

HERBERT HOOVER, FRANKLIN D. ROOSEVELT, AND THE GREAT DEPRESSION

In 1928, Herbert Hoover believed the nation would continue to prosper. As a candidate for President, he opposed regulating business, but supported business through tariff policies, a balanced budget, and the promotion of scientific research and foreign trade. He believed that a good education and a government protecting individual liberties makes it possible for everyone to succeed.

Influenced by his humanitarian work after WWI, Hoover trusted voluntary organizations to meet the needs of the poor and help them become self-supporting. Economic, political, and social justice depended on limiting the actions of the central government. Individuals and organizations were the forces for social and economic change. These ideals were reflected in his Inaugural Address.

However, eight months after Hoover's inauguration, the economy collapsed. The stock market crash of October 1929 signaled serious underlying problems in the economy. Business failures, home foreclosures, bank closures, and spiraling unemployment rippled across the nation. At first Hoover believed that this downturn was similar to the periodic recessions that were typical of the American business cycle.

About a year later, Hoover acknowledged the Depression. He again spelled out his commitment to voluntary, community-based solutions. However, he also pointed out that the federal government was working to promote people's well-being through large-scale public works projects.

Hoover took the following actions in response to the depression:

- ✧ Encouraged businessmen

not to cut production or lay off workers

- ✧ Asked Congress to increase spending on public works projects and to increase funding for banks to prevent mortgage foreclosures
- ✧ Created the Reconstruction Finance Corporation
- ✧ Encouraged farmers to voluntarily cooperate to raise prices
- ✧ Promoted voluntarism as a way to ease the crisis
- ✧ Avoided spending large amounts of federal money so as not to increase the public debt

But these efforts by the federal government did not stem the economic disaster. By 1932, the unemployment rate was twenty-five percent. Homeless people lived in shanty-towns called "Hoovervilles" in many cities, and the Gross National Product had fallen from a high of over \$100 billion in 1929 to \$55 billion.

Challenging Hoover in the Presidential campaign of 1932 was the Democratic nominee, Franklin Delano Roosevelt. He projected a positive, energetic, and imaginative image, promising the American people a "new deal."

FDR stated that the economic condition of the country was a bigger emergency than the nation had faced upon entering World War I. He charged the Hoover administration with having ignored "the forgotten man at the bottom of the economic pyramid."

He believed that that the nation's economic woes were the result of too much influence by a small group of wealthy men motivated by selfish goals. Their exercise of property rights had interfered with the liberty of individuals, and government



had to intervene in order to protect the less fortunate. He supported government planning for social and economic problems.

Roosevelt easily won the election in November of 1932 with almost sixty percent of the popular vote. In his First Inaugural Address, he encouraged the American people to find hope in their history of overcoming obstacles. He stated that “the only thing we have to fear is fear itself...” Roosevelt praised the Constitution’s balance between executive and legislative authority. But he stated that he was prepared to ask Congress for more power to deal with the emergency, just as would be the case in the event of a military attack. His plan was one of government action to bring about immediate relief, short-term recovery, and long-term reform.

In the first hundred days of the new administration, Congress quickly approved a wide variety of programs called the First New Deal. The Federal Deposit Insurance Corporation, National Industrial Recovery Act, Civilian Conservation Corps, Public Works Administration, and Tennessee Valley Authority were among the major pieces of legislation. All significantly increased the role and the size of the federal government.

After the 1934 election, Roosevelt worked to extend New Deal reforms through measures designed to provide more benefits to the “forgotten man.” Extensive public works projects, the Social Security Act, increased income taxes on the wealthy, and several programs intended to

help farmers, laborers, and the unemployed made up the Second New Deal.

Though the economy was far from healthy after four years of the New Deal, (the unemployment rate in 1936 was still seventeen percent), Roosevelt won over sixty percent of the popular vote in the 1936 Presidential Election.

In his Second Inaugural Address, Roosevelt explained that the Constitution was sufficient to solve the problems of increasingly complex civilization. In expanding the reach of the federal government to solve economic problems, he asserted that Americans were “writing a new chapter in our book of self-government.” But Americans were not, he said, changing the essential foundations established in 1789.

Throughout the 1930s, Herbert Hoover continued to speak out about his opposition to the New Deal. He championed his belief in an America whose foundations were individual liberties, limited governments, and self-reliant, responsible citizens. Roosevelt continued to support legislation and executive actions which promoted the general welfare, increased the role of government in the lives of individuals, and sought to achieve social justice through federal action.

The debate over the federal government’s commitment to “promote the general welfare and secure this blessings of liberty to ourselves and our posterity” (as well as to whether the actions of either President shortened or prolonged the Depression) continues today.

CRITICAL THINKING QUESTIONS

1. According to each President, who could best bring about social and economic change?
2. What actions did each President take to respond to the Great Depression?
3. Roosevelt asserted that the expanded reach of the federal government to solve economic problems was not an essential change to the Constitution. Do you agree? Why or why not?
4. In what ways did each President believe that the federal government should “promote the general welfare and secure the blessings of liberty to ourselves and our posterity”?



EXCERPTS FROM HOOVER AND ROOSEVELT SPEECHES

Directions: Distribute one or two speech excerpts to each student and follow the directions for the Activity.

I	It is the duty of government to avoid regulation as long as equal opportunity to all citizens is not invaded and public rights violated.
2	These unhappy times call for the building of plans ... that put their faith once more in the forgotten man at the bottom of the economic pyramid.
3	As I see it, the task of government in relation to business is to assist the development of an economic declaration of rights, an economic constitutional order.
4	Government should not engage in business in competition with its citizens.
5	The responsible heads of finance and industry, instead of acting each from himself, must work together to achieve the common good.
6	It is the duty of business to conduct itself so that government regulation or government competition is unnecessary.
7	The public must be protected from any domination or from predatory business.

8	Equality of opportunity is the right of every American. This ideal of individualism based upon equal opportunity of every citizen is the negation of socialism. Equality of opportunity is a fundamental principle of our nation.
9	The government should assume the function of economic regulation only as a last resort.
10	Government in this regard is the maintenance of a balance, within which 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.
11	If we are to go forward, we must move as a trained and loyal army willing to sacrifice for the good of a common discipline.
12	Every step of bureaucratizing of the business of our country poisons ... political equality, free speech, free assembly, free press, and equality of opportunity.
13	We are, I know, ready and willing to submit our lives and our property to [military-like discipline], because it makes possible a leadership which aims at the larger good.
14	Economic freedom cannot be sacrificed if political freedom is to be preserved.

15	The very essence of equality of opportunity and of American individualism is that there shall be no domination by any groups or combination in this republic, whether it be business or political.
16	Our Constitution is so simple, so practical that it is possible always to meet extraordinary needs by changes in emphasis and arrangement without loss of essential form.
17	Confidence and courage are the essentials of success in carrying out our plan.
18	The true conservative seeks to protect the system of private property and free enterprise by correcting such injustices and inequalities as arise from it.
19	We are nearer today to the ideal of the abolition of poverty and fear from the lives of men and women than ever before in any land.
20	By using the new materials of social justice we have undertaken to erect on the old foundations a more enduring structure for the better use of future generations.
21	I see one-third of a nation ill-housed, ill-clad; ill-nourished.
22	The preservation of self-government; the perfection of justice whether in economic or in social fields; the maintenance of order liberty; the denial or domination by any group or class; the building up and preservation of equality of opportunity; the stimulation of initiative and individuality ... [are American ideals.]

23	Economic depression cannot be cured by legislative action or executive pronouncement.
24	The federal government is engaged upon the greatest program of waterway, harbor, flood control, public building, highway, and airway improvement in all our history.
25	In our personal ambitions we are individualists. But in our seeking for economic and political progress as a nation, we all go up; or else we all go down, as one people.
26	Some new plan is needed to our economic life ... to organize concerted plans for the better use of our resources.
27	It is not an issue as to whether people shall go hungry or cold in the United States. It is solely a question of the best method by which this hunger and cold shall be prevented.
28	The opening of the doors of the federal treasury is likely to stifle private giving and thus destroy far more resources than the proposed charity from the government.
29	Our greatest primary task is to put people to work.
30	The [New Deal methods and objectives] are an attempt to fasten upon the American people some sort of a system of personal government, of a government of laws; a system of centralization under a political bureaucracy; a system of debt; a system of inflation; a system which would stifle the freedom and liberty of men.

31	These gigantic plans of a dictated economy ... were undertaken in disregard of the Constitution.
32	This is a conflict between a philosophy of orderly individual liberty and a philosophy of government dictation.
33	Americans must forswear that conception of the acquisition of wealth which, through excessive profits, creates undue private power over private affairs and, to our misfortune, over public affairs as well.
34	It is the spirit of liberty which made ... the Constitution.
35	There must never be confusion in the Bill of Rights, the balance of powers, local government, and a government of laws, not men.
36	I stated that our first job was to restore men to work.
37	Either we shall have a society based upon ordered liberty and the initiative of the individual, or we shall have a planned society that means dictation, no matter what you call it or who does it.
38	All emergency works shall be united in a single, new, and greatly enlarged plan.
39	This generation of Americans has a rendezvous with destiny.
40	Freedom both requires and makes increased responsibilities.

41

Labor Day symbolizes our determination to achieve an economic freedom for the average man which will give his political freedom reality.

42

It is the Supreme Court defending the people's rights and securities guaranteed by the Constitution which time and again has protected the people from those who seek for economic power or political power, or to suppress free worship and free thoughts.

THE PURPOSES OF THE FEDERAL GOVERNMENT

Directions: You will be given 1-2 quotes from statements by either Hoover or Roosevelt. For each quote, ask yourself, "Does this quote support the statement in Column A? Column B? both?" Write the number of the quote in the appropriate column, along with a brief paraphrase. (If the quote supports both statements, write the number/paraphrase in the middle.)

THE MAIN PURPOSE OF THE FEDERAL GOVERNMENT IS TO SECURE AND PRESERVE LIBERTY.	BOTH	THE MAIN PURPOSE OF THE FEDERAL GOVERNMENT IS TO PROMOTE AND PRESERVE WELL-BEING.
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