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June 16, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JAMES T. LYNN

FROM:

JAMES E. CONNOR & ...

SUBJECT:

Position on Increased Authorization for Land and Water Conservation Fund

The President reviewed your memorandum of June 10, 1976 and approved the following:

"Endorse House increases"

The following notation was also made:

"no more".

Please follow-up with appropriate action.

cc: Dick Cheney

. THE WHITE HOUSE WASHINGTON

June 15, 1976

MR PRESIDENT:

Position on Increased Authorization for the Land and Water Conservation Fund

Staffing of Jim Lynn's memorandum resulted in the following recommendations:

Oppose any increase in authorization for the Land and Water Conservation Fund:

In addition to OMB this option recommended by Messrs. Marsh, Seidman and Greenspan.

Bill Seidman commented further "Do not give a veto signal."

Endorse House increases:

Recommended by Messrs. Friedersdorf and Cannon.

Domestic Council comments: "The Land and Water Conservation Fund is extremely popular, requires matching State funds, and allows the States and localities to make determinations as to areas to be included in the majority of the disbursements.

Politically, it is almost certain that the Congress will vote on an increase, possibly higher than the House version. Thus, the President will be faced with the option of a veto -- a very unpopular position-or approval of an even more expensive version than what is being recommended."

Jim Connor



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUN 10 1976

MEMORANDUM FOR:

THE PRESIDENT

FROM:

James T. Lynn Ohive

SUBJECT:

Position on increased authorization for the Land and Water Conservation Fund

Attached is an issue paper prepared in the Department of the Interior recommending the Administration now endorse the House version of the LWCF authorization bill now in conference, which will increase the fund from \$300 M in FY 77 to \$450 M in 78, \$625 M in 79, and \$800 M per year thereafter. (The Senate version goes to \$1 billion per year immediately).

The Administration has strongly opposed increases in the Fund for 2 years because of its upward pressure on the budget, and for the unstated reasons that -- (a) the authorization level is tantamount to the appropriation amount because of the power of the Environmental and State constituency, and (b) in our view, there are many more critical items of increase in the budget than Federal contributions to outdoor recreation.

Secretary Kleppe strongly favors endorsing the House Bill.

I strongly recommend that we hold to our position of opposition to any increase despite the arguments to the contrary in Interior's paper and Tom Kleppe's recommendation for the following reasons:

- Acceptance of any increase now will merely establish a new floor for negotiation upward.
- We have severe problems already in trying to meet our budgetary commitments in 78 and 79.
- We have not been able historically to hold LWCF appropriations below the full authorization amounts, and this year's experience with the Natural Resources Environment function under the Congressional budget procedures hold no hope for holding it below authorization in the future.

Decision:

Endorse House increases

Oppose any increases

ISSUE: In light of the fact that both the House and Senate have passed legislation to increase the Land and Water Conservation Fund, should the Administration indicate a preference for the more fiscally moderate House bill?

BACKGROUND: The Land and Water Conservation Fund (LWCF) was established by Congress in 1965, to increase the nation's outdoor recreation opportunities. The fund consists primarily of mineral receipts from the Outer Continental Shelf. In a given fiscal year, 40 percent of the fund is ordinarily used for acquisition of national recreation lands by the National Park Service, Bureau of Land Management, U.S. Fish and Wildlife Service, and the U.S. Forest Service. The other 60 percent of the fund is apportioned to States and local communities for acquisition and development of outdoor recreation areas. The Fund is administered by the Bureau of Outdoor Recreation of this Department. The House and Senate have each passed bills to increase the fund and will go to conference soon. The crucial difference between the two bills is in the level of the fund. S. 327, which passed by unanimous consent on October 29, 1975, would raise the fund to \$1 billion in fiscal 1976, and for each subsequent year through June 30, 1989. H.R. 12234, which passed by a vote of 392 to 3 on May 5, 1976, would raise the fund by stages, to \$450 million in fiscal 1978, \$625 million in fiscal 1979, and \$800 million in fiscal 1980, and for each subsequent year through September 30, 1989.

In reporting on LWCF legislation nearly a year ago, the Department of the Interior, as lead agency, opposed enactment of either bill because an increase "at this time" in the authorized level of the LWCF "would jeopardize the Administration's efforts to hold down Federal spending." However, economic conditions may have improved sufficiently in the intervening year to warrant reconsideration of this position. For example, as measured by the monthly consumer price index, inflation is down from a rate of 10.2 percent in March 1975, to 6.1 percent in March of 1976. (In its April 1976 report, Data Resources, Inc., a well-known private economic information service, forecasts that the consumer price index will rise only 5.5 percent over the entire year.)

DISCUSSION:

PRO: In light of the healthier economy, certain other considerations take on added importance. The backlog of national recreation lands to be acquired has grown from \$2.9 billion to \$3.1 billion despite the fact that no significant new Federal areas have been authorized in the past year. This increase is attributable almost solely to inflation in land prices. In other words, the Federal side of the fund is not even keeping pace with the annual increase in the value of lands scheduled to be acquired.

ISSUE PAPER 2

In addition, the Congress has reflected the great popularity of LWCF programs by voting for the respective bills by overwhelming margins. Indeed, the House and Senate votes portend an override of the Presidential veto of even the Senate bill should it be enrolled. Since the Administration has thus far opposed both bills, the Congress has little to choose from. If the Administration were to back the more modest House increase and at the same time threaten to veto the larger Senate increase, the Congress would be furnished a sound reason for preferring the House bill. At the same time, the Administration could emphasize the improved national economic outlook as the reason for its change in position. Indeed, the inclusion of the phrase "at this time" in the recommendation paragraph of the Department's reports a year ago seems to have been calculated to afford just such an opportunity.

CON: Enactment of the House bill may have an undetermined inflationary effect on the economy: authorization of the Fund at higher levels will generate pressure for appropriations to meet those levels. In addition, Administration support for an increase in the Fund could be interpreted as a retreat from the policies of fiscal austerity which have marked this Administration.

RECOMMENDATION:

The State side of the LWCF has been one of the most successful and popular Federal recreation programs ever developed. Each year the applications for grants from the State side far exceed the fund's ability to match. Thus, this legislation may constitute the most important environmental initiative available this year. I strongly believe it is an initiative which the Administration should make its own, by means of a letter to the conference committee which would articulate a revised Administration position in favor of the House bill and point out such modifications in the House bill as may be necessary.

Secretary of the Interior

Concur			:	
Do	not	concur	:	

June 16, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JAMES T. LYNN

FROM:

JAMES E. CONNOR JE .

SUBJECT:

Position on Increased Authorization for Land and Water Conservation Fund

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Position on Increased Authorization for the Land and Water Conservation Fund

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Recommended by Messrs. Friedersdorf and Cannon.

Domestic Council comments: "The Land and Water Conservation Fund is extremely popular, requires matching State funds, and allows the States and localities to make determinations as to areas to be included in the majority of the disbursements.

Politically, it is almost certain that the Congress will vote on an increase, possibly higher than the House version. Thus, the President will be faced with the option of a veto -- a very unpopular position-- or approval of an even more expensive version than what is being recommended."

Jim Connor



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUN 10 1976

MEMORANDUM FOR:

FROM:

James T. Lynn Ohive

SUBJECT:

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Decision:	Endorse House increases Oppose any increases	
•	•	
	BUT DO NOT HIVE	A VETO SIBNAL.

ACTION MEMORANDUM

WASHINGTON

LOG NO .:

Date:

June 11, 1976

Time:

FOR ACTION:

cc (for information):

Jim Cannon

/ Max Friedersdorf V, Alan Greenspan

Jack Marsh Bill Seidman

FROM THE STAFF SECRETARY

DUE: Date:

Monday, June 14

Time: 10 A.M.

SUBJECT:

James T. Lynn memo 6/10/76 re Position on Increased authorization for the Land and Water Conservation Fund

ACTION REQUESTED:

For Necessary Action

X For Your Recommendations

Prepare Agenda and Brief

Draft Reply

A For Your Comments

Draft Remarks

REMARKS:

March - Support om B Sudman - Oppose and encrease - reto signal Greenspan (meanay) support on B position appose any increase Frieders doch - Recionmendo endersement of Cannon (Numphreis) Recomment endersement phiscomments

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

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED

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

JUN 10 1976

MEMORANDUM FOR:

THE PRESIDENT

FROM:

SUBJECT:

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Decision:	Endorse	House	increases	
	Oppose a	any ind	creases	

THE WHITE HOUSE WASHINGTON

June 10, 1976

TO:

BOB LINDER

FROM:

TRUDY FRY

The attached is sent to you for review before it is forwarded to the President.

1/2

. ACTION MEMORANDUM

WASHINGTON

LOG NO .:

Date:

June 11, 1976

Time:

Aue: 6/14 (Mon)

FOR ACTION:

cc (for information):

Jim Cannon

Max Friedersdorf

Jack Marsh Bill Seidman

Alan Greenspan

FROM THE STAFF SECRETARY

Monday, June 14

Time:

10 A.M.

SUBJECT:

DUE: Date:

James T. Lynn memo 6/10/76 re Position on Increased authorization for the Land and Water Conservation Fund

ACTION REQUESTED:

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

REMARKS:

Surviv

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

WASHINGTON

June 15, 1976

MEMORANDUM FOR:

JIM CONNOR

FROM:

MAX FRIEDERSDON

SUBJECT:

James T. Lynn memo 6/10/76 re Position on

Increased authorization for the Land and

Water Conservation Fund

The Office of Legislative Affairs recommends endorsement of House increases.

ACTION MEMORANDUM

WASHINGTON

LOG NO .:

Date:

June 11, 1976

Time:

FOR ACTION:

cc (for information):

Jim Cannon

Max Friedersdorf Alan Greenspan Jack Marsh Bill Seidman

FROM THE STAFF SECRETARY

DUE: Date:

Monday, June 14

Time:

10 A.M.

SUBJECT:

James T. Lynn memo 6/10/76 re Position on Increased authorization for the Land and Water Conservation Fund

For Necessary Action	_X For Your Recommendations
Prepare Agenda and Brief	Draft Reply

X For Your Comments

___ Draft Remarks

REMARKS:

Recommend undorsmut of Ham merious.

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ACTION MEMORANDUM

WASHINGTON

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FOR ACTION:

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Jim Cannon

Max Friedersdorf

Jack Marsh Bill Seidman

Alan Greenspan

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DUE: Date:

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Time:

10 A.M.

SUBJECT:

James T. Lynn memo 6/10/76 re Position on Increased authorization for the Land and Water Conservation Fund

ACTION	REQUESTED:
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For Necessary Action	X_ For Your Recommendations
Prepare Agenda and Brief	Draft Reply
X For Your Comments	Draft Remarks

REMARKS:

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

THE WHITE HOUSE WASHINGTON

DATE: June 15, 1976

TO: JIM CONNOR

FROM: JIM CAVANAUGH

SUBJ: Land and Water Conservation Fund

FYI

ACTION

WASHINGTON

June 14, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

GEORGE W. HUMPHREYS /

SUBJECT:

Proposed Increase in Land and Water Conservation Fund.

I recommend an endorsement of the House increases.

The Land and Water Conservation Fund is extremely popular, requires matching State funds, and allows the States and localities to make determinations as to areas to be included in the majority of the disbursements.

Politically, it is almost certain that the Congress will vote on an increase, possibly higher than the House version. Thus, the President will be faced with the option of a veto -- a very unpopular position -- or approval of an even more expensive version than what is being recommended.