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OUTLAY SAVINGS FROM BILLS  
VETOED BY PRESIDENT FORD  
(in millions of dollars)

9/7/76

THE PRESIDENT HAS SEEN ~~.....~~



Savings

Second session/93rd Congress

Deputy Marshall pay rates (H.R. 5094, vetoed 8/13/74).....	2
Regulation of strip mining (S. 425, vetoed 12/30/74).....	10
Increase Federal employee per diem rates (S. 3341 vetoed 12/31/74).....	58
Milk price supports (S. 4206 vetoed 1/4/75).....	385
Marad authorization (H.R. 13296, vetoed 1/4/75).....	7

First session/94th Congress

Emergency Farm price supports (H.R. 4296, vetoed 5/1/75).....	1,800
Strip mining legislation (H.R. 25, vetoed 5/20/75).....	19
Emergency employment supplemental appropriations (H.R. 4481, vetoed 5/28/75).....	2,076
Housing subsidies (H.R. 4485, vetoed 6/24/75).....	1,997
Tobacco price supports (H.R. 9497, vetoed 9/39/75).....	157
Expansion of Executive Protective Service (H.R. 12, vetoed 11/29/75).....	7
Milk price supports (S.J.Res.121, vetoed 12/31/75).....	223

Second session/94th Congress

Local public works capital development and investment program (H.R. 5247, vetoed 2/13/76).....	6,268
Less spending related to veto override of S. 3201, Public Works employment authorization.....	-3,950
Child day care standards (H.R. 9803, vetoed 4/6/76).....	125
Federal fire prevention control program authorization (H.R. 12567, vetoed 7/7/76).....	<u>2</u>

Total, estimated savings realized by President Ford's vetoes.....	9,186
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Savings not realized because:

1. Authorizing legislation only	1,247
2. Congressional override of Presidential veto	8,995

THE WHITE HOUSE  
WASHINGTON

TO: BOB LINDER

FROM: TRUDY FRY

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

A handwritten signature in dark ink, appearing to be 'TRUDY FRY', written in a cursive style. The signature is located in the lower right quadrant of the page.

THE WHITE HOUSE  
WASHINGTON

Date 9/6

TO:

MR. PRESIDENT

FROM:

TERRY O'DONNELLI <sup>TOP</sup>

I think this is the memo  
you requested.



THE WHITE HOUSE  
WASHINGTON

September 1, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JIM LYNN  
FROM: JIM CONNOR  
SUBJECT: Federal Civilian Employment  
as of June 30, 1976

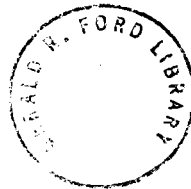
The President reviewed your memorandum of August 30 on the above subject and made the following notation:

"This looks good. Would it be good to be released for P.R. ?

I should have these figures for Debates!"

Please follow-up with appropriate action.

cc: Dick Cheney  
Dave Gergen  
Mike Duval



THE WHITE HOUSE  
WASHINGTON

Jim Lopez

This looks good.  
Would it be good to  
be released for P. R.?  
I should have three  
figures for Debates.



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

AUG 30 1976

MEMORANDUM FOR: THE PRESIDENT  
FROM: James T. Lynn  
SUBJECT: Federal civilian employment as of  
June 30, 1976

It is a pleasure to report that Federal civilian employment for the Executive Branch (excluding the Postal Service) as of June 30, 1976 was below the levels estimated in the 1977 Budget:

Government-wide civilian employment--Executive Branch  
(excluding the Postal Service)

	<u>Full-time permanent</u>	<u>Total*</u>
1977 Budget estimate for June 30, 1976.....	1,931,800	2,116,700
Actual employment June 30, 1976.....	1,905,930	2,112,872
Difference.....	25,870	3,828
% under Budget.....	1.3%	0.2%

\*"Total" employment includes full-time permanent as well as temporary, part-time, and intermittent employees.

Actual full-time permanent employment on June 30, 1976 was lower than on any June 30 since 1973, when the corresponding figure was 1,874,417. Full-time permanent employment on June 30, 1976 was nearly 11,500 lower than one year earlier. Total employment on June 30, 1976 was about 6,500 higher than on June 30, 1975, due primarily to the need for temporary employment in such areas as fire suppression and related work in the Forest Service and Bicentennial activities in the National Park Service.

Tab A details employment for the larger Executive Branch agencies. As the notes on the table indicate, every one of these agencies came in under its adjusted ceiling for full-time permanent employment (i.e., the January budget estimate adjusted to reflect unanticipated requirements). Five of these agencies exceeded their adjusted total employment ceilings. In only two cases--Agriculture and Interior--were the excesses substantial. In all these cases, as well as in the case of some smaller agencies who exceeded their ceilings, we have begun to followup. Where necessary, corrective action will be taken.

Tab B details employment within the Executive Office of the President (including the White House Office) and is presented in the same format as Tab A. Unfortunately, of the 13 agencies listed, six exceeded the "total" ceiling and two the "full-time permanent" ceiling.

The following summary shows June 30, 1976 actual employment and the ceiling estimates for 1977 for both the Executive Branch and the Executive Office of the President.

Employment-Executive Branch (excluding  
the Postal Service)

	<u>Full-time permanent</u>	<u>Total</u>
June 30, 1974, actual .....	1,916,304	2,092,282
June 30, 1975, actual .....	1,914,352	2,106,391
June 30, 1976, actual .....	1,905,930	2,112,872
September 30, 1977, estimated ...	1,914,636	2,085,679

Employment-Executive Office of the President

	<u>Full-time permanent</u>	<u>Total</u>
June 30, 1974, actual .....	1,508	1,694
June 30, 1975, actual .....	1,607	1,847
June 30, 1976, actual .....	1,579	1,831
September 30, 1977, estimated ...	1,605	1,757

The September 1977 full-time permanent estimates are sufficiently close for both categories that steady pressure over the next 13 months should be enough to bring them down to the June 30, 1976 actuals.

Attachments







EXECUTIVE BRANCH EMPLOYMENT 1/  
(Excluding the Postal Service)

<u>Agency</u>	<u>Full-Time Permanent</u>		<u>Total</u>	
	<u>January</u>	<u>June 1976</u>	<u>Federal Employment</u>	
	<u>Estimate</u>	<u>Actual <u>2/</u></u>	<u>January</u>	<u>June 1976</u>
			<u>Estimate</u>	<u>Actual</u>
Agriculture .....	80,400	80,413	119,380	125,842 <u>3/</u>
Commerce .....	28,900	28,869	36,023	37,021
DOD-Mil.Funct. ....	930,700	921,544	962,275	958,138
Corps of Eng., etc. ....	29,100	28,648	33,069	32,803 <u>3/</u>
HEW .....	135,000	136,462	147,503	149,154
HUD .....	15,000	14,942	16,885	16,378
Interior .....	59,200	59,130	78,754	80,638 <u>3/</u>
Justice .....	51,600	51,201	53,171	53,370 <u>3/</u>
Labor .....	14,600	14,771	16,259	16,687
State .....	22,900	22,634	24,555	24,133
DOT .....	72,400	71,593	74,594	73,451
Treasury .....	113,500	107,787	123,614	123,809 <u>3/</u>
ERDA .....	8,300	8,283	8,824	8,816
EPA .....	9,600	9,481	10,565	10,447
GSA .....	36,800	35,679	38,788	37,789
NASA .....	24,300	24,039	25,711	25,426
VA .....	196,600	192,453	222,759	218,646
Other .....	<u>100,900</u>	<u>98,001</u>	<u>121,971</u>	<u>120,324</u>
Subtotal	1,929,800	1,905,930	2,114,700	2,112,872
Contingencies	<u>2,000</u>	<u>---</u>	<u>2,000</u>	<u>---</u>
Total	1,931,800	1,905,930	2,116,700	2,112,872

1/ Source of data: Civil Service Commission.

2/ Every agency was under its adjusted full-time permanent employment ceiling.

3/ Exceeds adjusted "total" employment ceiling.



B

EMPLOYMENT-EXECUTIVE OFFICE OF THE PRESIDENT

<u>Agency</u>	<u>Full-Time Permanent</u>		<u>Total Employment</u>	
	<u>January Estimate</u>	<u>June 1976 Actual</u>	<u>January Estimate</u>	<u>June 1976 Actual</u>
White House Office <sup>2/</sup> .....	500	478	515	541
Office of the Vice President .....	29	23	30	24
Office of Management and Budget <sup>1/</sup> .....	682	640	729	707
Citizens' Advisory Committee on Environmental Quality Council of Economic Advisers .....	1	1	1	1
Council on Environmental Quality .....	46	37	60	39
Council on International Economic Policy .....	44	44	61	59
Council on Wage and Price Stability .....	29	28	40	34
Domestic Council .....	44	40	54	55
Executive Residence .....	40	42	45	49
National Security Council Office of the Special Representative for Trade Negotiations .....	82	77	82	83
Office of Telecommunications Policy .....	72	67	91	95
	45	44	48	48
	<u>48</u>	<u>58</u>	<u>65</u>	<u>96</u>
<b>Total</b>	<b>1,662</b>	<b>1,579</b>	<b>1,821</b>	<b>1,831</b>

<sup>1/</sup> Includes Office of Federal Procurement Policy

<sup>2/</sup> White House Office employment at the end of previous years was:

	<u>Full-time permanent</u>	<u>Total employment</u>
June 30, 1973	484	513
June 30, 1974	506	583
June 30, 1975	534	625



VETO DIGEST  
August 12, 1974 - September 8, 1976  
93rd Congress - 2nd Session

THE PRESIDENT WAS SEEN. . .

Bill Number Date Vetoed	Title	Presidential Objection	Actual Savings	Final Resolution
1. HR 5094 8/13/74	To increase deputy Marshall pay rates	Increased deputy Marshall salaries and not other Federal law officers and would create discrepancies among deputy marshall positions.	\$2M	NOA (No override attempt)
2. HR 11873 8/15/74	To authorize Animal Health Research programs	Established new categorical grant program, authorizes \$47M annually and duplicates existing programs, especially fish, shellfish and predator control.	[\$47M was an authorization and not an actual saving]	NOA
3. HR 10626 9/30/76	Private bill relating to sale of reserved phosphate land in Florida to John and Marsha Carter	Failed to meet either of required criteria; (1) mineral interests have no value; (2) minerals interfere with development of surface which is more beneficial than mineral development.		NOA
4. HR 15323 10/12/74	To amend the Atomic Energy Act	Section 12 provides act becomes operative 30 days after JAEC submits to Congress evaluation of Reactor Study and bill does not go into effect if Congress adopts Con Res disapproving extension of Price-Anderson make bill unconstitutional.		NOA



Bill Number Date Vetoed	Title	Presidential Objection	Actual Savings	Final Resolution
5. HR 15301 10/12/74	To broaden Railroad Retirement Coverage	250M over budget on annual basis; since 1970 Railroad Retirement benefits increased 68% without beneficiaries paying any cost and to solve current problem taxpayer would contribute \$250M annually for 25 years.	[The \$250M is not an actual saving due to veto override]	Congress Overrode 10/16/74
6. HJRes 1131 10/17/74	To extend the Continuing Resolution for 1975	Contained an amendment cutting off immediately all military assistance to Turkey.		House sustained 10/15/74
7. HJRes 1163 10/17/74	To extend the Continuing Resolution for 1975	Contained a second time an amendment cutting off all military assistance to Turkey		House sustained 10/17/74
8. HR 12471 10/17/74	To amend the Freedom of Information Act	Under this bill a determination by the Secretary of Defense that disclosure of a public document would endanger national security would have to be overturned, even though reasonable, if a Federal district judge found the plaintiff's case just as reasonable.		Congress Overrode 11/21/74
9. HR 11541 10/22/74	To establish National Wildlife Refugee system standards	Existing law is adequate to protect our wildlife refugees and new standards for rights-of-way as they affect energy facilities are not necessary.		NOA
10. HR 6624 10/29/74	Private bill for benefit of Alvin V. Burt, Jr., Eileen Wallace Kennedy Pope & David Douglas Kennedy, a minor	To pay these sums for injuries sustained by two newsmen in Dominican Republic at hands of U.S. Forces on broad moral considerations or conscience without legal or equitable claims would set the wrong precedent.		NOA



Bill Number Date Vetoed	Title	Presidential Objection	Actual Savings	Final Resolution
11. HR 7768 10/29/74	Private bill for benefit of Nolan Sharp	Sharp who contacted Multiple Sclerosis 6 years after discharge from the Army did not qualify for benefits under 1962 revision extending the presumption of service connection from 3-7 years because of a prohibition of retroactivity in the 1962 law.		NOA
12. HR 13342 10/29/74	To amend Farm Labor Contractor Registration Provisions	Under Sec. 17 of the bill hearing officer positions in the Department of Labor are arbitrarily reclassified and existing hearing officers become Administrative law judges regardless of qualifications.		Congress passed a new bill S 3202 deleting the hearing examiner provisions which the President signed 12/7/74
13. HR 14225 10/29/74	The Rehabilitation Act Amendments of 1974	This bill administered through legislation; it transferred programs; it dictated minute decisions; it created independent units and a new 250 man bureaucracy in HEW; it dissipated accountability.		Congress repassed the bill in identical form as HR 17503 which the President signed on 12/7/74
14. HR 6191 11/26/74	To suspend temporarily the Zinc Import duty	An Amendment to the bill allows certain taxpayers who have already deducted casualty losses to exclude from taxable income any amount received from tort compensation or Federal loan cancellation.		House sustained veto on 12/3/74



Bill Number Date Vetoed	Title	Presidential Objection	Actual Savings	Final Resolution
15. HR 12628 11/26/74	Veterans Education and Rehabilitation Amendments of 1974	Adds \$500M to deficit by increasing benefits 23% instead of 18.2% and extending benefits from 36 to 45 months for under- graduates.	[\$500M is not an actual savings because of veto override]	Congress overrode 12/3/74
16. S 3537 12/17/74	An act to modify the Flood Control Act of 1965	To assist Heppner, Oregon to relocate its water system Congress made two exceptions to standard practice; reten- tion of 3¼% interest rate verses current rate of 5 7/8% and authorization of advance payment before project actually begins.		NOA
17. HR 11929 12/21/74	To provide special repayment treat- ment for TVA Pollution Control Expenditures	Amendment would not require TVA to reflect cost of pollu- tion equipment in power rates and would require taxpayers to make up the difference.		NOA
18. HR 14214 12/21/74	To authorize a Health Revenue Sharing Program	The bill authorizes \$1B over President's recommendation	[\$1B was an authorization and not an actual saving]	
19. S 425 12/30/74	To regulate Strip Mining	The bill would cut 1977 coal production between 48-141 million tons, create pro- tracted litigation and require excessive Federal expenditures.	\$10M	NOA



Bill Number Date Vetoed	Title	Presidential Objection	Actual Savings	Final Resolution
20. HR 8193 12/30/74	To establish an oil import quota for U.S. flag vessels	20% the first year and 30% after 6/30/77 of all imported oil must be shipped in U.S. bottoms which is inflationary, protectionist and violates several U.S. treaties on Commerce and navigation.		NOA
21. S 3341 12/31/74	To increase Federal Employee per diem rates	Included provision for disabled veterans traveling for treatment, but unlike Federal employees there is no provision for reduced payments where the occasion requires.	\$58M	NOA
22. HR 17085 1/2/75	To authorize a Nurses Training Program	Bill is a general approach at a time when nurse surpluses exist in some areas and shortages exist in some specialties where the legislation should have been applied.		NOA
23. S 4206 1/3/75	To increase milk price supports	Bill increases price support by \$1.12 per hundred weight to \$7.69 thus raising price of milk 6¢ per half gallon and further reducing demand for milk products which dairy farmers cannot afford.	\$385M	NOA
24. S 3943 1/24/75	To extend authorization of the Rural Environmental Assistance Program (REAP)	Makes \$125M available for one additional year for water and soil conservation programs which are not necessary because adequate funding and successful programs already exist.	[\$125M was an authorization and not an actual saving]	NOA



Bill Number Date Vetoed	Title	Presidential Objection	Actual Savings	Final Resolution
25. HR 2933 1/24/75	To establish quotas on filberts	Existing law already requires imported foodstuffs to meet F.D.A. standards and to add filberts would hurt our markets abroad and violate certain obligations under GATT.		NOA
26. HR 13296 1/4/75	To authorize the 1975 Maritime Administration Program (MARAD)	One section required Secretary of Commerce to provide indef- initely for certain losses to U.S. fishing vessels caused by foreign ships in U.S. continental shelf waters. Would cause serious adminis- trative problems and is not necessary because international procedures for recovering damages now exist.	\$7M	NOA
27. HR 11897 1/4/75	To name Federal Office Building and Court House in Grand Rapids, Mich. the President Gerald R. Ford Federal Office Building	No Federal Office Building has been named for an incum- bent President and while honored feels this precedent shouldn't be changed.		NOA



94th Congress - 1st Session  
2nd Session

Bill Number Date Vetoed	Title	Presidential Objection	Actual Savings	Final Resolution
28. HR 1767 3/4/75	To limit Presidential authority to impose petroleum import fees	Proposed Congressional compromise - Vetoed 60-day extension and amended proclamation to postpone for 60 days increase in import fees hoping Congress will enact energy program.		NOA
29. HR 4296 5/1/75	To establish emergency farm price supports	Costly to consumers, taxpayers and farmers. Damaging to U.S. international marketing positions.	\$1.8B	House sustained 5/13/75
30. HR 25 5/20/75	Regulate strip mining	Excessive Federal regulation and tax provisions; enables States to control mining on Federal lands; cut coal production 40-162 M tons in 1977; cost up to 36,000 jobs and force higher electric bills.	\$19M	House sustained 6/10/75
31. HR 5357 5/28/75	Authorize appropriations for the promotion of tourist travel	Excessive appropriation authorization for forcing tourist promotion; reinstitutes domestic travel promotion program. Authorization thru 1979.	[\$75M was an authorization and not actual saving]	NOA

Bill Number Date Vetoed	Title	Presidential Objection	Actual Savings	Final Resolution
32. HR 4481 5/28/75	To provide emergency employment supplemental	Not an effective response to unemployment problem. Exacerbates budgetary and economic pressures. Authorized \$3.3 B above budget requested.	\$2.07B	House sustained 6/4/75
33. HR 4485 6/24/75	To provide new housing subsidies	Would take excessive time to implement; is inequitable because some with \$25,000 income qualify while others earning \$6,000 would not; mortgage subsidies give some buyers excessive benefits at taxpayers expense; \$1.9B over budget in 1976 and beyond.	\$1.9B	House sustained 6/25/75
34. HR 4035 7/21/75	To provide for more effective Congressional review of exempt petroleum products from the Emergency Petroleum Allocation Act of 1973	Increase petroleum consumption cuts domestic production, increases reliance on imports avoids phasing out price controls.		NOA
35. HR 5901 7/25/75	To provide Education Appropriations	Increases appropriations for all programs; does not consider Presidential recommendation on impact aid to higher education reduction.	[\$1.5B is not actual saving due to override]	Congress overrode 9/10/75
36. S 66 7/26/75	To amend Health Service Act of 1973	Excessive Appropriation level; expands Federal role in health service programs thru narrow categorical grants. Exceeds FY '77 by \$1.1B	[\$550M is not an actual saving due to override]	Congress overrode 7/29/75

Bill Number Date Vetoed	Title	Presidential Objection	Actual Savings	Final Resolution
37. S 1849 9/9/75	To extend Emergency Petroleum Allocation Act of 1973	Does not solve or move U.S. toward enactment of national energy program. Keeps status quo for 6 months; increases dependency on foreign oil; jeopardizes national security; exports jobs; and delays conservation.		Senate sustained 9/10/75
38. HR 9497 9/30/75	To provide tobacco price supports	Would adversely affect tobacco exports, lower farm income, and increase federal spending in FY and TQ by estimated \$157M.	\$157M	NOA
39. HR 4222 10/3/75	To amend school lunch and child nutrition Acts	Although enlarges efforts to feed needy children, bill expands Federal subsidies to children of non-needy families.	\$1.2B was not an actual savings due to override	Congress overrode 10/7/75
40. HR 12 11/29/75	To provide protection of foreign diplomatic missions and increase size of Executive Protection Service	Extends EPS functions to area of responsibility of local law enforcement agencies.	\$7M	NOA
41. HR 5559 12/17/75	To make changes in certain income tax provisions (extension of tax reductions)	Does not include requested cuts in federal spending and \$28B tax reduction. Merely extends for 6 months present tax cuts.		House sustained 12/18/75

Bill Number Date Vetoed	Title	Presidential Objection	Actual Savings	Final Resolution
42. HR 8069 12/19/75	To provide appropriations for Departments of Labor and HEW	Inconsistent with fiscal discipline and effective restraint on government growth. Adds \$1B to spending authority and 8,000 Federal employees.	\$1.8 was not an actual saving due to override	Congress overrode 1/28/76
43. S 2350 12/31/75	To include Secretary of Treasury as a member of NSC	Unnecessary since President has adequate arrangements for obtaining advice; bill would lessen flexibility of President in arranging for advice.		
44. HR 5900 1/2/76	To amend National Labor Relations Act (Common Situs Picketing)	Does not provide for resolution of special problems in construction industry. Risks leading to loss of jobs and work hours, higher costs to public and slow downs in construction industry.		Bill returned although Congress had adjourned sine die on 12/19/75
<u>94th Congress - 2nd Session</u>				
45. SJRes 121 1/30/76	To provide for quarterly adjustments in milk support price	Sets support at 85% parity with quarterly adjustments. Would increase Federal spending, cause milk surpluses and raise consumer prices. '76 - '77 marketing year increase - \$580M; subsequent years - \$350M. Increase consumer costs in 2 years by \$1.38B.	\$223M	Senate sustained 2/7/76
46. HR 5247 2/13/76	To authorize a local public works capital development and investment program	Does not provide solution to unemployment "Election year Pork Barrel"; cost \$25,000 per job; few jobs would be created (250,000) over life of legislation; no impact in immediate future.	\$6.2B	Senate sustained 2/19/76

Bill Number Date Vetoed	Title	Presidential Objection	Actual Savings	Final Resolution
47. HR 9803 4/6/76	To implement new child day care standards - Title XX of the Social Security Act	Runs contrary to concept of vesting responsibility in State and local governments, would perpetuate rigid Federal standards - at tax-payers expense; would impose costly and unrealistic staff to children ratios; could add \$125M over next 6 months and \$250M per year thereafter.	\$125M	Senate sustained 5/5/76
48. HR 8617 4/12/76	To amend the Hatch Act	Could endanger concept of Federal employee freedom from coercion to participate in partisan political activities. Essentially repeals Hatch Act.		House sustained 4/29/76
49. S 2662 5/7/76	To authorize 1977 appropriations for foreign assistance programs	Imposed arbitrary arms ceiling and human rights provisions; removed restriction on trade with North Viet Nam and undercuts MIA efforts; terminated MAAG groups unless Congress authorized and contained unconstitutional Concurrent Resolution provisions.		NOA
50. HR 12384 7/2/76	To authorize appropriations for military construction	Bill generally acceptable but Sec. 612 prohibits certain base closings or reduction of civilian personnel without Congressional approval.		Senate sustained 7/22/76



Bill Number Date Vetoed	Title	Presidential Objection	Actual Savings	Final Resolution
51. S 391 7/3/76	To amend Federal Coal Leasing Act	In basic agreement with bill, but it is littered with rigidities and complications, end result would inhibit coal production on Federal lands, raise consumer costs and delay energy independence.	[\$45M not an actual saving due to override]	Congress overrode 8/4/76
52. S 3201 7/6/76	To authorize appropriations for public works employment	Would create only 160,000 jobs over the years; would reduce unemployment .06 percent at a cost of \$4B; cost \$25,000 per job; bill is highly inflationary.	[\$3.95B not an actual saving due to override]	Congress overrode 7/22/76
53. HR 12567 7/7/76	To authorize appropriations for federal fire prevention control programs	Bill contains provision obstructing President's constitutional responsibilities over Executive branch operations. Concurrent resolution's veto power over plan to commit funds for National Academy for Fire Prevention & Control is unconstitutional.	\$2M	NOA
54. S 2447 8/3/76	To amend USC - Title 4 to make clear Members of Congress may not be treated as residents of any state other than the one which elected.	Federal interference in state income tax procedures by Congressional mandate.		NOA
55. HR 12944 8/13/76	To extend the Federal Insecticide, Fungicide and Rodenticide Act, as amended, for 6 months	No provision in Constitution for procedures in this Act whereby Congress has 60 day review period and veto power over regulations promulgated.		NOA



From the desk of . . .

ALAN GREENSPAN, Chairman  
Council of Economic Advisers

CPI: August  
release  
Sept 21 10 AM



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This will be  
regarded as confirmation  
that inflation is not  
accelerating.  
Results almost  
identical to last month.

# News

THE PRESIDENT HAS SEEN.....

United States  
Department  
of Labor



Office of Information

Washington, D.C. 20210

BUREAU OF LABOR STATISTICS  
T. Nakayama (202) 523-1647  
523-1814  
523-1902  
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333-1384

USDL-76-1143  
TRANSMISSION OF MATERIAL IN THIS RELEASE IS  
EMBARGOED UNTIL 10:00 A.M. (E.D.T.),  
Friday, August 20, 1976



## THE CONSUMER PRICE INDEX--JULY 1976

The Consumer Price Index rose 0.6 percent in July before seasonal adjustment to 171.1 (1967=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Compared with a year ago, the July CPI was up 5.4 percent.

### Seasonally adjusted changes

On a seasonally adjusted basis, the CPI rose 0.5 percent in July, about the same as in recent months. The July increase stemmed from higher prices for a variety of goods and services, particularly gasoline, apparel, used cars, medical care and transportation

Table A. Percent changes in CPI and components, selected periods

Month	Changes from preceding month								Changes in all items	
	All items		Food		Commodities less food		Services		compound annual rate	From 12 mos. ago
	Seas.		Seas.		Seas.		Seas.		From 3 mos. ago	
	Unadj.	adj.	Unadj.	adj.	Unadj.	adj.	Unadj.	adj.	Seasonally adjusted	Unadj.
July 1975	1.1	1.0	2.4	1.8	0.7	0.9	0.5	0.5	9.1	9.7
Aug. ....	.3	.4	-.3	-.2	.5	.6	.5	.4	8.5	8.6
Sept. ....	.5	.4	-.2	.3	.5	.3	1.0	.8	7.4	7.8
Oct. ....	.6	.6	.7	.9	.5	.3	.6	.6	5.8	7.6
Nov. ....	.6	.6	.4	.6	.3	.3	1.1	1.0	6.8	7.3
Dec. ....	.4	.5	.5	.6	.1	.4	.6	.6	7.3	7.0
Jan. 1976	.2	.4	.1	-.2	-.3	.2	1.0	1.1	6.5	6.8
Feb. ....	.2	.1	-.4	-1.0	.3	.3	.7	.7	4.4	6.3
Mar. ....	.2	.2	-.7	-.8	.4	.3	.6	.7	2.9	6.1
Apr. ....	.4	.4	.3	.6	.6	.3	.3	.5	2.9	6.1
May ....	.6	.6	.4	1.0	.8	.6	.4	.4	4.9	6.2
June ....	.5	.5	.5	.2	.6	.5	.6	.6	6.1	5.9
July ....	.6	.5	.7	.1	.4	.6	.7	.6	6.3	5.4

Aug

5

.3

.6

.6

6.0

5.6

Flash report on GNP: Not for publication

GNP 1976: seasonally adj. annual rates

% change


	IQ	IIQ	IIIQ
Real GNP	9.2%	4.5%	4.0%
Price change	3.2	5.2	4.9



Third quarter data will not be published until mid-October. Will probably be somewhat better than these early estimates

Employment data as requested  
seasonally adjusted (000)

	August 1974	August 1976	change
Civilian Labor Force	<u>91157</u>	<u>95487</u>	<u>+4330</u>
Employment	86170	87981	<u>+1811</u>
Unemployment	4987	7506	+2519
Rate %	5.5%	7.9%	



			<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
Price level (% change):								
GNP deflator:								
year-over-year	(B)		5.9	6.2	6.1	5.0	4.2	4.0
	(T)		5.3	6.0	6.0	5.1	4.0	2.9
4th qtr over								
4th qtr	(B)		6.3	6.0	5.7	4.7	4.0	4.0
	(T)		5.1	6.2	5.7	4.7	3.6	2.5
CPI:								
year-over-year	(B)		6.3	6.0	5.9	5.0	4.2	4.0
	(T)		5.7	5.6	5.6	5.1	4.1	2.9
<u>Dec. over Dec.</u>	(B)		5.9	5.9	5.6	4.6	4.0	4.0
	(T)		<u>5.0</u>	5.7	5.4	4.7	3.5	2.4
<u>Unemployment rate:</u>								
<u>Total</u>	(B)		7.7	6.9	6.4	5.8	5.2	4.9
	(T)		<u>7.2</u>	6.4	5.7	5.1	4.8	4.7
Federal pay raise,								
Oct. (%)	(B)		4.7	8.6	7.0	6.5	5.75	5.5
	(T)		4.7	7.5	7.0	6.5	5.75	5.0
Interest rate, 91-day <sup>1/</sup>								
Treasury bill (%)	(B)		5.5	5.5	5.5	5.5	5.0	5.0
	(T)		5.3	5.5	5.5	5.5	5.5	5.5

<sup>1/</sup> The interest rate forecast may change slightly if actual interest rates change between now and the publication date. Because interest rates are difficult to forecast, Budget documents generally assume that rates remain constant at the level prevailing on the day that the interest outlays are computed. The 1976 interest rate forecast will be slightly lower than the forecast for the rest of the period, because the 1976 estimate must take account of the lower rates prevailing so far this year.

## Attachment A

ECONOMIC ASSUMPTIONS  
(dollar amounts in billions)

		<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
<b>Gross National Product:</b>							
<b>Current dollars:</b>							
Amount - Budget	(B)	1,684	1,890	2,124	2,376	2,636	2,877
Troika	(T)	1,687	1,890	2,121	2,370	2,575	2,747
% change -	(B)	12.4	12.2	12.4	11.9	10.9	9.1
	(T)	12.5	12.0	12.2	11.7	8.6	6.7
<b>Constant (1972) dollars:</b>							
Amount -	(B)	1,260	1,332	1,411	1,503	1,600	1,679
	(T)	1,267	1,339	1,418	1,508	1,575	1,634
<u>% change -</u>	(B)	6.2	5.7	5.9	6.5	6.5	4.9
	(T)	<u>6.8</u>	5.7	5.9	6.3	4.4	3.7
<b>Incomes (current dollars):</b>							
Personal income	(B)	1,386	1,538	1,727	1,930	2,138	2,331
	(T)	1,381	1,531	1,720	1,920	2,083	2,220
Wages & salaries	(B)	892	1,001	1,126	1,259	1,397	1,525
	(T)	889	992	1,121	1,252	1,361	1,452
Corporate profits	(B)	156	181	201	223	247	271
	(T)	152	178	201	223	242	258

THE WHITE HOUSE

WASHINGTON

September 21, 1976

MEMORANDUM TO: RICHARD B. CHENEY  
FROM: RICHARD S. BRANNON *RSB*  
SUBJECT: Q and A on Carter's Playboy  
Interview

I think the President will want to be careful not to talk this issue excessively. We can detract from the interview's obvious damage by having too much to say.

Basically, the President wants to get two points across:

- (1) I wouldn't have done it.
- (2) It is the kind of inconsistency we have come to expect from Governor Carter.

## QUESTION:

You are familiar with Governor Carter's interview with Playboy magazine. Do you think it is appropriate for a Presidential candidate to grant an interview with this type magazine?

## ANSWER:

I received an invitation through my Press Secretary in 1975 to be interviewed by Playboy magazine. Mr. Nessen informed them that I was not available.



## QUESTION:

Do you think that Governor Carter should have granted the interview?

## ANSWER:

The fact that I declined to do it tells you something of how I feel.

As to the question of whether Mr. Carter should have done it, that's something for the voters to decide.





## THE PRESIDENT'S ANSWERS

## QUESTION:

Governor Carter says that he has "looked on a lot of women with lust" and he has "committed adultery in his heart many times". Mr. President, have you ever committed adultery in your heart?

## ANSWER:

If I had, I sure wouldn't want to advertise it. Such an open admission would be an embarrassment to my wife and children and it smacks of an open disrespect for women.

I think most women are offended by being viewed as sex objects.

## OPTIONAL ANSWER:

I think most women would be offended by being viewed simply as sex objects. I will leave it to Governor Carter to explain what it is he meant by his choice of words.



## QUESTION:

I'm sure you've heard of the language used by Mr. Carter in the interview. Do you think that language is appropriate?

## ANSWER:

No. I do not think that someone who aspires to the high office of President should go on the public record using language that is offensive to many Americans.

I'm not trying to be prudish. I just happen to think that persons who desire to serve in positions of public trust must earn that trust. One of the ways to earn trust is by winning the respect of people in all walks of life, both young and old alike.

People have the right to expect consistency in what we say and in what we do.



## QUESTION:

But wasn't Governor Carter trying to say that we should not be judgmental of those who choose a different life style?

## ANSWER:

I would agree that respect for others who choose to be different is important. I have always tried to be tolerant of people with a life style different from my own.

However, the use of words and phrases which are offensive to some Americans may not be the best way to state the case.

## OPTIONAL ANSWER: (Additional)

I understand that Mr. Carter's book has the title: "Why Not the Best".

I think that many Americans are asking of Governor Carter in light of this particular interview, "Why Not the Best?" in personal conversation and personal consistency?



## QUESTION:

Governor Carter said that his religious beliefs would not be a determining factor in appointing judges "who would be either harsh or lenient toward such offenses as adultery, drug use, and homosexuality". What is your view on this?

## ANSWER:

I have not thought in terms of "harsh or lenient".

I have tried to appoint judges who have a record of personal and professional competence. They should be judicious, fair and impartial.



SEP 22 1976

THE PRESIDENT HAS SEEN....

THE WHITE HOUSE

WASHINGTON

September 23, 1976

MEMORANDUM FOR: JACK MARSH  
FROM: BOB WOLTHUIS *RKW*  
SUBJECT: President's Votes on Medicare and Medicaid

MEDICARE - HR 6675 - 1965

1. HR 6675 - Motion to recommit bill back to Ways and Means - April 8, 1965  
Rejected 191 - 236  
Ford voted yea
2. HR 6675 - Final Passage - April 8, 1965  
Passed 313 - 115  
Ford voted nay
3. HR 6675 - Adoption of Conference Report  
July 27, 1965  
Adopted 307 - 116  
Ford voted nay



MEDICAID - Kerr-Mills - HR 12580 - 1960

1. HR 12580 - Final Passage - June 23, 1960  
Passed 381 - 23  
Ford voted yea
2. HR 12580 - Adoption of Conference Report  
August 26, 1960  
Adopted 369 - 17  
Ford voted yea

...the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. ALLOTT, Mr. SALTONSTALL, and Mr. YOUNG of North Dakota to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11776. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1961, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. HOLLAND, Mr. ANDERSON, Mr. ALLOTT, Mr. SALTONSTALL, and Mr. YOUNG of North Dakota to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1765. An act to authorize and direct the Treasury to cause the vessel *Edith Q.*, owned by James O. Quinn, of Sunset, Maine, to be documented as a vessel of the United States with full coastwise privileges; and

S. 3019. An act to provide for certain pilotage requirements in the navigation of U.S. waters of the Great Lakes, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10644) entitled "An act to amend title V of the Merchant Marine Act, 1936, in order to change the limitation of the construction differential subsidy under such title," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PASTORE, Mr. BARTLETT, and Mr. BUTLER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2388. An act relating to the separation and retirement of John R. Barker; and

S. 3319. An act to authorize the Administrator of General Services to release the recapture provisions contained in the conveyance of certain real property to the city of Little Rock, Ark., and for other purposes.

**SOCIAL SECURITY AMENDMENTS OF 1960**

The SPEAKER. The unfinished business is the passage of the bill (H.R. 12580) to extend and improve coverage under the Federal Old-Age, Survivors, and Disability Insurance System and to remove hardships and inequities, improve the financing of the trust funds, and provide disability benefits to additional individuals under such systems; to provide grants to States for medical care for aged individuals of low income; to amend the public assistance and ma-

terial and child welfare provisions of the Social Security Act; to improve the unemployment compensation provisions of such act; and for other purposes.

The Clerk read the title of the bill.

**CALL OF THE HOUSE**

Mr. FLYNT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 142]

Alford	Frazier	Morrison
Anfuso	Healey	Muiter
Ashley	Hess	Mumma
Barden	Kelly	Steed
Barry	Keogh	Taylor
Blitch	McSween	Thompson, La.
Buckley	Magnuson	Wainwright
Byrnes, Wis.	Merrow	Whitten
Durham	Metcalf	Withrow
Edmondson	Morris, Okla.	Young

The SPEAKER. On this rollcall 400 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

**SOCIAL SECURITY AMENDMENTS OF 1960**

The SPEAKER. The question is on the passage of the bill H.R. 12580.

Mr. BYRNES of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 381, nays 23, answered "present" 3, not voting 24, as follows:

[Roll No. 143]

**YEAS—381**

Abernethy	Bolling	Collier
Adair	Bolton	Colmer
Addonizio	Bonner	Conte
Albert	Bosch	Cook
Alexander	Bow	Cooley
Allen	Bowles	Corbett
Andersen, Minn.	Boykin	Cramer
Anderson, Mont.	Brademas	Cunningham
Andrews	Bray	Curtin
Arends	Breeding	Curtis, Mass.
Ashley	Brewster	Curtis, Mo.
Aspinall	Brooks, La.	Daddario
Auchincloss	Brooks, Tex.	Dague
Avery	Broomfield	Daniels
Ayres	Brown, Ga.	Davis, Ga.
Bailey	Brown, Mo.	Davis, Tenn.
Baker	Brown, Ohio	Dawson
Baldwin	Broyhill	Delaney
Baring	Budge	Dent
Barr	Burdick	Denton
Barrett	Burke, Ky.	Deroulan
Barry	Burke, Mass.	Derwinski
Bass, N.H.	Byrne, Pa.	Devine
Bass, Tenn.	Byrnes, Wis.	Diggs
Bates	Cahill	Dingell
Baumhart	Canfield	Dixon
Becker	Cannon	Donohue
Beckworth	Carnahan	Dooley
Belcher	Casey	Dorn, N.Y.
Bennett, Fla.	Cederberg	Dowdy
Bennett, Mich.	Celler	Downing
Bentley	Chamberlain	Doyle
Berry	Chelf	Dulski
Betts	Chenoweth	Dwyer
Blatnik	Chipperfield	Elliott
Blitch	Church	Everett
Boggs	Clark	Ewins
Boland	Coad	Fallon
	Coffin	Farbstein
	Cohelan	Fascell

Feighan	Kluczynski
Fenton	Knox
Fino	Kowalski
Flood	Kyl
Flynn	Lafore
Fogarty	Lalrd
Foley	Landrum
Forand	Lane
Ford	Langen
Forrester	Lankford
Fountain	Latza
Frelinghuysen	Lennon
Friedel	Lesinski
Fulton	Levering
Gallagher	Libonati
Garmatz	Lindsay
Gary	Lipscomb
Gavin	Loser
George	McCormack
Glaimo	McCulloch
Gilbert	McDonough
Glenn	McDowell
Goodell	McFall
Granahan	McGinley
Grant	McGovern
Gray	McIntire
Green, Oreg.	Macdonald
Green, Pa.	Machrowicz
Griffin	Mack
Griffiths	Madden
Gross	Mailliard
Gubser	Marshall
Hagen	Martin
Haley	Matthews
Halleck	May
Halpern	Meador
Hardy	Meyer
Hargis	Michel
Harmon	Miller, Clem
Harris	Miller,
Harrison	George P.
Hays	Miller, N.Y.
Hébert	Milliken
Hechler	Mills
Hemphill	Minshall
Henderson	Mitchell
Herlong	Moeller
Hiestand	Monagan
Hoeven	Montoya
Hoffman, Mich.	Moore
Hogan	Moorhead
Hollifield	Morgan
Holland	Morris, N. Mex.
Holt	Moss
Holtzman	Moulder
Horan	Murphy
Hosmer	Murray
Huddleston	Natcher
Hull	Nelsen
Ikard	Nix
Inouye	Norblad
Irwin	O'Brien, Ill.
Jackson	O'Brien, N.Y.
Jarman	O'Hara, Ill.
Jennings	O'Hara, Mich.
Jensen	O'Konski
Johnson, Calif.	O'Neill
Johnson, Colo.	Oliver
Johnson, Md.	Osmera
Johnson, Wis.	Ostertag
Jonas	Passman
Jones, Ala.	Patman
Jones, Mo.	Perkins
Judd	Pfost
Karsten	Philbin
Karth	Plicher
Kasem	Pillion
Kastenmeier	Pirnie
Kearns	Poage
Kee	Poff
Keith	Porter
Kilburn	Preston
Kilday	Price
Kilgore	Prokop
King, Calif.	Pucinski
King, Utah	Quie
Kirwan	Quigley
Kitchin	Rabaut

**NAYS—23**

Abbltt	Gathings	Rivers, S.C.
Alger	Hoffman, Ill.	Rogers, Tex.
Ashmore	Johansen	Scherer
Brock	McMillan	Smith, Kans.
Burleson	Mahon	Smith, Va.
Dorn, S.C.	Mason	Taber
Fisher	Norrell	Tuck
Flynt	Riley	

**ANSWERED "PRESENT"—3**

Pelly	Rhodes, Ariz.	Utt
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**NOT VOTING—24**

Alford	Buckley	Frazier
Anfuso	Durham	Healey
Barden	Edmondson	Hess

MEDICAID/KEIR - Mills  
6/23/60

such care, or for initiating programs of medical assistance for the aged, or both.

Under existing law the Federal percentages for the several States vary inversely with the square of their respective per capita incomes, but with a minimum of 50 percent and a maximum of 65 percent. The Federal medical percentage would be determined in the same way except that the maximum would be 80 percent instead of 65 percent.

For all States which have approved programs for medical assistance for aged persons who are not recipients of old-age assistance, the Federal payments would be equal to the Federal medical percentage of the total amounts expended under these programs.

Also (as under existing law), all States would continue to receive Federal payments equal to one-half of their expenditures for necessary and proper administration of their State plans.

Section 601(d) is a conforming amendment to section 3(b)(2)(B) of the Act, striking out "old-age assistance" and inserting in lieu thereof "assistance".

Section 601(e) is a conforming amendment to section 4 of the Act under which the Secretary could suspend or deny Federal payments to States whose plans do not conform to the requirements of the Act or whose programs are operated in contravention of the provisions of the State plan.

Section 601(f) amends section 6 of the Act. Existing section 6 becomes subsection (a) of section 6 and two new subsections (b) and (c) are added. The new subsection (a) continues the present definition of "old-age assistance", except that it (in effect) permits Federal financial participation in State expenditures for medical care on behalf of an individual who is a patient in a medical institution, as the result of a diagnosis of tuberculosis or psychosis, for 42 days (whether or not consecutive) after such diagnosis. (Under the Senate amendments, the definition of "old-age assistance" included money payments to, or medical care on behalf of or any type of remedial care recognized under State law on behalf of, individuals who are patients in institutions for tuberculosis or mental diseases and individuals who have been diagnosed as having tuberculosis or psychosis and are patients in medical institutions as a result thereof.)

The new subsection (b) of section 6 defines "medical assistance for the aged." This term is defined to mean payments for medical services to persons 65 years of age or over who are not recipients of old-age assistance, but whose income and resources are insufficient to meet the cost of the following care and services:

- (1) Inpatient hospital services;
- (2) Skilled nursing-home services;
- (3) Physicians' services;
- (4) Outpatient hospital or clinic services;
- (5) Home health care services;
- (6) Private duty nursing services;
- (7) Physical therapy and related services;
- (8) Dental services;
- (9) Laboratory and X-ray services;
- (10) Prescribed drugs, eyeglasses, dentures, and prosthetic devices;
- (11) Diagnostic, screening, and preventive services; and
- (12) Any other medical care or remedial care recognized under State law.

The term "medical assistance for the aged" does not include services for any individual who is an inmate of a public institution except as a patient in a medical institution; nor does it include services for any individual who is a patient in a tuberculosis or mental institution. In the case of an individual who is a patient in a medical institution (other than a tuberculosis or mental institution) as a result of a diagnosis of tubercu-

losis for 42 days (whether or not consecutive) as a result of this diagnosis are also not included. (Under the Senate amendments, the term "medical assistance for the aged" did not exclude payments with respect to care or services for individuals who are patients in institutions for tuberculosis or mental diseases, and did not exclude individuals who have been diagnosed as having tuberculosis or psychosis and are patients in medical institutions as a result thereof.)

The new section 6(c) defines the term "Federal medical percentage". The Federal medical percentage for any State would be 100 percent minus the percentage which bears the same relationship to 50 percent as the square of the per capita income of the State bears to the square of the per capita income of the 50 States. The Federal medical percentage could not, however, be less than 50 percent or more than 80 percent. Also, this percentage for Puerto Rico, the Virgin Islands, and Guam would be set at 50 percent.

As under the Senate amendments, these changes in title I of the Social Security Act will take effect on October 1, 1960.

#### PLANNING GRANTS TO STATES

Amendment No. 93: Section 603 of the House bill authorized a two-year program of grants to the States to cover one-half of their costs, up to a maximum Federal payment of \$50,000, of making plans and initiating administrative arrangements for operations under the new title XVI of the Social Security Act (relating to medical services for the aged). The Senate amendment deleted this provision of the House bill. The House recedes.

#### INCREASE IN LIMITATIONS ON ASSISTANCE PAYMENT TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

Amendment No. 97: Senate amendment numbered 97 added to the bill amendments to section 1108 of the Social Security Act. This section of the Act places dollar limitations on the amounts which may be paid to Puerto Rico, the Virgin Islands, and Guam under titles I, IV, X, and XIV of the Act. The Senate amendment increased these dollar amounts. No comparable provision was included in the House bill. The House recedes.

Under the conference agreement, section 1108 of the Social Security Act is amended to increase the dollar limitations described above as follows:

Puerto Rico—from \$8,500,000 to \$9 million per fiscal year;

Virgin Islands—from \$300,000 to \$315,000 per fiscal year; and

Guam—from \$400,000 to \$420,000 per fiscal year.

These increases may be used only for payments certified under section 3(a)(2)(B) of the act (relating to Federal matching for old-age assistance expenditures in excess of the present maximum of \$35 per month per beneficiary). However, the dollar limits would not apply to payments under the new section 3(a)(3) of the act (relating to Federal payments for medical assistance for the aged).

#### ADVISORY COUNCIL ON SOCIAL SECURITY FINANCING

Amendment No. 101: Section 704(b) of the House bill amended section 116 of the Social Security Amendments of 1956 so as to direct the Advisory Council on Social Security Financing which will be appointed during 1963 (under section 116(e) of the 1956 Amendments as amended by sec. 704(a) of the bill) to make findings and recommendations with respect to extensions of coverage, adequacy of benefits, and all aspects of the old-age, survivors, and disability insurance

which it is required to make under such section 116. The Senate amendment deleted this provision of the House bill. The Senate recedes.

#### CHILD-WELFARE SERVICES

Amendment No. 106: Section 707(a)(3) (A) of the House bill amended section 521 of the Social Security Act so as to increase from \$17,000,000 to \$20,000,000 the amount authorized to be appropriated each year to enable the Secretary of Health, Education, and Welfare to make grants to State agencies for child-welfare services. The Senate amendment increased this amount to \$25,000,000. The House recedes, with an amendment providing that the uniform amount in the allotments to each State as prescribed by the present child-welfare services law (which is based on the ratio between the amount authorized and the amount appropriated for child-welfare purposes, applied to a dollar amount which is increased from \$60,000 to \$70,000 by the bill) shall in no case be less than \$50,000.

#### AID TO THE BLIND

Amendment No. 107: This amendment added to the House bill a new section 710, amending section 1002(a)(8) of the Social Security Act to provide that the State agency administering aid to the blind, in taking an individual's income and resources into consideration for purposes of determining his need for such aid, may either disregard the first \$1,000 of his earned income per year plus one-half of the excess over \$1,000 or continue to disregard the first \$50 per month of earned income as it is directed to do under existing law, with the further provision that effective July 1, 1961, the State agency must disregard the first \$1,000 of the individual's earned income each year plus one-half of his earned income in excess of that figure. The House recedes with an amendment which places the new earned income exemption on a monthly basis as in existing law rather than on an annual basis as in the Senate amendment, and provides that the new exemption will become mandatory on the States on July 1, 1962; under the conference agreement the State agency, in determining need, is permitted either to disregard the first \$85 of the individual's earned income per month plus one-half of his earned income in excess of that figure or to continue to apply the existing \$50 per month exemption until the 1962 date, after which it must disregard the first \$85 of earned income per month plus one-half of earned income in excess of that figure.

W. D. MILLS,  
AIME J. FORAND,  
CECIL R. KING,  
N. M. MASON,  
JOHN W. BYRNES,  
HOWARD H. BAKER,

Managers on the Part of the House.

Mr. MILLS. Mr. Speaker, I yield myself 10 minutes.

The agreement reached by the conferees on the part of the House and the Senate on H.R. 12580, the Social Security Amendments of 1960, represents, as is usually the case, some degree of compromise on the part of all concerned. I can give assurance to the Members of the House, however, that in my opinion the provisions upon which agreement was reached on the part of the conferees represent substantially the basic House bill with only a few substantive modifications, and I believe the substantive modifications, for the most part, represent improvements in the bill.

benefits under the bill may be made available almost immediately, if adopted by any State government.

The passage of this bill does not mean the end of the fight for medical care for our senior citizens. This is merely the beginning. I am certain that next year there will be reintroduced a bill which will contain the social security approach providing insurance against the cost of hospital, nursing home, and surgical care for persons eligible for old-age and survivors insurance benefits. Such a bill will obviate the necessity for any means test and will permit all our citizens to support themselves in their old age by making small contributions during their working years.

At least the problem has been recognized. The conservative combination in the Congress had permitted only a slight step forward to be taken. I am certain that this step will be lengthened in the years to come.

Mrs. GRANAHAN. Mr. Speaker, I am very happy to join so many of my colleagues in the House of Representatives in a well-deserved tribute to the gentleman from Rhode Island [Mr. FORAND] who is retiring from Congress this year after long and distinguished service to the people of his district and to all of the people of this great country.

As a member of the Committee on Ways and Means, Congressman FORAND has contributed so very much to the development and improvement of the social security laws, that to many his name is synonymous with social security. And, of course, it was his bill on further expansion and improvement of social security programs to include health insurance for beneficiaries of old-age and survivors insurance that became the most talked about piece of legislation of this session. When some form of health insurance is finally adopted for older people, the gentleman from Rhode Island [Mr. FORAND] will certainly be accorded much of the credit for dramatizing the issue and the needs.

Mr. Speaker, I am most grateful to the gentleman from Rhode Island for the gracious help he accorded me in achieving election to the House Committee on Government Operations and I want him to know of my high regard and great admiration for his abilities and his friendliness. I wish him years of happiness as he prepares to retire from Congress.

Mr. SMITH of Mississippi. Mr. Speaker, the retirement of AIME FORAND will take from us one of our most distinguished Members, who has made a lasting contribution to the work of the House of Representatives. One of AIME's qualities of which the public is generally not aware is his great skill as a parliamentarian. He has been one of the ablest Presiding Officers of the House during my period of service.

I want to express my personal appreciation for his courtesies to me through the years.

Mr. FEIGHAN. Mr. Speaker, it has been a great privilege to serve in the Congress with our esteemed colleague, AIME FORAND, whose personal friendship I have enjoyed these many years. Mr. FORAND has served his country in time

of war, and he has served his people in time of peace, always with distinction. It would be difficult to find a Congressman who has worked harder and with greater zeal and devotion to his constituency than has AIME FORAND. He is a man of great intelligence and integrity. He had the respect and admiration of his colleagues and I am sure not one among us would wish to deny him his well-earned retirement, which he has voluntarily chosen. I consider AIME FORAND a great statesman and a great American, and I wish him good health and good fortune in the future.

Mr. MILLS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 369, nays 17, answered "present" 1, not voting 44, as follows:

[Roll No. 197]

YEAS—369

Abernethy	Cannon	Gavin
Adair	Carnahan	George
Addonizio	Casey	Giulmo
Albert	Cederberg	Gilbert
Alexander	Chamberlain	Glenn
Alford	Chief	Granahan
Allen	Chenoweth	Gray
Andersen,	Chipperfield	Green, Oreg.
Minn.	Church	Green, Pa.
Anderson,	Clark	Griffin
Mont.	Coad	Griffiths
Andrews	Coffin	Gross
Anfuso	Cohelan	Gubser
Arends	Collier	Hagen
Ashley	Colmer	Haley
Ashmore	Conte	Halleck
Aspinall	Cook	Halpern
Auchincloss	Cooley	Hardy
Avery	Corbett	Hargis
Ayres	Cramer	Harmon
Bailey	Cunningham	Harrison
Baker	Curtin	Hays
Baldwin	Curtis, Mass.	Healey
Baring	Curtis, Mo.	Hechler
Barr	Daddario	Hemphill
Barrett	Dague	Henderson
Barry	Daniels	Herlong
Bass, N.H.	Dawson	Hiestand
Bass, Tenn.	Delaney	Hoeven
Bates	Dent	Hollifield
Baumhart	Derounian	Holland
Becker	Derwinski	Holt
Beckworth	Devine	Holtzman
Belcher	Diggs	Horan
Bennett, Fla.	Dingell	Hosmer
Bennett, Mich.	Dixon	Huddleston
Bentley	Donohue	Hull
Berry	Dooley	Inouye
Betts	Dorn, N.Y.	Irwin
Blatnik	Dowdy	Jarman
Blitch	Downing	Jennings
Boggs	Dwyer	Johnson, Calif.
Boland	Edmondson	Johnson, Colo.
Bolton	Elliott	Johnson, Md.
Bonner	Everett	Johnson, Wis.
Bosch	Evinas	Jonas
Bow	Fallon	Jones, Ala.
Bowles	Farbstein	Jones, Mo.
Boykin	Fascell	Judd
Brademas	Felghan	Karsten
Bray	Fenton	Karth
Breeding	Fino	Kasem
Brewster	Fisher	Kastenmeier
Brock	Flood	Kearns
Brooks, La.	Flynn	Kee
Brooks, Tex.	Fogarty	Keith
Broomfield	Foley	Kelly
Brown, Ga.	Forand	Kilday
Brown, Mo.	Forde	Kilgore
Brown, Ohio	Forrester	King, Calif.
Broyhill	Fountain	King, Utah
Budge	Frazier	Kirwan
Burke, Ky.	Frellinghuysen	Kitchin
Burke, Mass.	Friedel	Kluczynski
Byrne, Pa.	Fulton	Knox
Byrnes, Wis.	Gallagher	Kowalski
Caahill	Garmatz	Kyl
Canfield	Gary	Laird

Lane	O'Hara, Ill.	Shipley
Langen	O'Hara, Mich.	Short
Lankford	O'Konski	Siler
Latta	O'Neill	Simpson
Lennon	Oliver	Sisk
Lesinski	Osmer	Slack
Levering	Ostertag	Smith, Calif.
Libonati	Fassman	Smith, Iowa
Lindsay	Patman	Smith, Miss.
Lipscomb	Perkins	Spence
Loser	Pfost	Springer
McCormack	Philbin	Stagers
McCulloch	Pilcher	Steed
McDonough	Pillion	Stratton
McDowell	Pirnie	Stubblefield
McFall	Poage	Sullivan
McGinley	Poff	Taylor, N.C.
McGovern	Porter	Teague, Calif.
McIntire	Powell	Teller
Macdonald	Price	Thomas
Machrowicz	Prokop	Thompson, N.J.
Madden	Pucinski	Thompson, Tex.
Mailliard	Quie	Thompson, Wyo.
Marshall	Quigley	Thornberry
Martin	Rabaut	Toll
Matthews	Rains	Tollefson
May	Randall	Trimble
Meader	Ray	Udall
Merrrow	Reece, Tenn.	Ullman
Metcalf	Rees, Kans.	Vanik
Michel	Reuss	Van Pelt
Miller, Clem	Rhodes, Pa.	Van Zandt
Miller, N.Y.	Riehlman	Wainwright
Milliken	Riley	Wallhauser
Mills	Rivers, Alaska	Walter
Minshall	Rivers, S.C.	Watts
Moeller	Roberts	Weaver
Monagan	Robison	Wels
Montoya	Rodino	Westland
Moore	Rogers, Colo.	Wharton
Moorhead	Rogers, Fla.	Whitener
Morgan	Rooney	Whitten
Morris, N. Mex.	Roosevelt	Widnall
Morris, Okla.	Rostenkowski	Wier
Morrison	Roush	Williams
Moss	Rutherford	Willis
Moulder	St. George	Wilson
Multer	Santangelo	Winstead
Mumma	Saund	Wolf
Murphy	Saylor	Wright
Natcher	Schenck	Yates
Neisen	Schneebell	Young
Nix	Schwengel	Younger
Norblad	Scott	Zablocki
O'Brien, Ill.	Selden	Zelenko
O'Brien, N.Y.	Shelley	

NAYS—17

Abbt	Jensen	Smith, Va.
Burleson	Johansen	Taber
Dorn, S.C.	McMillan	Teague, Tex.
Gathings	Rhodes, Ariz.	Tuck
Hoffman, Ill.	Rogers, Tex.	Utt
Jackson	Scherer	

ANSWERED "PRESENT"—1

Pelly

NOT VOTING—44

Alger	Hébert	Miller,
Barden	Hess	George P.
Bolling	Hoffman, Mich.	Mitchell
Buckley	Hogan	Murray
Celler	Ikard	Norrell
Davis, Ga.	Keogh	Preston
Davis, Tenn.	Kilburn	Rogers, Mass.
Denton	Lafore	Sheppard
Doyle	Landrum	Sikes
Dulski	McSween	Smith, Kans.
Durham	Mack	Taylor, N.Y.
Flynt	Magnuson	Thompson, La.
Goodell	Mahon	Vinson
Grant	Mason	Wampler
Harris	Meyer	Withrow

So the conference report was agreed to. The Clerk announced the following pairs:

On this vote:

Mr. Hoffman of Michigan for, with Mr. Alger against.

Mr. Hess for, with Mr. Mason against.

Until further notice:

Mr. Hébert with Mrs. Rogers of Massachusetts.

Mr. Keogh with Mr. Kilburn.

Mr. Celler with Mr. Lafore.

Mr. Buckley with Mr. Smith of Kansas.

Mr. Hogan with Mr. Taylor of New York.

Mr. Meyer with Mr. Withrow.

Mr. Dulski with Mr. Goodell.



MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

September 1, 1976  
10:57 a.m.

*Spencer J. ...  
Pm 231*

MEMORANDUM FOR COUNSELLOR HARTMANN  
DOUG SMITH

FROM: GWEN ANDERSON *GA*  
SUBJECT: MEDICARE AND MEDICAID

Doug, in response to your phone call of 10:45 a.m. today as to the Mondale comments on hitting the President on Medicare and Medicaid, the President voted for Medicaid which is the Kerr-Mills Bill in 1960 and against Medicare in 1965.

The attached three pages show his voting record and his remarks pertaining to the 1965 Medicare legislation according to the Congressional Record.

Also attached is his voting for Medicaid as reported in Congressional Quarterly.

Also attached is Mondale's voting record in 1965 on the voluntary health insurance program on Medicare.



THE WHITE HOUSE  
WASHINGTON

TO: Dick

FROM: MIKE DUVAL

For your information \_\_\_\_\_

Comments:

prepared by Jim Connor  
- for the President  
Debate Prep.  
Mike

\$1.35 BILLION "WINDFALL" FOR THE OIL COMPANIES

QUESTION

The recent revelation of a \$1.35 billion regulatory mix-up -- and of FEA's proposal to allow refiners to keep the associated windfall benefit -- seems to confirm the administrative incompetence of the FEA and a pattern of excessive regulatory friendliness toward the U.S. oil companies at the expense of consumers. What is your position on this?

ANSWER

The discussion of this issue that has occurred so far indicates a clear misunderstanding of the facts, which are as follows:

- . No "windfall" has been granted to the oil companies by FEA. This case is wide open. FEA is considering a variety of alternatives to deal with it -- some of which could result in penalties for the refiners involved.
- . The alternatives for dealing with the problem will be fully aired by FEA in public hearings. FEA first announced its intention to hold hearings on the matter on August 3, 1976.
- . When the public hearings are held -- they are now scheduled for October 13, 1976 -- all parties at interest, including consumers, will be heard.
- . When all the facts are in, I am confident that FEA Administrator Frank Zarb will decide in a way that is correct and fair for consumers and others involved.



## BACKGROUND

The \$1.35 billion "windfall" issue has arisen because of an interpretation by some refiners of complex FEA and Cost of Living Council oil price regulations governing the pass through of "product" (crude oil) and "non-product" (operating) costs.

Briefly, when markets were so competitive that all costs could be passed through, refiners had the option of "banking" higher product costs and passing them through at a later date when the market would permit higher prices. However, refiners were prohibited from banking "non-product" costs.

FEA regulations were not specific on which costs -- product or non-product could be passed through first. The result was that:

- (1) Some refiners passed through product costs first, losing the opportunity to pass through non-product costs.
- (2) Some refiners passed through product and non-product costs proportionately, thus, "banking" the remaining product costs for later recovery.
- (3) Some refiners passed through non-product costs first, and "banked" all products costs for later recover.

FEA intended the first approach. Refiners following approaches 2 and 3 are the now focus of the FEA action.





Points from Lynn on Carter's  
new budget restraint posture

- Given the massive spending programs promised in Carter's platform and his pledge to balance the budget, the only way he can get from here to there is by raising taxes. The burden of such tax increases would, one way or another, hit middle income Americans.
- The Carter speeches and platform are honest in at least one respect -- they nowhere promise the people that their taxes won't go up. All they promise is that taxes will be more progressive -- in other words, knowing that the taxes of those better off are going up ~~even~~ even more should make middle income people feel better when their own taxes go up too.
- According to the Post, Carter says that economic growth in the next four years would produce \$60 billion in new revenues and that this would provide enough money for needed social programs.  
  
First, given <sup>concern</sup> ~~eminent~~ programs, we don't see any \$60 billion fiscal dividend. Second, even if there were one, we don't see how that would take care of his problem -- We price only 5 (of the 62) spending promises in the Carter platform at \$103.3 billion per year cost.
- If Governor Carter can do it at \$60 B he must know the details of his proposals, because otherwise he couldn't price them out. If he knows, he should share such program proposals with the American people.
- The Governor emphasizes phase - in ~~all of the programs~~ <sup>his proposals.</sup> All right then, when does he propose they be fully phased-in-- 1980, 1981, 1990? He owes such an explanation to each of the groups to whom he made those promises.
- There is no way he could raise \$100 billion ~~plus~~ more per year in taxes without hitting middle income people. If he raises business taxes, prices will go up at the stores. And he can't raise it all by hitting the rich; if he had taxed ~~away~~ away at 100% rates all 1975 income, without allowing any deductions, over \$100,000, he would have raised somewhere around \$9 to \$13 billion, depending on how he calculated it. If he tried to raise \$100 billion under current corporate and individual tax laws on an equal % surtax basis it would require a 50% surtax. If he has some other magical way, he should tell the American people now.

-- As the line goes in the song from the King and I,  
"Tis a puzzlement."



SOME QUESTIONS TO CANDIDATE CARTER ON  
SPENDING, TAXES AND BALANCED BUDGETS



The Democratic-controlled Budget Committee of the House of Representatives has just published figures which show that even if no new spending programs are added and even if tax rates are kept where they are -- which means that under the progressive tax rate structure everybody's taxes keep going up as they get wage increases -- the growth in spending will be such that there couldn't be a balanced budget until 1981. Yet the Democratic platform, which is supposed to be the Democratic contract with the American people, promises over sixty different kinds of increased federal spending and also a balanced budget.

I know you have tried to explain this.

I know you have said your new programs would cost less than \$60 billion even though the President's people calculate that just five of the 62 Democratic proposals would cost \$103.3 billion. But for you to talk about even a \$60 billion total, you must know what your programs are going to be -- because how can you price them without fairly detailed proposals? Assuming you do know them, why don't you share them with the American people?

Second, I know you have said you will phase-in such new programs. Well, if that's so, shouldn't you tell



the folks who think those new programs are good stuff how  
long they are supposed to wait for them -- 1980, 1985,  
1990

Third, I also know you have talked about soaking the rich more and closing business tax loopholes to raise more taxes. But isn't it true that this would only bring in a small fraction of what would be needed to cover all the new spending you and your platform propose and that therefore, to balance the budget, there would not only be no room for any tax cuts for middle-income folks as the President has proposed but you would have to raise the taxes collected from people making \$15, \$20, \$25 thousand a year? Is this why you and your platform don't promise a thing about tax cuts or tax increases?

To summarize, will you please get specific?



ANSWER

As has been stated previously, I did, on a number of occasions as a Congressman, accept the hospitality of William Whyte, a close, personal friend.

Obviously, I did not see anything improper in these invitations or I would not have accepted them.

There is no question but what such practices were until recently quite commonplace. And as my opponent well-knows, and as has been publicly disclosed, until recently the acceptance of such invitations by elected officials at the state as well as federal level was not deemed improper or inappropriate.

The key test under the standards then applied was whether the acceptance of such an invitation in any way influenced the exercise of the official's responsibility to his constituents. I feel confident in my own case and in Governor Carter's case that neither of us ever permitted such gifts to influence our conduct or our responsibilities.

Although the principles of public servants remain as they always have, namely that elected officials must exercise their responsibilities to their constituents by deciding issues on their merits without regard to outside influence, the standards of public behavior, which we as a people now demand of our elected officials, are considerably higher today than was true in the past. I feel confident that I can pledge

to the American people that I have done everything in my power to insure that I live up to the expectations they have of their President.

