

VETOING H.R. 15417, AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES, FOR THE FISCAL YEAR ENDING JUNE 30, 1973, AND FOR OTHER PURPOSES

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M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

VETOING H.R. 15417, AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES, FOR THE FISCAL YEAR ENDING JUNE 30, 1973, AND FOR OTHER PURPOSES

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AUGUST 16, 1972.—Message together with the accompanying bill referred to the Committee on Appropriations and ordered to be printed.

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*To the House of Representatives:*

Today, I must return without my approval H.R. 15417, the appropriations bill for the Department of Labor, the Department of Health, Education and Welfare and certain related agencies. Exceeding my budget recommendations by \$1.8 billion, this bill is a perfect example of that kind of reckless Federal spending that just cannot be done without more taxes or more inflation, both of which I am determined to avoid.

Moreover, the bill fails to include a limitation on Federal matching payments for social services for public assistance recipients, although such a limitation was passed by the Senate. Because this is currently an open-ended program, this Congressional *inaction* could require a later supplemental reaching as high as \$3.5 billion. By increasing the face amount of the bill on the one hand and failing to place a limitation on payments for social services on the other, the Congress has produced a budget overrun that could exceed \$5 billion.

Inherent in this kind of spending, but not publicly specified by its sponsors, is a cut in purchasing power for every American family. *No program has a higher priority than continued expansion of the purchasing power of all the people.*

As I said in my special message of July 26: "I do not propose to sit by and silently watch individual family budgets destroyed by rising prices and rising taxes—the inevitable end to spending of this magnitude." Our mounting economic resurgence is at stake and I mean to protect it.

We have cut inflation in half, but spending such as this bill would require would clearly undermine that progress.

We have reduced Federal income taxes by 26 percent for a family of four making \$10,000 a year but spending such as this would undermine that progress.

We have achieved conditions in which the purchasing power of the average production worker with three dependents has gained four percent in one year, the best increase since 1964, but spending such as this would undermine that progress.

What the Congress has done is to take my ample and carefully considered 1973 budget proposals and balloon them to fiscally dangerous dimensions.

This Administration is second to none in its concern for America's health, education and manpower program needs. From the very beginning we have consistently proposed and supported desirable programs in both the health research and health service areas, and we will continue to do so. For example, we proposed—and in November of 1971 I signed into law—the most comprehensive health manpower legislation in the Nation's history. This Administration launched the first separate Federal effort to combat sickle cell anemia. We have nearly doubled the Federal commitment to finding a cure for cancer. We have also proposed fundamental reform of education and manpower training programs coupled with recommendations for major fund allocations for education revenue sharing, emergency school assistance and public service jobs.

The failure of the Congress to use balance and restraint in the framing of H.R. 15417 has turned it into a big-spending measure that impairs the Nation's economic health.

The budget request that I submitted to the Congress proposed an increase of \$2.1 billion for the HEW programs contained in this bill. That addition permits substantial expansion over the fiscal year 1972 level while recognizing competing priorities in other areas and the necessary discipline of keeping total Federal spending within the limit of full employment revenues.

The Congress would add to my proposals \$1.8 billion in new spending authority. Increases of this magnitude are clearly excessive and must be revised.

Aside from increasing the face amount of this bill to unacceptable levels, the Congress, as I have previously noted, threatens to bring on a separate fiscal crisis of a dimension involving billions of dollars by its continuing inaction with regard to the social services program of HEW. Under this program the Federal Government provides matching funds, on a three-to-one basis, for social services provided by the States for past, current and potential public assistance recipients.

As I have previously proposed on several occasions, the Congress should place a ceiling on spending for this program which is now open-ended and not subject to any effective control by the Federal Government. But H.R. 15417 does not contain such a cutoff.

We now provide matching money for whatever amounts of services the States choose to provide. Since the authorizing legislation for the social services programs is vaguely written, the States have been able to include services far beyond what the Congress must have originally intended.

The result amounts to opening up a trap-door in the Federal Treasury through which billions are now flowing and through which more billions will pour unless the Congress enacts a specific limitation.

The rate of increase has been quickening. From 1970 to 1971, expenditures rose 37 percent. In 1972, they more than doubled—shooting up to more than \$1.9 billion. In 1973, they threaten to more than double again as State claims approach \$5 billion.

Elementary fiscal responsibility demands that this loophole for unlimited Federal funds for undefined services must be closed now. The Congress must harness this multi-billion-dollar runaway program by enacting a social services spending ceiling.

I also urge that the Congress, in drawing up a new measure, provide that the line items in the bill should not, in the aggregate, exceed my budget request. This could be accomplished either by revising the recommendations for each of the items, or by including a general provision in the bill which would limit spending to this overall aggregate amount.

I know the usual practice is to repass such a bill with a slight reduction and assume that the second bill will have to be signed.

Such action would obviously not satisfy the objections to this measure I have set forth here.

In returning this measure without my approval, I again urge the Congress to join with me to avoid higher taxes, higher prices and a resulting cut in purchasing power for the American people by enacting a general spending ceiling of \$250 billion. That action would get us away from this Congressional credit-card approach to Government finances—an approach that will add up to bad news for everybody when the eventual and inevitable bills must be paid.

RICHARD NIXON.

THE WHITE HOUSE, *August 16, 1972.*