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THE WHITE HOUSE

WASHINGTON

INFORMATION

May 1, 1975

*MR 7*

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON *Jm*

SUBJECT: Secretary Weinberger's Memorandum on Social Security Benefits

Secretary Weinberger has sent you the attached memorandum regarding the automatic social security cost of living increase.

In accordance with the Social Security Act, the Secretary says he has notified the Senate Finance and the House Ways and Means Committees that the Consumer Price Index has increased 8 percent since the second quarter of 1974.

Unless there is Congressional action in response to your recommendation to limit social security benefit increases to 5 percent, the Secretary will be required by law to promulgate a benefit increase of 8 percent by May 15.

The benefit increase would be reflected in the social security checks issued July 3.

In addition, the Secretary notes that the special \$50 payments to social security recipients authorized by the tax bill are expected to be issued between May 15 and June 20.

Attachment



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

APR 30 1975

MEMORANDUM FOR THE PRESIDENT

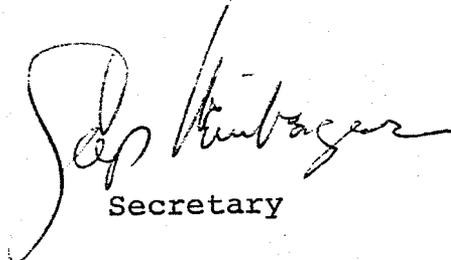
RL  
I am required under the Social Security Act to notify the Senate Finance Committee and the Committee on Ways and Means of the House of Representatives whenever the Consumer Price Index in a base quarter indicates that an automatic cost-of-living increase is to be provided. Such notification is due by law within 30 days after the close of the quarter, that is, April 30, 1975, in this case. As you know, the Consumer Price Index increased by 8 percent from the second quarter of 1974 to the first quarter of 1975.

I am sending letters to the committees now fulfilling the notification requirement and strongly urging them to pass legislation limiting the cost-of-living increase to 5 percent. We are also urging committee members to support this legislation, but I have to tell you that prospects for passage are very poor. Unless there is immediate congressional action pursuant to your recommendation, I will be required to promulgate and publish by May 15 a benefit increase of 8 percent, to be effective with the month of June 1975. This increase will show up in the social security checks payable on the third of July.

Similar provisions of law will result in an increase of 8 percent to recipients of Supplemental Security Income payments beginning with their check which is due July 1. The Social Security Administration advises me that they retain a capability until May 18 to run on either the 5 percent or 8 percent basis. Checks must be written by the Treasury starting no later than May 22 if the July 3 check is to be delivered on time. Enactment of a 5 percent change after May 18 (or enactment after May 15 of any other sum requiring new programming) would jeopardize prompt delivery of the checks.

With respect to the special \$50 payment provided from general revenues to any persons who are either social

security or supplementary income beneficiaries, Social Security has already given the tapes to Treasury for processing, and the matter of writing the checks is now in their hands. We understand that they are planning to release these checks between May 15 and June 20, assuming that the supplemental appropriation is provided in the meantime.

A handwritten signature in cursive script, appearing to read "J. Edgar Hoover".

Secretary