

# Herbert Hoover: Against the Proposed New Deal

*President Hoover attributed the Depression to forces that bore on the United States from without, not to weaknesses in the American system itself. He had originally intended to conduct a limited campaign for reelection; but as Roosevelt's intentions to alter the economic system became increasingly apparent, he was stirred to political battle. Hoover was constantly on the defensive during the campaign, celebrating the virtues of individualism and voluntary cooperation while charging that Roosevelt's promised New Deal was based on "the same philosophy of government which has poisoned all Europe." Hoover's speech at Madison Square Garden in New York City on October 31, 1932, is reprinted here in part. Like all of his speeches, it was written by Hoover himself.*

This campaign is more than a contest between two men. It is more than a contest between two parties. It is a contest between two philosophies of government.

We are told by the opposition that we must have a change, that we must have a new deal. It is not the change that comes from normal development of national life to which I object but the proposal to alter the whole foundations of our national life which have been builded through generations of testing and struggle, and of the principles upon which we have builded the nation. The expressions our opponents use must refer to important changes in our economic and social system and our system of government, otherwise they are nothing but vacuous words. And I realize that in this time of distress many of our people are asking whether our social and economic system is incapable of that great primary function of providing security and comfort of life to all of the firesides of our 25 million homes in America, whether our social system provides for the fundamental development and progress of our people, whether our form of government is capable of originating and sustaining that security and progress.

This question is the basis upon which our opponents are appealing to the people in their fears and distress. They are proposing changes and so-called new deals which would destroy the very foundations of our American system.

Our people should consider the primary facts before they come to the judgment--not merely through political agitation, the glitter of promise, and the discouragement of temporary hardships--whether they will support changes which radically affect the whole system which has been builded up by 150 years of the toil of our fathers. They should not approach the question in the despair with which our opponents would clothe it.

Our economic system has received abnormal shocks during the past three years, which temporarily dislocated its normal functioning. These shocks have in a large sense come from without our borders, but I say to you that our system of government has enabled us to take such strong action as to prevent the disaster which would otherwise have come to our nation. It has enabled us further to develop measures and programs which are now demonstrating their ability to bring about restoration and progress.

We must go deeper than platitudes and emotional appeals of the public platform in the campaign if we will penetrate to the full significance of the changes which our opponents are attempting to float upon the wave of distress and discontent from the difficulties we are passing through. We can find what our opponents would do after searching the record of their appeals to discontent, group and sectional interest. We must search for them in the legislative acts which they sponsored and passed in the Democratic-controlled House of Representatives in

the last session of Congress. We must look into measures for which they voted and which were defeated. We must inquire whether or not the presidential and vice-presidential candidates have disavowed these acts. If they have not, we must conclude that they form a portion and are a substantial indication of the profound changes proposed.

And we must look still further than this as to what revolutionary changes have been proposed by the candidates themselves.

We must look into the type of leaders who are campaigning for the Democratic ticket, whose philosophies have been well known all their lives, whose demands for a change in the American system are frank and forceful. I can respect the sincerity of these men in their desire to change our form of government and our social and economic system, though I shall do my best tonight to prove they are wrong. I refer particularly to Senator Norris, Senator La Follette, Senator Cutting, Senator Huey Long, Senator Wheeler, William R. Hearst, and other exponents of a social philosophy different from the traditional American one. Unless these men feel assurance of support to their ideas, they certainly would not be supporting these candidates and the Democratic Party. The seal of these men indicates that they have sure confidence that they will have voice in the administration of our government.

I may say at once that the changes proposed from all these Democratic principals and allies are of the most profound and penetrating character. If they are brought about, this will not be the America which we have known in the past.

Let us pause for a moment and examine the American system of government, of social and economic life, which it is now proposed that we should alter. Our system is the product of our race and of our experience in building a nation to heights unparalleled in the whole history of the world. It is a system peculiar to the American people. It differs essentially from all others in the world. It is an American system.

It is founded on the conception that only through ordered liberty, through freedom to the individual, and equal opportunity to the individual will his initiative and enterprise be summoned to spur the march of progress.

It is by the maintenance of equality of opportunity and therefore of a society absolutely fluid in freedom of the movement of its human particles that our individualism departs from the individualism of Europe. We resent class distinction because there can be no rise for the individual through the frozen strata of classes, and no stratification of classes can take place in a mass livened by the free rise of its particles. Thus in our ideals the able and ambitious are able to rise constantly from the bottom to leadership in the community.

This freedom of the individual creates of itself the necessity and the cheerful willingness of men to act cooperatively in a thousand ways and for every purpose as occasion arises; and it permits such voluntary cooperations to be dissolved as soon as they have served their purpose, to be replaced by new voluntary associations for new purposes.

There has thus grown within us, to gigantic importance, a new conception. That is, this voluntary cooperation within the community. Cooperation to perfect the social organization; cooperation for the care of those in distress; cooperation for the advancement of knowledge, of scientific research, of education; for cooperative action in the advancement of many phases of economic life. This is self-government by the people outside of government; it is the most powerful development of individual freedom and equal opportunity that has taken place in the century and a half since our fundamental institutions were founded.

It is in the further development of this cooperation and a sense of its responsibility that we should find solution for many of our complex problems, and not by the extension of government into our economic and social life. The greatest function of government is to build up that cooperation, and its most resolute action should be to deny the extension of bureaucracy. We have developed great agencies of cooperation by the assistance of the government which promote and protect the interests of individuals and the smaller units of business. The Federal Reserve System, in its strengthening and support of the smaller banks; the Farm Board, in its strengthening and support of the farm cooperatives; the Home Loan Banks, in the mobilizing of building and loan associations and savings banks; the Federal Land Banks, in giving independence and strength to land mortgage associations; the great mobilization of relief to distress, the mobilization of business and industry in measures of recovery, and a score of other activities are not socialism--they are the essence of protection to the development of free men.

The primary conception of this whole American system is not the regimentation of men but the cooperation of free men. It is founded upon the conception of responsibility of the individual to the community, of the responsibility of local government to the state, of the state to the national government.

It is founded on a peculiar conception of self-government designed to maintain this equal opportunity to the individual, and through decentralization it brings about and maintains these responsibilities. The centralization of government will undermine responsibilities and will destroy the system.

Our government differs from all previous conceptions, not only in this decentralization but also in the separation of functions between the legislative, executive, and judicial arms of government, in which the independence of the judicial arm is the keystone of the whole structure.

It is founded on a conception that in times of emergency, when forces are running beyond control of individuals or other cooperative action, beyond the control of local communities and of states, then the great reserve powers of the federal government shall be brought into action to protect the community. But when these forces have ceased, there must be a return of state, local, and individual responsibility.

The implacable march of scientific discovery with its train of new inventions presents every year new problems to government and new problems to the social order. Questions often arise whether, in the face of the growth of these new and gigantic tools, democracy can remain master in its own house, can preserve the fundamentals of our American system. I contend that it can; and I contend that this American system of ours has demonstrated its validity and superiority over any other system yet invented by human mind.

It has demonstrated it in the face of the greatest test of our history--that is the emergency which we have faced in the past three years.

When the political and economic weakness of many nations of Europe, the result of the World War and its aftermath, finally culminated in collapse of their institutions, the delicate adjustment of our economic and social life received a shock unparalleled in our history. No one knows that better than you of New York. No one knows its causes better than you. That the crisis was so great that many of the leading banks sought directly or indirectly to convert their assets into gold or its equivalent with the result that they practically ceased to function as credit institutions; that many of our citizens sought flight for their capital to other countries; that many of them attempted to hoard gold in large amounts. These were but indications of the flight of confidence and of the belief that our government could not overcome these forces.

Yet these forces were overcome--perhaps by narrow margins--and this action demonstrates what the courage of

a nation can accomplish under the resolute leadership in the Republican Party. And I say the Republican Party, because our opponents, before and during the crisis, proposed no constructive program; though some of their members patriotically supported ours. Later on the Democratic House of Representatives did develop the real thought and ideas of the Democratic Party, but it was so destructive that it had to be defeated, for it would have destroyed, not healed.

In spite of all these obstructions, we did succeed. Our form of government did prove itself equal to the task. We saved this nation from a quarter of a century of chaos and degeneration, and we preserved the savings, the insurance policies, gave a fighting chance to men to hold their homes. We saved the integrity of our government and the honesty of the American dollar. And we installed measures which today are bringing back recovery. Employment, agriculture, business--all of these show the steady, if slow, healing of our enormous wound.

I therefore contend that the problem of today is to continue these measures and policies to restore this American system to its normal functioning, to repair the wounds it has received, to correct the weaknesses and evils which would defeat that system. To enter upon a series of deep changes, to embark upon this inchoate new deal which has been propounded in this campaign, would be to undermine and destroy our American system.

Source: *The State Papers and Other Public Writings of Herbert Hoover*, vol. 2, William S. Myers, ed., 1934, pp. 408-413.

---

## Franklin D. Roosevelt, "Commonwealth Club Speech" (September 23, 1932)

*In this speech given amidst the Great Depression Roosevelt sought to explain the dramatic ideological differences between himself and Republican President Herbert Hoover. In it Roosevelt argued that the United States had entered a new era in which only through an active government could individual liberty and opportunity be protected from the abuses of industry and the unequal distribution of resources. As you read, examine how Roosevelt substantiates his view that an active federal government is necessary to preserve opportunity and liberty for all. And, consider how he explains why such government activism essential to liberty and opportunity in the 1930s was not necessary throughout much of the 19th century.*

.... [During the 19th century] on the western frontier land was substantially free. No one who did not shirk the task of earning a living was entirely without opportunity.... Starvation and dislocation were practically impossible....

At the very worst there was always the possibility of climbing into a covered wagon and moving West, where the untilled prairies afforded a haven for men to whom the East did not provide a place.

So great were our national resources that we could offer this relief not only to our own people but to the distressed of the world. We could invite immigration from Europe and welcome it with open arms.

Traditionally when a depression came a new section of land was opened in the West. And even our temporary misfortune served our manifest destiny.

It was in the middle of the nineteenth century that a new force was released and a new dream created. The force was what is called the industrial revolution, the advance of steam and machinery....

The dream was the dream of an economic machine, able to raise the standard of living for everyone; to bring luxury within the reach of the humblest; to annihilate distance by steam power.... and to release everyone from the drudgery of the heaviest manual toil...

Heretofore government had merely been called upon to produce conditions within which people could live happily, labor peacefully and rest secure. Now [during the industrial revolution] it was called upon to aid in the consummation of this new dream....

It was thought that no price was too high to pay for the advantages which we could draw from a finished industrial system.

The history of the last half century is accordingly a large measure a history of a group of financial titans, whose methods were not scrutinized with too much care and who were honored... irrespective of the means they used.

The financiers who pushed the railroads to the Pacific were always ruthless, often wasteful and frequently corrupt, but they did build railroads....

As long as we had free land, as long as population was growing by leaps and bounds, as long as our industrial plants were insufficient to supply our own needs, society chose to give the ambitious man free play and unlimited reward....

During this period of expansion there was equal opportunity for all, and the business of government was not to interfere, but to assist in the development of industry.

Some of my friends tell me they do not want the government in business. With this I agree, but wonder if they realize the implications of the past. For while it has been American doctrine that the government must not go into business... still it has been traditional particularly in Republican administrations, for business urgently to ask the government to put at private disposal all kinds of government assistance....

In retrospect we can no see that the turn of the tide came with the turn of the century. We were reaching our last frontier; there was no more free land and our industrial combinations had become great uncontrolled and irresponsible units of power within the State.

Clear-sighted men saw with fear the danger that opportunity would no longer be equal; that the growing corporation... might threaten the economic freedom of individuals to earn a living. In that hour our antitrust laws were born.

The cry was raised against the great corporations. Theodore Roosevelt, the first great Republican Progressive, fought a Presidential campaign on the issue of trust busting and talked freely about the malefactors of great wealth...

Woodrow Wilson, elected in 1912, saw the situation more clearly. Where Jefferson had feared the encroachment of political power on the lives of individuals, Wilson knew that the new power was financial. He saw, in the [concentration of wealth in the hands of a few], the despot of the twentieth century on whom great masses of individuals relied for their safety and their livelihood, and whose irresponsibility and greed (if not controlled) would reduce them to starvation and penury....

A glance at the situation today only too clearly indicates that equality of opportunity as we have known it no longer exists. Our industrial plant is built. The problem is now whether, under existing conditions, it is not overbuilt.

Our last frontier has long since been reached, and there is practically no more free land....

There is no safety valve in the form of a Western prairie to which those thrown out of work by the Eastern economic machines can go for a new start. We are not able to invite immigration from Europe to enjoy our endless plenty. We are no providing a drab living for our own people....

Just as freedom to farm has ceased, so also the opportunity in business has narrowed. It is true that men can start small enterprises... but area after area has been pre-empted altogether by the great corporations, and even in fields which still have no great concerns the small man starts under a handicap.

The unfeeling statistics of the past three decades show that the independent business man is running a losing race.

Recently a careful study... showed that our economic life was dominated by some 600-odd corporations who

controlled two-thirds of American industry. Ten million small business men divided the other third. More striking, it appeared that if the process of concentration goes on at the same rate, at the end of another century we shall have all American industry controlled by a dozen corporations and run perhaps by a hundred men.

Put plainly, we are steering a steady course towards economic oligarchy, if we are not there already.

Clearly this calls for a reappraisal of values....

The day of the great promoter or the financial titan, to whom we granted anything if only he would build or develop, is over....

[Our task] is the soberer, less dramatic business of administering resources and plants already in hand... of meeting the problem of under-consumption, of adjusting production to consumption, of distributing wealth and products more equitably, of adapting existing economic organizations to the service of the people.

The day of enlightened administration has come.

Just as in older times the central government was first a haven of refuge and then a threat, so now in a closer economic system the... ambitious financial [corporation] is no longer a servant of national desire but a danger. I would draw the parallel one step further. We did not think because national government had become a threat in the eighteenth century that therefore we should abandon the principle of national government.

Nor today should we abandon the principle of strong economic units called corporations....

In other times we dealt with the problem of an unduly ambitious central government by modifying it gradually into a constitutional democratic government. So today we are modifying and controlling our economic units.

As I see it, the task of government in its relation to business is to assist the development of an economic declaration of rights, an economic constitutional order. This is the common task of statesman and business man. It is the minimum requirement of more permanently safe order of things....

Every man has a right to life, and this means that he also has a right to make a comfortable living. He may by [laziness] or crime decline to exercise that right, but it may not be denied to him.

We have no actual famine or dearth; our industrial and agricultural mechanism can produce enough to spare.

Our government formal and informal, political and economic, owes to every one an avenue to possess himself a portion of that plenty sufficient for his needs through his own work....

If, in accord with this principle, we must restrict the operations of the speculator, the manipulator, even the financier, I believe we must accept the restriction as needful not to hamper individualism but to protect it....

The government should assume the function of economic regulation only as a last resort, to be tried only when private initiative, inspired by high responsibility, with such assistance and balance government can give, has finally failed....

The final term of the high contract was for liberty and the pursuit of happiness.

We have learned a great deal about both in the past century....

We now that the old rights of personal competency the right to read, to think, to speak, to choose and live a mode of life must be respected at all hazards.

We know that the liberty to do anything which deprives others of those elemental rights is outside the protection of any compact, and that the government in this regard is the maintenance of a balance within every individual may have a place if he will take it, in which every individual may find safety if he wishes it, in which every individual may attain such power as his ability permits, consistent with his assuming the accompanying responsibility....

Faith in America, faith in our tradition of personal responsibility, faith in our institutions, faith in ourselves demands that we recognize the new terms of the old social contract.

We shall fulfill them, as we fulfilled the obligation of the apparent utopia which Jefferson imagined for us in 1776 and which Jefferson, [Theodore] Roosevelt, and Wilson sought to bring to realization.

We must do so, lest a rising tide of misery, engendered by our common failure engulf us all.

But failure is not an American habit, and in the strength of great hope we must all shoulder our common load.

## Hoover vs. Roosevelt

Read the articles and answer the questions thoroughly and with examples when asked. You can answer on a separate sheet of paper or print this out.

1. Who is "the opposition"?
2. Hoover believes that his opponents are appealing to what in the American people? Is this a good tactic for a leader? Is it effective?
3. He believes that the new deals will do what to the American system?
4. How/what does Hoover believe about the American system and how it differs from others in the world?
5. What does Hoover say about class distinction? Do you agree or disagree?
6. Who does Hoover believe to be the cause for change and action in the country?
7. What does Hoover believe about responsibility? Cite his examples.
8. What does Hoover believe about times of emergency? Be specific. Do you agree or disagree?
9. Overall, does Hoover think we were succeeding with the issues? How do you know?
10. Overall, how does Hoover feel about the new deal changes being proposed?
11.
  1. How does Roosevelt think the Industrial Revolution (historically) changed America? What does he believe changed about the role of govt?

2. What does he think about the financial titans of the 19<sup>th</sup> century?
3. What do Republicans typically believe about the role of govt in business?
4. What does Roosevelt believe can/will happen when 'the corporation' takes charge?
5. What was the 'new power' recognized by Wilson? What would that do to the American people?
6. How do immigrants play a role? Are we able to offer immigrants a new start today?
7. What does Roosevelt believe about the independent business man?
8. What does Roosevelt believe is the new, soberer, task at hand? Summarize his points in your words.
9. Read the quote "Every man has a right to life...denied to him" and agree or disagree. WHY?
10. What does he think about govt's economic regulation? Explain in your own words.

\*What do you think overall after reading these two men's opinions? Do you agree with one more than the other? Explain with detail. Think of current examples that exemplify any of these ideals.