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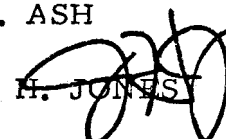
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THE WHITE HOUSE

WASHINGTON

January 28, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: ROY L. ASH  
FROM: JERRY H. JONES   
SUBJECT: Acceleration of VA Life  
Insurance Dividend Payments

Your memorandum to the President of January 22 on the above subject has been reviewed and the VA proposal was approved.

Please follow-up with the appropriate action.

Thank you.

cc: Don Rumsfeld

1/28/75

THE WHITE HOUSE  
WASHINGTON

January 27, 1975

MR. PRESIDENT:

The attached memorandum has been staffed and Baroody, Areeda, Cole, Marsh and Seidman concur with the OMB recommendation.

OK on *Don* recommendation  
9/27

## THE WHITE HOUSE

WASHINGTON

ACTION

JAN 22 1975

## MEMORANDUM FOR THE PRESIDENT

FROM:

~~ROY L. ASH~~

SUBJECT:

Acceleration of VA Life Insurance  
Dividend Payments

The Veterans Administrator has proposed acceleration of dividend payments to over two million policyholders of three VA life insurance programs to help stimulate the economy. This procedure has been adopted several times over the past fifteen years. Normally these payments are spread throughout the year. VA's proposal is to pay dividends due in calendar 1975 within sixty days.

Evaluation

An estimated \$335.6 million would be paid, of which \$177.8 million would be cash outflow. (The balance would be credited toward VA life insurance premiums and purchases under standing instructions of the veteran policyholders.)

The proposal would widely distribute a fairly substantial amount of cash to give added boost to consumer spending. For National Service Life Insurance, the largest VA insurance program, an average cash dividend of \$69 would be paid to each of 2.3 million policyholders. The proposal does not add to the total budgeted for combined 1975-1976 fiscal year outlays. Rather, it shifts outlays from the first half of FY 1976 to the second half of FY 1975, thereby increasing the 1975 deficit and reducing the 1976 deficit.

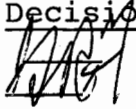
The Department of Treasury has reviewed the proposal and feels it would have a favorable impact. Treasury states, however, that if this proposal is approved, the Department will need a 1975 supplemental appropriation of \$156 thousand to pay postage and handling of the estimated increases of 1.2 million checks.

When looked at in the context of the total economic situation, the proposal will have little real impact. However, the popular response would be favorable.

Recommendation

On balance, we agree with the VA proposal that you approve accelerated payment of VA insurance dividends.

Decision



Approve VA proposal.

Continue normal practice.

STAFFING

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: January 22, 1975

Time:

FOR ACTION: Bill Baroody  
Phil Buchen  
Ken Cole  
Jack Marsh  
Bill Seidman

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Friday, January 24, 1975

Time: 2:00 p.m.

SUBJECT:

Ash memo (1/22/75) re: Acceleration of  
VA Life Insurance Dividend Payments

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

1/24 - Per Rosemary Cole ok  
~~1/27 - Marsh hasn't seen~~  
1/27 w/p

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jerry H. Jones  
Staff Secretary

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

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For Your Comments

Draft Remarks

REMARKS:

*Concur*  
*(Signature)*

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Jerry H. Jones  
Staff Secretary



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

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Phil Buchen  
Ken Cole  
✓ Jack Marsh  
Bill Seidman  
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ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

*Approved  
proposal  
JH*

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Jerry H. Jones  
Staff Secretary

THE WHITE HOUSE

WASHINGTON

ACTION

JAN 22 1975

MEMORANDUM FOR THE PRESIDENT

FROM: ROY L. ASH

SUBJECT: Acceleration of VA Life Insurance  
Dividend Payments

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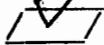
The proposal would widely distribute a fairly substantial amount of cash to give added boost to consumer spending. For National Service Life Insurance, the largest VA insurance program, an average cash dividend of \$69 would be paid to each of 2.3 million policyholders. The proposal does not add to the total budgeted for combined 1975-1976 fiscal year outlays. Rather, it shifts outlays from the first half of FY 1976 to the second half of FY 1975, thereby increasing the 1975 deficit and reducing the 1976 deficit.

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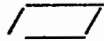
When looked at in the context of the total economic situation, the proposal will have little real impact. However, the popular response would be favorable:

Recommendation

On balance, we agree with the VA proposal that you approve accelerated payment of VA insurance dividends.

Decision

Approve VA proposal.



Continue normal practice.

Date: January 22, 1975

Time:

FOR ACTION: Bill Baroody

cc (for information):

Phil Buchen

Ken Cole

Jack Marsh

Bill Seidman

FROM THE STAFF SECRETARY

DUE: Date: Friday, January 24, 1975

Time: 2:00 p. m.

SUBJECT:

Ash memo (1/22/75) re: Acceleration of  
VA Life Insurance Dividend Payments

## ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

REMARKS:

Agree with OMB  
P. Auld

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Jerry H. Jones  
Staff Secretary

Date: January 22, 1975

Time:

FOR ACTION: Bill Baroody  
Phil Duchen  
Ken Cole  
Jack Marsh  
Bill Seidman

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DUE: Date: Friday, January 24, 1975

Time: 2:00 p.m.

SUBJECT:

Ash memo (1/22/75) re: Acceleration of  
VA Life Insurance Dividend Payments

ACTION REQUESTED:

\_\_\_\_\_ For Necessary Action

X For Your Recommendations

\_\_\_\_\_ Prepare Agenda and Brief

\_\_\_\_\_ Draft Reply

X For Your Comments

\_\_\_\_\_ Draft Remarks

REMARKS:

*agree with V.A.  
proposal.*

*JWS*

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Jerry H. Jones  
Staff Secretary

THE WHITE HOUSE

WASHINGTON

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JAN 22 1975

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Recommendation

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Decision

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Continue normal practice.