

March 22, 1939

[Veto Message : Independent Office Bill]

1211

FDR Speech File

draft

3/22/31

Independent  
Offices Bill  
reto

Jill  
for signature

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P  
B*

TO THE ~~\_\_\_\_\_~~ Name of Representative

I return herewith without my approval H. R. 6663 entitled "An Act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1935, and for other purposes." I am impelled to do this on a number of grounds, any one of them sufficient to require disapproval of the Bill.

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 recurring annual expenses for the maintenance of the Government were brought within the current revenues of the Government. It is true that very large but wholly distinct funds are being dispensed daily for emergency purposes, but these funds are going directly *T<sub>b</sub>* the purpose of saving farms, saving homes and giving relief and employment to millions of our fellow citizens. They are non-recurring in nature, while the increases contemplated in this

Bill are continuous and permanent.

~~This Bill relates to many 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 are necessarily large; but at the same time a program for a completely balanced budget by June 30, 1936 was determined upon as a definite objective.

This Bill 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. Moreover, to the extent that the amount of money appropriated by the Congress is in excess of my budget estimates, and in the absence of provision for additional

revenues, there must be a decrease in the funds available for essential relief work.

~~It is my duty to point out once more that the large deficit estimated in the Budget message was justified by the expectation that sufficient funds 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 Bill exceeds the Budget estimate is a continuing charge in future years, thereby setting further and further away the date of balanced government financing.~~

This Bill increases the compensation for employees of the United States Government 125,000,000 dollars over my Budget estimates for this purpose. I have great sympathy for the employees ~~of the United States~~ ~~[redacted]~~, but I cannot forget that millions of American citizens are today still without employment, and reduction in the compensation of Federal employees has been and still is on the average less than the reduction in compensation that has been patiently endured by those

citizens not in the employ of the United States Government.

Let me be specific. This Bill makes ~~a portion of the extended compensation~~ ~~in the Bill~~

retroactive to February first, 1934. I believe it unwise to establish this precedent, and I cannot overlook the serious administrative difficulties involved in paying back pay to individuals, many of whom are no longer in the employ of the Government. ~~The Bill contains~~ ~~There are also~~ several discriminatory provisions, such as paying ~~some~~ in some departments of the Government 48 hours' pay for 40 hours' work. ~~These provisions are not~~ ~~in line~~ ~~either with the economy or the recovery program~~

In submitting the Budget estimates last December, I recommended

(Insert A)

~~Compensation~~ ~~the restoration of 5% for the next fiscal year. The Congress has placed~~  
~~itself upon record as favoring a restoration of at least 10%. I recog-~~  
~~nize that in the absence of legislation there will be a restoration of~~  
~~15%, or the full basic pay, on July first. Under these circumstances~~  
~~I hope that the Congress will confer upon me the authority to restore~~  
~~10% upon July first, with the power to restore the additional 5%, or any~~

Insert A.

W. H. Smith

The cost of living seems to be rising slowly. The present authority is not responsive enough to ~~the~~ changing conditions. I therefore shall be glad to confer with the Congress on improving the methods of <sup>protecting</sup> ~~controlling~~ federal power so that in actual practice it will keep ahead of the cost of living increases instead of lagging behind. Adjustments can well be made immediately on the <sup>operative</sup> ~~passage~~ of legislation

followed by more frequent  
adjustments in the future.

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part thereof, whenever a survey ~~is made annually~~, be made quarterly instead of semiannually, shall satisfy such regulation.

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 principles based on policies~~. Last October I said this to the American Legion Convocation:

"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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a service connected disability 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 legislative dicta which, contrary to fact, ~~that~~ provide thousands of individual cases of sickness which commenced four, five or six years after the termination of the ~~war service~~. 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 veterans and these decisions were unanimous in 94% 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 of those cases disallowed by the local boards.

A few weeks ago I gave approval to an amendment the purpose of which was to restore to the rolls at 75% of their compensation, those veterans in whose cases the presumption of service connection was disallowed by the local boards. This, however, was rejected in the Congress. I intend now by regulation forthwith to direct an appeal by the Administrator of Veterans Affairs in each and every one of these ~~disallowed~~ <sup>sick</sup> 29,000 with the further direction that in the final determination of these cases every reasonable doubt be resolved in favor of the veteran, and every assistance be rendered in the preparation and presentation of these cases.

While these cases are pending the veteran 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 back compensation. Only in cases disallowed by the Board of Appeals will the veteran <sup>thereafter</sup> be permanently removed from the rolls.

This regulation will be put into effect at once.

*H* By reason of the fact that many totally and permanently disabled 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 service connection by the final board of appeals to remove them completely from the rolls. Existing regulations therefore provide that if their cases ~~are~~ are disallowed and if they are found to be totally and permanently disabled they shall, notwithstanding fundamental principles enunciated, if in need, receive \$30.00 a month and domiciliary care and hospitalization. (~~This is one of the few exceptions to the sound policy of veterans legislation.~~)

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 for our veterans and their dependents than any other government.

I come now to the provisions of the Bill 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.

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 at the same rate as contemplated for Spanish American War Veterans by this Bill, the annual and continuing charge upon the people of this country by 1949 will amount to more than \$830,000,000 for that item alone. This would be in addition to the cost of all existing veterans benefits and future hospitalization. This I cannot approve.



(10)

By Regulation 12 a presumption of service  
origin was established to Spanish American War  
Veterans on the rolls on March 19, 1933.  
In order to take

However, I am today directing the restoration  
to the rolls of those Spanish American War Veterans who  
in 1920 were receiving pensions as a result of having  
sustained an injury or incurred a disease arising out  
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 on March 19, 1933, all Spanish American  
War Veterans pending a final determination of their  
cases before the Board of Appeals.

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 their service in that War. As in the case of  
World War Veterans, I shall not hesitate to further alter  
or modify the regulations in order that substantial justice  
may be done in every individual case.

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 and have issued regulations which have made ~~more than fifty~~ changes. These changes based on principles of justice to the individual ~~were~~ involve additional expenditures of approximately \$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 ~~enacted~~ Economy Act, the <sup>annual</sup> cost to the United States of veterans relief was \$486,000,000. Since that time by executive order the addition of \$117,000,000 <sup>increases</sup> ~~brings~~ the total cost for veterans relief <sup>for the fiscal year 1935.</sup> to \$603,000,000.

*Bill is not based solely on*  
My disapproval of this ~~act~~ ~~and~~ ~~not~~ ~~based~~ on  
the consideration of dollars and cents. ~~It is to me that~~  
~~To maintain a sound government, it is~~ ~~especially~~  
~~at this time, of vital importance to the Nation. If I~~

*Bill*

\_\_\_\_\_ such action would \_\_\_\_\_  
at that cost. There is \_\_\_\_\_, a deeper considera-  
tion. You and I are concerned with ~~(the)~~ principles ~~in~~ herein  
which should seek the good of the average citizen. If ~~immediated~~  
~~we will up, through a series of legislative acts, special~~  
~~privileges~~ ~~are given to~~ ~~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 of government.~~

*L* I trust that the Congress will continue to  
cooperate with me in our common effort, to restore ~~the~~  
and general prosperity, to relieve distress, and to do  
~~justice to all who are in need of ~~the~~~~