

Veterans Affairs

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Veteran Affairs

The young veteran who fought our battles in Vietnam continues

to bear the brunt of our economic troubles at home.

C -- The unemployment rate for Vietnam era veterans (those who served after August 4, 1964 and before May 8, 1975) as late as December 1975 was 10.3% which was higher than for comparable non-veterans (9.2%).¹

-- Younger Vietnam era veterans (ages 20-24) have suffered most from the country's economic difficulties. During this fiscal year, the unemployment rate for these veterans has never fallen below 17.9%. At times, the unemployment rate for younger veterans approached twice the rate of similarly aged non-veterans.²

-- Fourth quarter 1975 unemployment statistics for younger minority veterans was a staggering 36.5%, more than double the rate of similarly aged minority non-veterans. The

unemployment rate for all minority Vietnam era veterans was
16.9%.³

-- At the end of 1975 642,000 Vietnam era veterans were
unemployed.⁴

One of the best answers to the problem of unemployed veterans
is the training and education assistance benefits available
under the GI Bill and, yet, improvements to this program
have been consistently opposed by the Republican administra-
tion which has made the GI Bill a casualty in its fight against
inflation.

-- The World War II veteran was the recipient of a \$500 direct
tuition payment to cover educational costs.⁵

-- Tuition rates in 1948 were generally less than \$500 per
year. This enabled the returning World War II vet to finance
his entire tuition costs under the GI Bill, regardless of
what school he attended.⁶

-- The cost of obtaining a college education has risen so
sharply that today's veteran is often "priced out" of
attending certain schools.⁷

-- Investigations into the Direct Tuition Payment program after World War II by both a House Select Committee and the General Accounting Office disclosed widespread abuses in the program which lead to the basic structure of today's program of a single monthly assistance payment paid directly

⁸
to the veteran.

-- Nearly 6.3 million Cold War and Vietnam era veterans have benefited under the current GI Bill begun in 1966. Close to 60% of all Vietnam era veterans have utilized educational benefits (compared with 50.5% for World War II and 43.4% for Korean Conflict).⁹

-- In 1966, the average cost of public college tuition was \$275 and for private colleges, \$1,233. By 1974 those costs have risen to \$412 per year for public colleges and \$2044 per year for private institutions.¹⁰ The cost of attendance for self-supporting students increased 8.5 percent from academic year 1974-1975 to academic year 1975-1976.¹¹

Educational costs grew more at public than at private

12
institutions.

Over the years, one of the most important services offered to veterans has been medical care at VA hospitals throughout the country. But the vast health care program has been seriously threatened by lack of adequate funding.

-- In response to Congressional criticisms the Administration conducted in 1974 a Quality of Care study which concluded that \$398,893,000 in ~~needed~~ construction and repairs was needed immediately to correct severe deficiencies in VA hospitals. Yet these deficiencies are still not corrected and won't be until Fiscal Year 1978.

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-- In Fiscal Year 1976 funds were provided for approximately 1.2 million inpatient visits and 12.77 million outpatient staff visits. Actual experience during the fiscal year revealed that the number of outpatient staff visits was underestimated by approximately 1 million. Despite this large error, the proposed 1977 budget continues to reflect

this underestimation in projected workloads and fails to
 allocate sufficient staff to meet the increased need. ¹⁴

-- New affiliations with medical and dental schools in
 1977 will produce a need for more physicians and dentists
 participating in residency and other training programs.

The proposed 1977 budget projects no increases in the number
 of training positions. ¹⁵

-- Budget Authority ~~since Fiscal Year 1975~~ for medical and
 prosthetic research has not grown in real dollar terms
 since Fiscal Year 1975 despite inflation in excess of 15

¹⁶
 percent.

In view of the continued poor economic conditions and the
continued increase in the cost of housing, the veterans'
housing loan program needs updating.

-- In 1975 the VA guaranteed 288,163 home loans, a decline
 of 5.9% from 1974 home loans. ¹⁷

-- Only around 2,000 mobile home loans were guaranteed in 1975, a decrease of 60% from 1974.¹⁸

-- Although the VA maintains a fund of over \$850 million for home loans in rural credit short areas, the VA made only 2,000 direct loans to veterans in 1975.¹⁹

-- High interest rates, brought on by the "tight money" policy of the Administration in recent years, has often made it difficult for veterans to obtain housing loans.²⁰

The Veterans Administration is responsible for a large number of programs which affect a vast number of Americans.

The Agency is beset with problems typical of any large bureaucracy.

-- The Veterans Administration has the largest budget of any executive agency; amongst agencies and departments it has the fifth largest budget.²¹

-- There are over 29 1/2 million living veterans. Over 44.5% of the population are veterans or survivors and dependents of veterans.²²

-- Veterans have encountered red tape and unsympathetic bureaucrats in obtaining their benefits. Thousands of veterans have been plagued with chronically late delivery of benefit checks. In other cases poor administration has resulted in hundreds of millions of dollars in improper payments.

Congress And The President

"I ask that you help to evidence America's special concern for our returned Vietnam era veterans by making Veterans Day 1975 the beginning of a renewed personal effort to assist these deserving veterans in achieving the fullest and fastest readjustment to civilian life."

Gerald R. Ford, Proclamation
September 11, 1975

"And every American citizen, I think, agrees with me. You (veterans) deserve nothing less and we will do all that we can to make certain that you receive nothing less."

Gerald R. Ford
Addressing the Disabled
American Veterans

March 3, 1976

The Democratic majority in both Houses of Congress has

sought to ensure that a truly nationwide effort would be

made to reduce the disgracefully high unemployment rate for

our veterans.

-- The Comprehensive Employment and Training Act of 1973

(P.L. 93-203) requires not only that veterans be given

special consideration in filling public service jobs, but

also that special emphasis be placed on the development of

jobs which will utilize the special skills these veterans

acquired in the service.

-- The Emergency Jobs and Unemployment Assistance Act of

1974 (P.L. 93-567) requires that the Secretary of Labor in

conjunction with the VA and HEW provide an outreach and

public information program to inform all eligible veterans

about opportunities under CETA, and inform all prime

sponsors under CETA of their obligations towards veterans.

-- The Vietnam Era Veterans' Readjustment Assistance Act

of 1974 (P.L. 93-508) required the Secretary of Labor to

establish administrative controls to insure that each eligible veteran and eligible person is promptly placed in a satisfactory job or job training opportunity or receive some other specific form of assistance designed to enhance employment prospects substantially. In 1976 these provisions have not yet been implemented by the Department of Labor.

-- The Vietnam Era Veterans' Readjustment Assistance Act of 1974 further requires that certain federal contractors take affirmative action to employ and advance in employment qualified disabled and Vietnam era veterans. In 1976, these provisions have not yet been implemented by the Department of Labor.

-- The Vietnam Era Veterans' Readjustment Assistance Act of 1974 also directed that it be the policy of the Federal government to promote maximum employment and job advancement opportunities within the Federal government. Yet numerous government agencies and departments had low Vietnam era

and disabled veteran appointment rates. ²³ Sixteen Federal

agencies failed even to submit required plans for the hiring

of disabled veterans until Congressional inquiries were

²⁴
initiated.

-- The General Accounting Office reported that existing on-job training slots specifically developed for veterans were going unfilled because neither the VA nor the Department of Labor had any established procedure to recontact employers and refer eligible veterans. Of 153,769 approved on-job training establishments over 108,000 had no trainees

²⁵
whatsoever.

-- During Fiscal Year 1975 nearly 2 million Vietnam era veterans sought employment assistance from state employment offices. Despite statutory mandate which requires some form of assistance, nearly 605,000 of these veterans had their files inactivated with "no reportable service" at all. Less than

8 percent were counseled.

-- In January, 1974 the Secretary of Labor announced that the Administration's employment programs had been a success and that veteran unemployment was no longer a problem. One year later the unemployment rate amongst younger Vietnam era

veterans was 18.5%.

Congress has worked to improve the GI Educational Bill.

-- The Vietnam Era Veterans' Readjustment Assistance Act of 1974 enacted into law over the President's veto provided for significant changes in the GI Bill.

-- As a result of these changes, there has been over 25%

increase in the number of veterans entering training. ²⁸

-- The Act increased the rates of monthly educational assistance allowance by 23% for eligible veterans and eligible wives, widows, and children.

-- The Act liberalized eligibility requirements necessary for disabled Vietnam veterans to qualify for training under the vocational rehabilitation provisions of chapter 31 to equalize the requirements with those in effect for veterans

of World War II and the Korean conflict.

-- The veteran student service program was liberalized by raising the maximum "work study" allowance from \$250 to \$625, increasing the maximum hours of work from 100 to 250 and removing the statutory ceiling on the number of veterans who could participate.

-- A program requiring the assignment of a full-time veteran representative at each institution where at least 500 veterans were enrolled was required to aid veterans and cut red tape.

-- Supplementary Assistance to veterans and eligible persons was authorized in the form of low cost direct federal loans of up to \$600/^{A YEAR}to cover educational costs.

"These GI Bill measures are clearly inflationary and unnecessary for our nation's veterans to prepare themselves for productive lives."

President Richard M. Nixon
Letter to Senator Vance Hartke (D-Ind.)
Chairman Senate Veterans' Affairs Committee
July 30, 1974

"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."

President Gerald R. Ford
Announcing his veto of the GI Bill
November 26, 1974

The veto was overridden by Congress by an overwhelming vote and enacted into law.

-- Since its inception at the end of World War II more than \$34.3 billion has been spent on education training.²⁹

-- Close to 6 million veterans and service personnel had trained under the current GI Bill since the inception of the program in June 1966.³⁰

-- It is estimated that for each dollar spent under the GI Bill from 3 to 6 dollars in additional income taxes have been returned to the Federal treasury by veterans whose education gave them increased earning power.³¹

The Congress has shown that it is resolved that the Veterans'

Administration's elaborate health care system will not be hindered by unwise budget cuts and has made available more appropriations than requested by the President.

-- Despite the Administration's threatened reductions, the medical care provided by the VA has continued to increase in size and improve in quality. Congress has appropriated funds to assure significant improvements to existing hospitals and to build new ones.

-- 24.1% of veteran's budget is allocated for medical care and related programs. 4% of the entire budget is divided

between construction programs and general operating expenses. ³²

-- The VA's Medical Care System at the end of FY 75 was providing care in 171 hospitals, 213 outpatient clinics,

³³
86 nursing homes, and 18 domiciliaries.

-- Average costs per patient each day per medical bed

was \$79.49 up 16.0% from 1975; ³⁴

-- In 1973 Congress enacted the Veterans Health Care

Expansion Act (P.L. 93-82) which extended outpatient

privileges to veterans currently eligible for hospital care,

peacetime veterans, and veterans with an 80% or greater service-connected disability.

-- The 1973 Act created the CHAMPVA Program to assist dependents and survivors of totally and permanently service-connected veterans.

-- The Veterans Health Care Expansion Act requires the VA to maintain and staff enough hospital beds to admit all eligible veterans in need of care.

-- In 1975 the Congress passed the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975. (P.L. 94-123)

Faced by a crisis in retaining and hiring qualified doctors who were leaving or bypassing the VA health care system as a result of low pay, the Act provided for more adequate pay to eligible physicians to insure quality health care for veterans.

The Congress is moving to adjust the home loan program of the VA to keep pace with today's housing market and the needs of veterans.

-- The Veterans' Administration Flexible GI Interest Rate

Authority (P.L. 93-75) permits the VA to set up maximum rates for housing loans to veterans.

-- The Veterans Housing Act of 1974 (P.L. 93-569) permitted

the restoration of veterans' entitlement to GI guaranteed

*OR ASSUMED BY ANOTHER
FLEXIBLE VETERAN*

loans whenever prior GI backed loans have been paid in full.

-- The Housing Act increased program loan guarantee maximums

by 40%.

-- The 1974 Veterans Housing Act increased maximum grants

payable for specially adapted housing for certain service

connected disabled veterans from \$17,500 to \$25,000.

-- The mobile home loan program was expanded and made

permanent.

-- Condominium purchase loan guarantees were facilitated.

Improvements have been made in a number of veterans programs

by Congress despite the almost uniform opposition of the

Nixon/Ford Administration.

-- The National Cemeteries Act of 1973 (P.L. 93-43) increased funeral and burial allowances for veterans and established a nation-wide system of national cemeteries.

-- The Veterans' Insurance Act of 1974 extended full-time coverage under Servicemen's Group Life Insurance (SGLI) to reservists under 60 years of age who have completed 20 years of service.

-- The Veterans' Insurance Act created for Vietnam era veterans a new low cost 5 year term policy known as Veterans Group Life Insurance (VGLI)

-- Maximum coverage under SGLI and VGLI was increased from \$15,000 to \$20,000.

-- Regular increases in pension payments, most recently the Veterans and Survivors Pension Interior Adjustment Act of 1975 (P.L. 94-169), provided an 8% increase in rates and a \$300 increase in maximum annual income limitations. The Senate has also passed and the House is currently considering

the Veterans and Survivors Pension Reform Act which makes major revisions in the pension program to insure all pensioners an income above the poverty level and provides automatic cost of living adjustments in the benefit levels which will prevent pension reductions when social security increases occur.

-- The Veterans Disability Compensation and Survivor Benefits Act of 1975 (P.L. 94-71) provided a 10% increase in the rates of disability compensation for those veterans rated 50% disabled or less and a 12% increase for more severely disabled veterans. The Act also provided a 12% increase in dependence and indemnity compensation (DIC) payments to widows of veterans who died of service-connected causes.

-- The Compensation Act increased the annual clothing allowance for certain disabled veterans from \$150 to \$175.

-- The Veterans' and Servicemen's Automobile and Adaptive Equipment Amendments of 1974 (P.L. 93-538) raised from \$2,800 to \$3,300 the maximum grant allowance for the purchase

of a specially equipped automobile for eligible disabled veterans and servicemen. The Act established a program of driver training to be carried out by the Veterans' Administration at all hospitals for eligible veterans.

-- Congress is presently considering amendment to the Housing Program, Medical Program, Insurance Program, and Educational Program.

THE FORD FISCAL YEAR 1977 BUDGET

-- Recommended a cut in this year's Veterans' Budget of

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10 to 15%..

-- Does not provide cost of living increases for compensation

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payments to disabled veterans.

-- Does not provide cost of living increases for dependent

and indemnity compensation payments (DIC) for widows of

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veterans who died of service-connected causes.

-- Does not provide cost of living increases for educational

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benefits.

-- Does not provide cost of living increases in non-service-

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connected disability pension.

-- Recommends that the fiscal year 1977 rates of the non-

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service-connected disability pension be 8% less than present.

-- Recommends that the fiscal year 1977 annual income limita-

tions for the non-service connected disability pension be

40
\$300 less than present levels.

-- Does not recommend that S-2635, the Veterans and Survivors

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Pension Reform Act, be enacted into law.

-- Recommends that the period of time during which Vietnam era veteran can utilize GI Bill benefits be reduced from 10

42

years to 8 years.

-- Does not recommend that graduate students also have 9 months of additional educational entitlement that under-

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graduate students in receipt of the GI Bill presently have.

-- Recommends that the veterans' burial benefit be reduced

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by half.

-- Fails to provide sufficient funds to pay for the manpower needed to permit expansion of the veteran outreach program, aimed at encouraging educationally disadvantaged veterans

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to use their benefits.

-- Allocates funds for hospital inpatient and outpatient workloads on the basis of FY 1976 severe underestimates. The Administration underestimated hospital visits in fiscal year

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1976 by over 1 million.

-- Fails to provide additional staffing appropriations for
the activation of 2,068 beds at one new and three replacement

47
hospitals and 583 nursing home care beds.

-- Recommends only half of the hospital construction funds

48
that VA had last year.

FOOTNOTES

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10 Hearings, Committee on Veterans' Affairs, U.S. House of Representatives, March 28, 1974, Morris Nooner, Director of Education and Rehabilitation Services, Veterans' Administration.

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33 Annual Report 1975, Administrator of Veterans' Affairs, Veterans' Administration. Veterans' Administration Activities, prepared by the Veterans' Administration, U.S. Senate, Com. Print No. 29, 94th Cong., August 1975.

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48 *ibid.*