

CHAPTER 3

BONUS MARCHERS & FALSE ECONOMIES



No one because he wore a uniform must therefore 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.

~ Franklin D. Roosevelt ~

THE 1929 STOCK MARKET CRASH CAUSED A VICIOUS DOWNWARD SPIRAL OF RUIN THAT AFFECTED EVERYONE IN AMERICA, INCLUDING OUR NATION'S VETERANS. DURING 1932, AS THE GREAT DEPRESSION SHATTERED THE HOPES OF PEOPLE NATIONWIDE, A GROUP OF UNEMPLOYED VETERANS FORMED TO PRESS FOR LEGISLATION ON THEIR BONUS CERTIFICATES, WHICH WERE NOT DUE UNTIL 1945.

High unemployment also created a tax revenue problem for the government. As revenue became scarce, a crisis developed with regard to the \$2.4 billion Bonus Bill.

A "Bonus Army" of some 20,000 unemployed veterans set up camp in Washington within view of the Capitol building, vowing to stay until Congress passed a bill providing full and immediate payment of their bonus certificates. After the Senate voted down the bill, known as the Patman Resolution, most of the veterans returned home.

With no place to go, or no means to get home, the remaining veterans formed a shantytown known as Anacostia Flats. After the Bonus Bill's defeat, the leaders of the veterans' army issued a call for recruits to fill the gaps in their ranks. The newspaper headlines read, "Bonus Army Calls for More Men—Have 150,000 Force Here by Next Fall!"

Though the American public sympathized with the veterans, their continued presence worried the White House, which asked Secretary of War Patrick Hurley to call in the Army. On July 28, 1932, one of the saddest and most memorable days in the veterans' movement, General Douglas MacArthur led the federal troops that used tear gas to forcibly evict the Bonus Army from their huts along the Anacostia River. The harsh treatment of the soldiers who had defended our Nation during World War I was greeted with outrage and disgust by the American people and the few veterans who lingered on at Anacostia Flats.

In the end, some money was paid to veterans, but not without further difficulties. Eventually \$2.5 billion was awarded to veterans of World War I.

At the height of the crisis, the National Economy League was formed, and the timing could not have been worse for the DAVWW. Featuring many prominent citizens in its leadership, the League received substantial press attention as it fought against instances of what it saw as "excessive spending."

Supported by the Chamber of Commerce, the League had the ears of both President Herbert Hoover and the man who would unseat him, Franklin Delano Roosevelt.

The League had its eye on grants to nondisabled veterans, particularly what was reported to be \$45 million in payments to Spanish-American and World War I veterans who suffered no disability in service.

FRANKLIN DELANO ROOSEVELT





CAMP MARKS, WASHINGTON, D.C., 1932

This figure was disputed and reportedly included veterans' own out-of-pocket expenditures for insurance. Even so, speaking on the League's behalf, Rear Admiral Richard E. Byrd referred to this group of veterans as "the privileged minorities."

DAVWW National Commander William Conley and other veterans' leaders were angry. American Legion spokesman John Thomas Taylor charged that the League was running a "cunning and canny campaign of misrepresentation."

Massachusetts Representative William P. Connery called the Economy League a "child of big business," stating that "The soldiers' bonus was opposed by bankers, brokers, and big income taxpayers, mainly because they could see no percentage of profit in it for the Wall Street interests."

Despite the efforts of the DAVWW and other veterans' groups, the National Economy League's questionable statistics and tactics swayed the American public and both political parties.

Immediately after his inauguration in 1933, President Roosevelt declared a national bank holiday and called for a special session of Congress. In less than eight hours, emergency legislation addressing the banking crisis was rammed through the U. S. Senate and the House of Representatives.

President Roosevelt, sensing the opportunity, was quick to take advantage. He submitted the next item on his agenda, a bill demanding reduction of government expenses, including cutting veterans' pensions. President Roosevelt imposed the Economy Act of 1933, which cut veterans' disability allowances by 25 percent. In the effort to cut federal expenses,

veterans were viewed as having inordinate special status over civilians. Pressure from veterans' groups continued until a lump-sum bonus law was passed over Roosevelt's veto in 1936. The swift passage of the Economy Bill shocked many, but it was a fact they had to live with. Congress quickly restored the cut in benefits.

President Roosevelt continued his economy program. Some disabled veterans, who had been supporting their families on \$60 to \$80 a month, were told through the mail they were no longer eligible for funds and were cut off. Thus, the New Deal became a raw deal for many disabled veterans.

The DAVWW went on the offensive, gaining the assistance of Congressman A.L. Bulwinkle to lead the fight. Telegrams went to DAVWW leaders across the land, urging them to seek help from their members of Congress. The Bulwinkle motion passed, but it took until 1948 to win back what the Economy Bill had taken away.

Chartered by Congress

While the chaos surrounding the Bonus Bill and the Economy League occupied the newspapers, Congress recognized the DAVWW's unique and outstanding service on June 17, 1932, issuing a federal charter to the organization.

This document recognized the DAVWW as the official voice of the nation's wartime disabled veterans. Gaining this charter represented achievement of a goal cherished by the DAVWW since its first National Convention, 11 years earlier.

The Depression was a horrible experience for the Nation, but it did help disabled veterans realize that they needed the DAVWW. The organization's membership climbed from 23,700 in 1928 to 41,400 in 1932. After two more years of declining membership, the election of Cincinnati's Froome Barbour as National Commander at the 1936 National Convention brought membership back to the fore, and the numbers rebounded to 42,737.

At the 1937 National Convention, Commander Barbour addressed the audience on the Rankin Bill, which he and his staff had been pushing. During his year as Commander, Barbour had been to the White House to solicit the President's personal support of the bill, which centered on security for veterans and their dependents.

The DAVWW's membership remained at 42,500 by the time the delegates gathered for the 1939 National Convention where Lewis J. Murphy, an officer from Corbly's old company in France, was elected Commander.

During Murphy's administration, the DAVWW initiated what was to become the foundation of the organization's membership stability and growth—the Life Membership Program. Under this plan, members who invested \$100 had the cost of their dues covered for the rest of their lives.

M. FROOME BARBOUR



Time and again throughout the coming years, the Life Membership Program proved its value. It built the security of permanent numbers, a powerful tool in dealing with Congress and the White House. It also gave the organization a reliable base of income, which was helpful in gaining credit; this would become very important as the DAVWW moved forward through lean times.

As events leading to World War II took shape, a new Selective Training and Service Bill was brought before Congress, calling for the first peacetime draft in the Nation's history. Once again, the country was preparing for war, and it wasn't long before the DAVWW began to prepare for the inevitable human costs.

IdentoTags: A Fundraising Breakthrough

The DAVWW was at a turning point in 1940. Millard Rice took over as National Service Director. National Commander Vincent E. Schoeck cancelled the book contract for *Forward March* due to flat sales. And the search was on for a new means of funding the organization's service program.

What was to become a major breakthrough in DAVWW fundraising—and the fortunes of the organization as a whole—surfaced during a meeting in which Commander Schoeck tossed a small replica of an automobile license plate onto the table. He asked Corbly and Rice what they thought about it. He explained that some of the oil companies and the telephone company had used these little license plates as advertising gimmicks.

After some initial investigations, the DAVWW entered into an agreement with a Chicago firm that manufactured and sold these IdentoTags to the DAVWW. The DAVWW then mailed them as giveaways with no obligation to registered drivers; however, the mailings described what the DAV was doing for disabled veterans and included a request for a small donation.

Who could have guessed that this little token would be the centerpiece of the organization's fundraising program for the next three decades? The IdentoTag was an immediate moneymaker. In 1941, the first year the DAV issued IdentoTags, the program produced \$800,000 in income for the organization.

In 1945, as World War II came to a close, the DAV purchased the equipment needed to manufacture and mail the organization's IdentoTag campaign materials. All along, the organization's idea had been to provide employment for war-disabled veterans. That vision came closer to reality with the DAV owning the equipment and the rights to produce the items outright.

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The idea behind the IdentoTag program was simple and successful. Every year the DAV manufactured and mailed millions of these tags to motorists across the Nation. Automobile owners placed the tags on their key chains and counted on the DAV to return their keys if they were ever lost.

Then, if the keys were misplaced, anyone finding them would see instructions on the back of the IdentoTag, requesting that the keys be dropped into the nearest mailbox. The U.S. Postal Service then forwarded the lost keys to the DAV, where they were matched against the mailing list and returned to the owner.

Car owners who had keys returned would usually send back an additional donation. The letters accompanying the donations praised the DAV, and the funds received enabled



IDENTOTAGS

the organization to help sick and wounded veterans get their lives back together. The program benefited everyone concerned.

In May 1950, the DAV made its last payment on the IdentoTag program, thereby assuming complete ownership. That put the DAV on a new footing among America's nonprofit organizations, poised to assume the leadership it has since attained among the Nation's leading charitable organizations.

In addition to being the Nation's third largest veterans' organization, the DAV also became one of America's largest charitable institutions during the 1950s. During that time, the IdentoTag program brought in

revenues the early founders of the DAVWW could not have imagined.

Throughout the years, nearly all of the DAV National Organization's services have been supported by charitable contributions from grateful people who wanted to express their appreciation to disabled veterans.

IdentoTag production, including all manufacturing equipment and materials, was moved to Reading, Ohio, just north of Cincinnati, in 1952. Most of the 350 people employed there were disabled veterans. Grateful Americans donated in excess of \$2 million annually to show their appreciation for the free IdentoTags and the key return service.

IDENTOTAG MAILER

