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AUGUST 6, 1975

Office of the White House Press Secretary

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THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have approved H.R. 7767, a bill to raise compensation payments for service-disabled veterans and their survivors.

Early this year, I called for a temporary 5 percent limit on cost-of-living increases in certain domestic benefit programs to slow the growth in Federal spending for these programs. I proposed that this limit be applied to veterans' and survivor compensation as well as to other Federal programs. The limit I recommended would not have reduced or eliminated any benefit payments, but would have slowed the excessive growth of the budget and given us some control over spending in coming years. I still believe this is sound policy in our present economic climate.

The Congress refused to go along, however, and other groups have received Federal benefit increases exceeding my proposed limit. Therefore, it would not be equitable to apply this limit only to veterans disabled in the service of their country and to their survivors. The Nation owes them a special debt of gratitude.

H.R. 7767 will cost the Federal Government one-half billion dollars a year. In the current fiscal year, this is more than double the cost of a 5 percent benefit increase.

I must, therefore, remind the Congress that we simply cannot continue adding to Federal deficit spending without facing a day of reckoning.

My pledge still stands to do all in my power to hold this year's budget deficit to \$60 billion. I urge the Congress to hold spending in future legislation to the limits proposed in my 1976 budget requests and to find sufficient savings in other programs to make up for the added spending called for in H.R. 7767.

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