

Disposition of Claims By or Against the Government

Statement by the President Upon Signing Four Bills Providing for More Fair and Equitable Procedures. July 19, 1966

The four measures I have signed into law carry us forward toward the democratic ideal of fairness and equality for all our citizens. They symbolize our never-ending struggle to achieve equal justice under the law.

We can have no equal justice when a citizen must bring his grievance into court against the Government within a specified period of time—if we do not impose similar time limits on the Government's claim against its citizens.

Yet, that is what has been happening in too many instances.

The first measure I signed corrects this inequity. No longer will the Government be permitted to bring old and stale lawsuits against private parties.

We can have no equal justice when citizens are prevented from recovering court costs even when they win lawsuits against the Government—and yet hold them liable for the Government's costs when they lose.

Yet this, too, is what we have been doing far too long.

The second measure I signed will correct this inequity by requiring the Government to pay costs when it loses a lawsuit.

The two remaining measures will encourage more out-of-court settlements. They will make it easier for persons of limited means to contest their differences with the Government.

No longer, for example, will a citizen be put to the expense, time, and effort to go into court against the Government for personal injury, death, or property damage claims—when the Government stands ready and willing to settle out of court.

And agencies throughout the Government will, for the first time, be able to settle many of their smaller claims against an individual without the need to bring him into court.

These are long overdue reform measures. They will advance the cause of equal justice under the law. And they will promise a more reasonable, effective, and efficient approach to controversies with the Government:

- Cases will be commenced before they grow old.
- Disputes will be resolved without resort to the courts.
- Congestion in our already overcrowded courts will be eased.

I am pleased to note that the need for this legislation was recognized by the Government itself and conceived of by a Government mindful that all of its traditional prerogatives are not beyond change.

We are indeed grateful to Senator Ervin, Congressmen Celler and Ashmore, and all the many Members of Congress who made this legislation a reality. I particularly want to single out Assistant Attorney General John Douglas who was instrumental in developing the measures.

Daniel Webster once wrote that justice is the great interest of men on earth. And so, today, we take another step that will light the way for still further progress toward the equal administration of justice—for that is a task that is never truly finished.

NOTE: As enacted, the four bills signed by the President are:

H.R. 13652, An Act to establish a statute of limitations for certain actions brought by the Government—Public Law 89-505 (July 18);

H.R. 14182, An Act to provide for judgments for costs against the United States—Public Law 89-507 (July 18);

H.R. 13650, An Act to amend the Federal Tort Claims Act to authorize increased agency consideration of tort claims against the Government, and for other purposes—Public Law 89-506 (July 18);

H.R. 13651, Federal Claims Collection Act of 1966—Public Law 89-508 (July 19).

Star Route Postal Contracts

The President's Message to the House of Representatives Vetoing Bill Granting Automatic Price Increases. July 19, 1966

To the House of Representatives:

I am returning H.R. 2035 without my approval.

I am returning it because the principle it embodies is inflationary.

I am returning it because it would set a bad example, not only in Government, but throughout our economy.

This bill provides that whenever the consumer price index rises by at least one percent a year, the costs of more than 9,600 Star Route postal contracts would be automatically and arbitrarily increased.

Such a blanket adjustment of Federal contracts, based on the consumer price index—or any price index—is dangerous. It substitutes an arbitrary rule for the need to judge each case on its merits.

Often, an increase in the consumer price index does not mean that the contractor's actual operating costs have gone up. Yet, under this bill, the contractor would be automatically entitled to price increases.

This is not sound fiscal policy. It is not fair to those who do business with the Government, and it is not fair to the taxpayers.

The principle of this measure, if approved, would not stop with the Star Route postal contracts. It would spread to other Post Office contracts—and ultimately to contracts throughout the Federal Government.