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## THE WHITE HOUSE

WASHINGTON

ACTION

SEP 6 1974

## MEMORANDUM FOR THE PRESIDENT

FROM: ~~ROY~~ L. ASH

SUBJECT: Reduction in VA Employment

Background

Letters to the agencies are being prepared to implement your decision to reduce Federal employment by 40,000 below the original budget recommendations, as amended. Because of its special sensitivity, you may want to make a separate decision on the impact of this reduction on the Veterans Administration.

As currently constructed, the 40,000 reduction includes 3,650 full-time permanent positions for the VA. Even with this reduction, VA would be able to fill 5,902 permanent positions over the 1974 year-end level of 174,755 (table attached). However, this buildup is below the 9,552 slots provided by the amended Budget and the 10,352 new slots funded by the Congress.

Analysis

Even with the reduction, VA's treatment would be generous relative to other agencies. Nevertheless, the new VA ceiling would not be well received by the interest groups. Veterans organizations and various members of Congress (Senator Cranston in particular) are expecting a further increase in VA staffing as a result of the recent VA survey of hospital care.

Options

1. Go ahead with the VA reduction.
2. Leave the VA where it is and try to pick up the 3,650 slots later in the year.
3. Other.

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Recommendation

Option 2. (Cole, Timmons concur)

Veterans Administration

Table: Comparative Employment Levels

	<u>End-of-year</u> <u>Full-time</u> <u>permanent</u>	<u>Employment</u> <u>Total</u> <u>Employment</u>
A. 1974 actual	174,755	197,961
B. 1975 amended budget	184,307	207,646
C. 1975 funded	185,107	208,446
D. Proposed ceiling reduction	3,650	3,650
E. Proposed ceiling (B-D)	180,657	203,996