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October 1, 1976

Office of the White House Press Secretary

THE WHITE HOUSETEXT OF A LETTER FROM THE
PRESIDENT TO THE SPEAKER OF THE
HOUSE OF REPRESENTATIVES
AND THE PRESIDENT OF THE SENATE

September 30, 1976

Dear Mr. Speaker: (Dear Mr. President:)

In accord with 37 U.S.C. 1009(c), I am hereby advising the Congress that I plan to exercise the discretionary authority provided by 37 U.S.C. 1009(c), as added by section 303 of the Department of Defense Appropriation Authorization Act, 1977 (Public Law 94-361), with respect to adjustments in the levels of compensation for the members of the uniform services.

The amendments to 37 U.S.C. 1009 made by that act provide discretionary authority to apply the adjustments (based on the overall average percentage increase in General Schedule rates of basic pay, in accord with 37 U.S.C. 1009(a)) to the basic pay, quarters allowances and subsistence allowances of the uniform services on a percentage basis other than an equal percentage basis. Those amendments also provide discretionary authority to pay a partial quarters allowance to bachelors in government quarters, on field duty and on sea duty.

The current levels of the military allowances for quarters and for subsistence bear little relationship to the costs of the services they are intended to procure. Further, the present system in which entitlement to these allowances is completely eliminated when these services are provided in kind fails to recognize the value of military housing, of food provided in military messes, or of shelter provided to those at sea and in the field. The Congress has, for the present, reserved its acceptance of my budget proposal to initiate a "fair market" rental concept for military housing. This concept was the basis for my request for discretionary authority to allocate a portion of military basic pay increases to the allowances, and to pay to bachelors in government quarters, or on sea duty or field duty, a portion of the quarters allowance.

Considering these aspects of the deficiencies in the current level of these allowances, and consistent with the FY 1977 budget, it is my considered judgment that a reallocation of the October 1, 1976 military basic pay increase is appropriate. Accordingly, I plan to reallocate 25 percent of that increase, by grade, all to the basic allowance for quarters, and to pay a partial payment of the quarters allowance, equal to this reallocation, to bachelors in government quarters, and to those on sea duty or on field duty. This action takes a positive step toward improving the current relationship of the quarters allowance to the costs of off-post housing and government quarters on post.

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Specifically, the amount allocated to the element of monthly basic pay for each grade shall be 75 percent of the amount that would have been allocated to that element under 37 U.S.C. 1009(b)(3); the elements of monthly basic allowance for subsistence and monthly basic allowance for quarters for each grade shall be increased by an amount which is of the same percentage as the overall average percentage increase in the General Schedule rates, except that the element of monthly basic allowance for quarters shall be increased by an additional amount by grade equal to 25 percent of the amount that would have been allocated to the element of monthly basic pay under 37 U.S.C. 1009(b)(3). Members without dependents, who, under 37 U.S.C. 403(b) or (c), are not entitled to receive a basic allowance for quarters, shall be paid a partial monthly basic allowance for quarters in an amount equal to the additional amount allocated by grade to the element of monthly basic allowance for quarters under 37 U.S.C. 1009(c).

Sincerely,

GERALD R. FORD

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