

March 27, 1934

[Veto Message on Patman Bonus Bill]

(not used)

FDR Speech File

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Draft of  
Veto Message  
on The Bonus

3-27-34  
TFR Appropriation Bill HR 8663

3/19/34

TO THE CONGRESS:

I return herewith without my approval "\_\_\_\_\_".

I am impelled to do this on a number of grounds, any one of them sufficient to require disapproval of the Act.

In March, 1933, the Congress passed, and I signed "An Act to maintain the credit of the United States Government". This law became one of the principal pillars of national recovery for the clear reason that for the first time in many years the ordinary annual expenses for the maintenance of the Government were brought within the current revenues of the Government. As a direct result we have today a balanced budget in the normal and regular expenses and receipts. It is true that very large but wholly distinct funds are being dispensed daily for emergency purposes, but these funds are going directly for the purpose of saving farms, saving homes and giving relief and employment to millions of our fellow citizens who would otherwise starve. No honest comparison can be made between

destitute men and women on the one hand and the veterans and government employees who are affected by this Act.

This Act relates to \_\_\_\_\_ Departments of the Government in all of which drastic economies were effected a year ago.

Furthermore, the Budget submitted by me to the Congress on January fourth, 1934, laid down a definite program of expenditures and a definite estimate of receipts. Because of the emergency expenditures for relief and unemployment, the expected total deficits this year and in 1935 were necessarily large; but at the same time a program for a completely balanced budget by June 30, 1936 was held out as a definite hope.

This Act alone exceeds the estimates submitted by me in the sum of 228,000,000 dollars. I am compelled to take note of the fact that in creating this excess the Congress has failed at the same time to provide a similar sum by additional taxation. Additional revenue has not been provided to get additional appropriations. It is my duty to point out once more that the large deficit estimated in the Budget

message, justified by the expectation that sufficient money can be borrowed, though with some difficulty, and by the expectation that the deficit will not continue beyond two years. The total amount by which this Act exceeds the estimate is, it must be remembered, in all human probability, a continuing excess in future years, thereby setting further and further away the date of balanced government financing.

Let me be specific. This Act increases compensation for employees of the United States Government \$125,000,000 over my Budget estimates. In so doing, it cancels and repeals the express policy of this Congress announced one year ago. At that time I was directed to find the cost of living in 1928, the base period during which the present scale of compensation for employees was established. I was directed to deduct compensation in the amount representing the difference between the cost of living in 1928 and the cost of living during the present six months periods. The first survey showed a cost of living 22% below that of 1928. The survey announced in January 1934 showed a cost of living 21% below that of

1928. This Congress provided, however, that the deduction should in no event be greater than 15%.

We all know that in some cities in some sections the cost of living is greater than in others, but the policy of the Congress has been to pay the same scale to government employees no matter where they lived and this scale has on the whole been based on the average of the cost of living by taking that average for the Country as a whole. Unless, therefore, the Congress at some future date should base Federal compensation on different costs of living in different parts of the Country, I am constrained to pursue the present policy which is based on the average.

Because it seems clear at the present time that the cost of living is slowly mounting; I have already suggested to the Congress that I hope that a 5% restoration on July 1st will be more justified. Furthermore, I am not wholly satisfied with the mechanism of the present law in that it does not quickly enough respond to cost of living increases. I shall be glad to confer with members of the Congress in order that

the survey shall be made at least quarterly.

I have great sympathy for the employees of the United States Government but I cannot forget that millions of American citizens are today still out of employment; and that the reduction in the case of Federal employees has been and probably still is on the average less than the reduction in compensation that has been patiently endured by those American citizens not in the employ of the Government.

On this point I must also disapprove the proposal to make an increase in pay retroactive. It is not a good thing to establish this practice, nor can we forget the serious administrative difficulty involved in enforcing it. Finally on this point, there are several other discriminatory provisions such as paying workers in certain departments of the Government forty-eight hours pay for forty hours work. None of these are in harmony either with the economy program or the recovery program.

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Although the Canadian casualties were approximately two thirds of our total casualties, the annual cost in this country, even under the Economy Act, is approximately ten times the cost to the Canadian Government.

Sen. B.

I think they should be accorded the same treatment as presumptive World War cases. Therefore, I am by direction instructing that, pending the determination of appeals, they be paid 75% of the amount, applying to these veterans the same principles and the same treatment accorded the others.

I come now to the provisions in this Act relating to world war veterans. First let me speak of principles - principles based on principles and not principles based on politics. Last October I said this to the American Legion Convnetion:

"The first principle, following inevitably from the obligation of citizens to bear arms, is that the Government has a responsibility for and towards those who suffered injury or contracted disease while serving in its defense.

"The second principle is that no person, because he wore a uniform must thereafter be placed in a special class of beneficiaries over and above all other citizens. The fact of wearing a uniform does not mean that he can demand and receive from his Government a benefit which no other citizen receives. It does not mean that because a person served in the defense of his country, performed a basic obligation of citizenship, he should receive a pension from his Government because of a disability incurred after his service had terminated, and not connected with that service.

"It does mean, however, that those who were injured in or as a result of their service, are entitled to receive adequate and generous compensation for their disabilities. It does mean that generous care shall be extended to the dependents of those who died in or as a result of service to their Country."

I am very confident that the American people, including the overwhelming majority of veterans themselves, approve of these principles and in the last analysis will support them.

Applying these principles to the provisions of this Bill I cannot give it my approval.

Last year it was determined - and I had hoped permanently - that

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presumption of service connected disabilities is a question of fact rather than a question of law. In other words each individual case should and must be considered on its merits and there is no justification for passing an act of Congress which presumes that each and every individual case of sickness which commences three, four, five or six years after the termination of the war is presumptively a sickness caused by that war. Therefore local boards were established - boards on which three out of the five members were in no way connected with the Veterans Administration and on which two-thirds of those serving were ex-service men. These local boards approved disallowances in the case of 29,000 men and these decisions were unanimous in 96% of the cases. Not content with that, I created a Board of Appeals the majority of which again are in no way connected with the Veterans Administration and a majority of which are ex-service men. This Board is now engaged in hearing appeals.

A few weeks ago I gave approval to an amendment which, however, was rejected in the Congress. I intend now by regulation forthwith

to put into effect under this regulation an appeal by the Administrator of Veterans Affairs in each and every one of these disallowed 29,000 cases. While these cases are pending they will be paid 75% of the compensation they received prior to the time they were removed from the rolls. If the appeal is allowed they will receive full back compensation. Only in cases disallowed by the Board of Appeals will the veteran be permanently removed from the rolls.

I call your attention to the fact that this new regulation is about to go into effect. I have not the slightest objection to having this new regulation made into law.

In any final determination it will, of course, be provided that every reasonable doubt shall be resolved in favor of the veteran.

By reason of the fact that many veterans have been the recipients of benefits from their Government for a long period of time, it is difficult in the event of a disallowance of their case by the final board of appeals to remove them completely from the rolls. Existing regulations therefore provide that if their case is disallowed and if they are found to be totally and permanently disabled they should, notwithstanding,

standing fundamental principles enunciated, receive \$30.00 a month  
and, if in need, domiciliary care and hospitalization.

What you and I are seeking is justice and fairness in the  
individual case. I call your specific attention to the fact that since  
the original regulations were established a year ago actual experience  
has shown many cases where these regulations required modification.  
I have not hesitated to take the necessary action. I have issued  
regulations which have made ~~more~~ than fifty changes. These changes  
based on principles of justice to the individual case involve  
additional expenditures annually of \$117,000,000. It goes without  
saying that I shall not hesitate to make further changes if the  
principles of justice demand them.

On the basis of the original regulations following the Economy  
Act ~~fixes~~ the cost to the United States of veterans relief was  
\$486,000,000. Since that time by executive order the addition of  
\$117,000,000 brings the total annual cost for veterans relief to  
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Kannee - 1

Pres.

It is a simple and undeniable fact that the United States, in terms of compensation and in terms of hospitalization, has done and is doing infinitely more by our veterans and their dependents than has or is any other nation for their citizens who served in the World War.

Pres.

I come now to the provisions of the Act relating to Spanish American War Veterans. To this group of ex-service men I have devoted much thought. Because of their age, they command sympathy. Nevertheless, we must recognize also that many abuses have crept into the laws granting them benefits.

Doug.

The Spanish American War Veterans' Amendment to this Act provides for service pensions. This violates the principles upon which benefits to veterans should be paid and the principles to which I have referred in this message. Moreover, if that principle should in the future be applied to the World War Veterans, the annual and continuing charge upon the people of this country by 1952 will amount to more than \$900,000,000 for that item alone, and this in addition to the cost of all existing and future hospitalization.

Sen.

An application of this principle would mean that in this year there would be 3,200,000 World War Veterans and if they were paid compensation at the same rate that it is proposed to pay Spanish American War Veterans, it would mean a total cost for service pensions of World War Veterans of \$ and to that there must be added the cost of hospitalization and other benefits, making a stupendous sum to be paid annually for veterans' relief out of current annual taxes.

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I am today directing the automatic restoration to the rolls, at substantially increased rates of compensation, of those Spanish American War Veterans who in 1920 were carried on the rolls as a result of having sustained an injury or incurred a disease as a result of their war service.

In addition and in order to carry out in this respect the same action which I am taking in regard to World War Veterans, I am directing the restoration to the rolls, as of this date, at 75% of the amount they were receiving prior to March 19, 1933, of disallowed Spanish American War Veteran cases pending a final determination before the Board of Appeals.

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Without going further into all of the details relating to the treatment -- past, present and future -- of Spanish American War Veterans, it seems sufficient to repeat that I am wholly and irrevocably opposed to the principle of the general service pension, but I do seek to provide with liberality for all those who suffered because of taking part in that War. As in the case of World War Veterans, I shall not hesitate to alter or modify the regulations in order that substantial justice may be done in every individual case.

My disapproval of this Act runs not alone to the consideration of dollars and cents. It is true that the maintenance of sound government credit is, especially at this time, of vital importance to the Nation. If I were to approve this Act, such action would be a blow at that credit. There is, however, a deeper consideration. You and I are concerned with American principles which should seek the good of the average citizen. If we build up, through a series of legislative acts, special privileges or special consideration for any group of citizens, we thereby strike at the good of the whole group, because it is the whole group which must support the total cost (expense) of government.

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To the extent that the amount of money appropriated by the Congress is in excess of the revenue provided, to that extent must there be a decrease in the funds available for the relief of the destitute and the hungry.

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To the extent that the amount of money appropriated by the Congress is in excess of the revenue provided, to that extent must there be a decrease in the funds available for the relief of the destitute and the hungry.

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