

TEACHER'S GUIDE
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MISSION 5: "Up from the Dust"

Herbert Hoover Addresses the Bonus Bill

President Herbert Hoover gave this speech to the annual meeting of the American Legion on September 21, 1931. (The American Legion is a national organization for military veterans.) Veterans of World War I were eligible for a cash bonus for their service, due to be paid in 1945. The Legion supported a bill in Congress that would require the federal government to immediately pay veterans their bonuses, which would cost \$3,400,000,000. Hoover opposed the bill, as he explains in this speech, because it would increase the federal government's budget deficit (meaning the government would be spending more money than it collected). When the bill to fund the bonuses came up for a vote in Congress, it did not pass.

The world is passing through a great depression fraught with grueling daily emergencies alike to men and to governments... Some individuals may have lost their nerve and faith, but the real American people are digging themselves out with industry and courage. We have the self-containment, the resources, the manhood, the intelligence, and by united action we will lead the world in recovery.

Today the National Government is faced with another large deficit in its budget. There is a decrease in the annual yield of income taxes... Simultaneously we are carrying a high and necessary extra burden of public works in aid to the unemployed, of aids to agriculture and of increased benefits and services to veterans.

Make no mistake. In these circumstances it is those who work in the fields, at the bench and desk who would be forced to carry an added burden for every added cent to our expenditures. We can carry our present expenditures without jeopardy to national stability. We can carry no more without grave risks.

I am not speaking alone of veterans' legislation which has been urged for action at this convention, but I am speaking equally of demands for every other project proposed in the country which would require increased Federal expenditure...

Source: Herbert Hoover, *The Memoirs of Herbert Hoover Vol. 2: The Cabinet and Presidency, 1920-1933* (New York: The Macmillan Company, 1952), 288-289.

