

The original documents are located in Box 21, folder “Vietnam Era Veterans Readjustment Assistance Act” of the Robert T. Hartmann Files at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.


THE WHITE HOUSE
WASHINGTON

November 25, 1974

MEMORANDUM FOR:

ROY ASH
DICK CHENEY
BOB HARTMANN ✓
JACK MARSH
RON NESSEN

FROM:

KEN  COLE

SUBJECT:

Vietnam Era Veterans Readjustment
Assistance Act of 1974, H.R. 12628

Attached is a decision memorandum for the President on the above bill which will be discussed in the Cabinet Room at 2:30 p.m. this afternoon.

Attachment



THE WHITE HOUSE
WASHINGTON

ACTION

Last Day - November 29, 1974

November 25, 1974

MEMORANDUM FOR: THE PRESIDENT
FROM: KEN COLE
SUBJECT: Vietnam Era Veterans Readjustment
Assistance Act of 1974, H.R. 12628

Background

The major provisions of this bill are:

- a. a 23% increase in the overall benefits package
- b. an extension of eligibility for an additional 9 months, from 36 to 45
- c. a \$600 a year direct loan program

The bill provides substantially less than earlier Senate versions of the bill but considerably more than the original House bill which only provided an overall benefits increase consistent with the cost of living increase. This compromise bill was passed overwhelmingly in both Houses.

You have consistently urged the Congress to provide an increase which reflects the actual cost of living increase since the last adjustment, which is in excess of 19%. You have consistently opposed the extension for eligibility, as exceeding the "readjustment" concept and that the Federal obligation is to insure that at least obtaining a baccalaureate degree is possible. You have opposed the loan provision (\$2,000 in original Senate version) as being unnecessary in light of other Federal loan and grant programs as well as being an expensive mechanism. In FY 1975 enactment of this bill would exceed our budgeted goals by over \$500 million. The longer term "suction effect" would have substantial adverse impact on the budget.



Current Situation

Your recent Message to the Congress indicated a preference for an 18.2% cost of living increase effective in January of 1975, as well as elimination of the 9 month eligibility extension and loan provision. Your message, while stating a preference, did not commit you to a veto, although the media reported it that way. Heavy incoming calls and correspondence all urge you to approve this bill.

Because you are committed to a benefits increase consistent with the rate of inflation, any strategy to sustain a veto will have to be carefully developed and carried out. Frankly, at best, the chances of sustaining a veto are low and there will be considerable unfavorable reaction and public outcry. We must therefore assume that the bill will become law. The question is whether you gain from making this an inflation issue that you can blame on the Congress - or if by losing on another veto you weaken your position on other issues.

If you decide to veto, the Message to the Congress must be strong, citing the Railroad Retirement override and the Federal workers pay deferral vote. You must challenge the Congress to practice what it preaches and join in making the tough decisions so that we can combat inflation.

If a veto is to be effective with public opinion, you must carry this issue to the people. If you decide to veto, you should consider going on television to explain your action and force responsibility on the Congress.

Options

1. Sign the bill.

Pro: Would be evidence of your concern for the Veteran and your acknowledgement of the will of the Congress.

Con: Would undermine your talk about how inflation is public enemy number 1 and that we are going to WIN that battle.

2. Veto and send the Congress a strong veto message citing their Railroad Retirement and Federal workers pay deferral votes and at the same time pledging to work with them to enact an 18.2% increase effective on January 1.

Pro: Would prevent an additional Federal spending of at least \$500 million and serve as an example of your continuing action to reduce Federal spending.

Con: Could portray the Administration as anti-Vietnam Veteran.

Views

1. Ash - Veto as the bill is very inflationary and excessive in benefits. He feels Congress may possibly sustain a veto after they have reviewed your major budget restraint package.
2. Timmons - Approve - A veto will be quickly and overwhelmingly overridden. Rhodes and Scott will join in overriding. Conservatives like Thurmond, Hruska and Buchanan have urged approval. If you decide to veto, recommend heavy P.R. program to toss responsibility for inflation to the Congress.
3. Buchen (Areeda) - Approve the bill.
4. Baroody (Marrs) - Approve the bill - Feels strongly that since sustaining a veto is impossible, there is no benefit to be gained by alienating a large number of Veteran's organizations.
5. Roudebush - Approve - Congressional Veterans Affairs Leadership have told him they will override and that their schedule of business and mood would not permit development of a new bill.

Recommendation

I recommend that you veto this bill. While realizing it's a tough call, the economic situation is such that we must use every reasonable opportunity to drive home to the public the role that the Congress must play in your efforts on inflation. If you elect to veto, we will work with Paul Theis to develop a strong veto message. We will also work with Ron Nessen and his people on a press plan.

Decision

_____ Approve (Sign bill at Tab A) _____ Disapprove