more in budget authority than the House did, or \$335 million more than you had requested.

Discussion

The Senate increases are primarily in two particularly troublesome areas. Within the Department of Commerce appropriation, an additional \$209 million has been provided for the Economic Development Administration and the Regional Action Planning Commissions in 1976. These increases are the same as those included in the vetoed Emergency Employment Act. The Senate Committee report states that these increases, which would primarily fund

public works projects, are necessary to deal with the current unemployment situation. However, since outlays will occur primarily in 1977 and beyond, the proposed increase will have little or no impact on present unemployment.

Within the Department of Justice appropriation the Senate Committee bill provides an increase of \$92 million in 1976 for the Law Enforcement Assistance Administration (LEAA). Of this, \$75 million is provided to initiate new juvenile delinquency programs authorized by the Juvenile Justice and Delinquency Prevention Act of 1974 and \$17 million is provided for the Law Enforcement Education Program (LEEP). The budget provided no additional funding for the new juvenile delinquency program, primarily because (1) the new Act duplicates legislative authorities already contained in the regular LEAA program and (2) the new Act mandates that LEAA not reduce funds currently spent for juvenile delinquency from ongoing LEAA programs (approximately \$140 million annually). The increase for the LEEP program was provided to maintain it at the 1975 level. The Administration had reduced that program as part of the overall LEAA budget reduction in 1976.

In addition to these major funding problems in the Senate Committee bill, the House-passed version of the State Department appropriation contains a highly objectionable restriction prohibiting the use of funds for negotiations with Panama over the canal. Such a provision, because of the limitation it provides on executive branch ability to conduct international negotiations, in itself might provide a basis for veto.

Weighing against the considerations for veto, however, is a provision (Sec. 109 of P.L. 94-41) prohibiting the use of any funds to finance any assistance to Southeast Asia--including aid administered by or channeled through international organizations. The State Department has interpreted this to mean that no U.S. contributions to international organizations which provide such assistance should be made until the continuing resolution is superseded by the regular appropriation bill. If this does not occur by the end of September, the World Health Organization, and subsequently other international organizations, will be unable to meet their payrolls and other fixed expenses. This eventuality need not preclude a veto, however, since a second appropriation bill might be passed and signed before the end of September or other steps taken to avoid embarrassment to the United States for not having met its membership obligations.

We do not believe that agency opposition alone will be effective in deleting the objectionable increases and provisions noted above.

Recommendation

That you indicate that you will veto this appropriation bill unless the objectionable increases and provisions are removed.

A veto signal on the pending Senate bill is recommended as a means of emphasizing your intent to hold the line on the budget. If given at this time, it will have maximum effectiveness in influencing the outcome of the legislative process on this bill as well as setting a desirable tone for other congressional appropriation action in September. Alternative strategies for signaling the veto are presented below.

APPROVE: _____

DISAPPROVE: RA7

Alternative Strategies for Implementing a Veto Strategy

The following alternatives are available to implement a veto strategy:

Alternative #1. Presidential Involvement--This would be the strongest approach for signaling to the Hill the concern over the Senate add-ons to the bill. You are already on record indicating your commitment to reject appropriations actions which unnecessarily exceed the budget totals. Options for implementing this alternative could include:

- a. A public statement in which you would express your displeasure over Senate action and indicate your intention to veto the bill as passed by the Senate.
- b. Your contacting informally the House and Senate Appropriations Committees' Chairmen indicating your concern and soliciting their help in arriving at a conference bill which excludes the objectionable provisions.
- c. Your contacting the ranking minority leader in each House and indicating that you will veto the bill in its current form. You would seek their support and assistance in directing the work of the conference committee and, if necessary, in developing floor amendments to the bill.

While Presidential involvement would be desirable, a public statement (option a) at this stage in the development of the bill may be premature and may alienate the Hill. It may be more appropriate to try to influence the outcome of Senate floor and conference committee action (option b or c) through conversations with Hill leaders.

Alternative #2. OMB and White House Staff Action--This alternative would avoid Presidential involvement now, but would signal high level Administration concern over the bill. It would also provide a means for working out a bipartisan compromise position on the bill. Options for implementing this alternative include:

- a. Have OMB and White House congressional contacts talk to minority and supportive majority members outlining major problems with the bill and soliciting their support for possible floor amendments.

- b. Have the Director of OMB contact the conference managers for both Houses and indicate a veto signal while expressing a willingness to pursue private discussions on an acceptable bill.

The Senate may be more willing to compromise if a strong indication of a veto is accompanied by expressed willingness to work on an acceptable bill. The risk involved in this approach is that by involving the Administration directly in negotiations we may be forced into a position of accepting a bill which provides for some increases above the recommended levels.

Alternative #3. Agency Involvement--Under this alternative the various agencies and departments covered in the bill would be authorized to threaten Presidential veto in their discussions on the Hill with the conference committee. This approach would keep the White House staff and the President out of the development of the bill at this point and keep open the more forceful options discussed under Alternatives #1 and #2 for use after Senate action. Implementation would involve:

- a. Directive to agency heads to personally involve themselves in seeking elimination of unnecessary add-ons.
- b. A concerted effort on the part of agency congressional people to work with committee members and staff on an acceptable bill.

Recommendation

That you select a combination of Alternatives #2 and #3.

Alternative #3, standing alone, is probably insufficient to influence the outcome. The combination of #2 and #3 has better prospects.

Since the bill has not yet reached the Senate floor, it would be premature to have you personally involved. Alternative #1 and its variations could be considered after the Senate acts.

APPROVE: RRF

DISAPPROVE: _____

COMMENTS:

THE WHITE HOUSE

WASHINGTON

September 3, 1975

MEMORANDUM FOR: JIM CONNOR

THROUGH: PHIL BUCHEN *P.W.B.*

FROM: KEN LAZARUS *KL*

SUBJECT: Lynn's Memo 8/27/75 re Veto
Strategy for the State, Justice
Commerce Appropriation Bill

This office has reviewed the subject memorandum for the President and offers the view that there is simply no need for Presidential action on the matter at the present time. Thus, the memo should be recast as informational in nature. The bases for this recommendation may be summarized as follows:

- (1) In terms of the bill's potential for outlay increases, it would appear that the House and Senate versions tend to balance one another off which should naturally result in a conference committee compromise that is roughly in accord with the Administration's program.
- (2) With respect to the provision in the Senate bill calling for an additional \$209 million for EDA and the regional planning commissions, it would appear that a substantially lower sum will naturally come out of conference. In this regard, it might be noted that the Senate has traditionally supported vastly higher amounts in the funding of the regional planning commissions.
- (3) On the subject of the two items contained within the Department of Justice appropriation, we note the following:
 - (a) Administration chances for substantially reducing LEEP funding levels are slim to none. Law enforcement officers throughout the country write their Congressmen and Senators to urge that these funds which provide for their college education be expanded. Rather than attempting to reduce the LEEP funding

level, we should attempt to eliminate the duplication of funding that occurs by virtue of the fact that LEEP awards do not discount parallel VA educational benefits. This can be accomplished during the course of hearings on the LEAA authorization bill which is now pending in Congress.

(b) On the issue of the \$75 million which is provided to initiate new juvenile delinquency programs within LEAA, we would point out that the level of funding which has been approved by the House approximates only \$15 million and therefore we can expect that the final figure will be in the neighborhood of only \$30 million. The authorization level for this program is in the neighborhood of \$100 million. It should also be noted that this is a pet project of Senator Bayh, who is a member of the Senate Appropriations Committee.


(4) We are concerned that an effort be made to hold spending levels to a minimum. Moreover, we too are troubled by the attempt to eliminate funding for negotiations with Panama over the Canal. However, we do not believe that this bill is yet "ripe" for any Presidential action. OMB, White House and agency personnel should continue to do all that is practicable to meet these concerns. In this regard, it is our view that any veto threats at this point in time would be premature and counter-productive.

MEMORANDUM

NATIONAL SECURITY COUNCIL

September 3, 1975

MEMORANDUM FOR JAMES CONNOR

FROM: Jeanne W. Davis 

SUBJECT: Veto Strategy for State, Justice,
Commerce Appropriation Bill

To confirm our telephone call, the NSC Staff has no objection to Mr. Lynn's August 27 memorandum to the President on this subject.

OMB is now aware that Senator Byrd's amendment on the Panama Canal will not be offered so this difficulty in the House bill can probably be eliminated in conference.