

FOR IMMEDIATE RELEASE

NOVEMBER 26, 1974

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE HOUSE OF REPRESENTATIVES:

I am returning today without my approval H.R. 12628, a bill which would provide what I consider an excessive increase and liberalization of veterans' education and training benefits.

Instead, I urge the Congress to send me a veterans' education bill along the lines that I have proposed. By doing so, we can avoid adding another half billion dollar load to the already overburdened taxpayer. Failure to do so will mean that the Congress will in the aggregate -- Federal pay deferral, Railroad Retirement and Veterans Education -- add over one and a half billion dollars to the Federal deficit in 1975.

This bill which I am returning to the Congress provides benefits that are greater than those granted to World War II and Korea veterans. It would cost the taxpayers half a billion dollars more in fiscal year 1975 than is appropriate in view of the country's current economic circumstances.

The decision not to sign this bill has not been an easy one. But it is necessary if all of us are to operate with essential budgetary restraint. The Nation must reduce Federal spending if we are to stop the inflation spiral.

I have asked the Congress on previous occasions to join with me to hold down Federal spending and help whip inflation. In two important instances, the Federal pay deferral plan and the Railroad Retirement bill, the Congress refused to join with me and the result has added an additional one billion dollars to the Federal taxpayers' burden.

Veterans' benefits should -- and can -- be improved. I continue to support a responsible increase in education benefits for veterans. I again urge the Congress, as I have on many occasions, to enact a GI Bill providing for an 18.2 percent benefit increase rather than the 23 percent in this bill. Such action would be in keeping with the need for fiscal responsibility while recognizing the Nation's special debt to our veterans.

Since the Vietnam-era GI bill first went into effect in 1966, the total of veterans' benefit increases enacted through 1972 have substantially exceeded the rise in cost of living. Not including the provisions of this bill, the basic monthly education allowance has increased by a \$120 per month or 120 percent since 1966. This compares with an actual rise of 55 percent in the Consumer Price Index.

In addition to the 23 percent benefit increase, this bill extends entitlement for GI bill benefits from 36 to 45 months for undergraduates. I believe the present entitlement of four academic years is sufficient time to permit a veteran to obtain his baccalaureate degree and to enable him to adjust to civilian life.

more

(OVER)

In addition, the bill contains other objectionable features despite my urging that they be eliminated. It establishes a new direct loan program for veteran students which departs from the sound objective of providing student aid through one department -- Health, Education and Welfare -- rather than through various Federal agencies. A direct loan program is also inefficient compared to available guaranteed loan programs, which provide substantially more assistance to the veteran at less cost to the Federal taxpayer.

I am returning this bill with reluctance, but it is my earnest hope that the Congress will demonstrate its willingness to join the executive branch in taking the difficult actions needed to hold down spending by the Federal Government while being equitable with our veterans.

GERALD R. FORD

THE WHITE HOUSE,

November 26, 1974.

# # #