

The original documents are located in Box C6, folder “Presidential Handwriting, 11/20/74” of the Presidential Handwriting File 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 Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections.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

INFORMATION

November 20, 1974

MEMORANDUM FOR:

THE PRESIDENT

FROM:

KEN COLE *C*

SUBJECT:

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

BACKGROUND

On Monday the Senate sent to you for action the G.I. Bill. The major provisions are:

- a). a 23% increase in the overall benefits package
- b). an extension of eligibility 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. However, the 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 our federal obligation is to insure that at least obtaining a baccalaureate degree is possible. You have consistently 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 Monday message to the Congress indicated a preference for an 18% cost of living increase effective January 1975, as well as elimination of the 9-month eligibility extension and loan provision. However the message, while stating a preference, did not commit you to a veto, although the media has reported it that way. Heavy incoming calls and correspondence all urge you to approve this bill. As expected, the veterans' organizations are unanimous in their support of the bill and have strongly urged your signature. Bill Timmons (Max Friedersdorf) indicates that there is no way to sustain a veto. Bill Barody's office (Ted Marrs) feels strongly that since sustaining the veto is impossible, there is no benefit to be gained by alienating a large number of veterans' organizations. Roudebush encourages the signing of this bill. His meetings with Congressional Veterans Affairs leadership indicate they will override easily and that their schedule of business and mood would not permit development of a new bill.

OMB, on the other hand, continues to oppose the bill as very inflationary, excessive in its benefits, and that Congress may possibly sustain a veto after they have had an opportunity to review your budget restraint package which will outline the sacrifices to be made by other sectors of the society as a result of our federal cutbacks in spending.

Because we 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. At best, it would have a low probability of success with considerable unfavorable reaction and public outcry. At any rate, a veto should not be effected until after Congress has had the opportunity to review the whole budget restraint proposal next week.

RECOMMENDATION

We will have a decision memorandum for you when you return containing everyone's advise and recommendations. Last day for action on this bill is Friday, November 29th.