

dmw/af

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

EXECUTIVE
A117-2
LE1
3P
7/16-1

④ WHCF / Subject Files (AG) Box 12 / Ex AG 7-2 School Lunch Program [1969-70]

June 18, 1970

OFFICE OF
THE DIRECTOR

MEMORANDUM FOR MR. JOHN EHRLICHMAN

Attached is a slightly revised version of
the draft veto message of the Special Milk
bill.

Nathan

RICHARD P. NATHAN
ASSISTANT DIRECTOR

cc: Mr. Morgan

From the desk of . . .

JUN 18 1970

RICHARD P. NATHAN, Assistant Director
Bureau of the Budget

John —

See page 2 of veto message
on possible tie-in of
Hill-Burton to special
milk subsidy -- now an
enrolled bill and part
of our Economy Act. We
will be sending over a
veto recommendation
and draft on that bill,
hopefully today.

filed
exp:
7ALG
6/19/70

RECEIVED
JUL 1, 1970
CENTRAL FILES

[Handwritten signature]

**SPECIAL
SERVICE**

DRAFT OF VETO MESSAGE, ENROLLED BILL HR. 5554

I am returning without my approval HR. 5554,
the Special Milk Program Extension.

I indicated to the Congress in my February 26
message on the reduction of low-priority programs
that the special milk program should be terminated.

I said then,

In this fight, no time-honored program
is sacrosanct if it cannot be justified
on the grounds of high priority; there
is too much that needs to be done for
all the people to permit special benefits
to be conferred unfairly upon some of the
people.

More At Stake

But there is more at stake in this action than
the re-affirmation of my position on an item of lower
priority legislation.

This is my first veto in the second session of
the 91st Congress.

Unfortunately, it will not be my last.

This Administration is committed to the road of
fiscal responsibility, which I described in my economic
statement of June 17 as "to cut down the sharp rise in

Federal spending and to restrain the economy firmly and steadily."

I intend to be firm. I intend to veto not only this bill, but other bills which are significantly in excess of my 1971 budget.

I will send to the Congress tomorrow a veto message on HR. 11102, the Medical Facilities Construction and Modernization Amendments of 1970.

Special Milk, Low Priority Legislation

The funds authorized in HR. 5554 subsidize the purchase of milk, in the great majority of cases subsidizing families able to pay the full cost. Less than 10% of the milk served goes to children from poverty families.

I oppose this legislation -- not because I am unmindful of the importance of milk for our school children -- but because I strongly believe the funds authorized in HR. 5554 should be re-allocated to more effective nutritional programs to benefit children from poor families and on a basis which includes milk as a part of the balanced, nutritious school lunch program.

I have already acted on this conviction.

On May 14, 1970 I signed into law, HR 515, which amends the National School Lunch and the Child Nutrition Acts. The effect of this legislation is to assure that every child from a family whose income falls below the poverty line will receive a free or reduced-price lunch. These lunches include milk.

As a result of this action, \$217 million additional will be available for child nutrition programs in Fiscal Year 1971, bringing the total Federal fund for these programs to \$900 million.

NOTE

Secretary Hardin is preparing material on the possible veto of HR 5554, which will contain additional points that may make it easier for farm interest groups on the Hill. The second draft should include this material. Secretary Hardin's memo will also contain points on possible adverse political consequences of a veto.

The total of \$900 million for child nutrition programs is by no means the whole story of this Administration's determined efforts to eliminate hunger in America. Total spending for food stamps and related hunger and nutrition programs in FY 1971 is up \$_____million over 1969, an increase of _____%.

But we cannot take these kinds of desirable actions if we continue to fund lower priority, special interest programs to provide subsidies to people in cases in which the recipient is fully able to provide for his own needs.

To summarize my specific reasons for rejecting HR. 5554, they are:

- Nutritionally, the special milk program is inadequate. The subsidy applies to milk only, a valuable, but nutritionally incomplete food.
- Other nutrition programs providing nutritionally balanced benefits are being expanded substantially in 1971, particularly those programs which benefit low-income persons.
- Milk received by children from families in poverty under the special milk program amounts to only 10 percent of the total milk served.
- All meals served under the School lunch and other child nutrition programs must include milk as a standard item, thus total consumption of milk by children should not be materially affected by termination of the special milk program.