

Herbert Hoover on the Great Depression and New Deal, 1931-1933

Introduction

The stock market crashed on Thursday, October 24, 1929, less than eight months into Herbert Hoover's presidency. Most experts, including Hoover thought that the crash was part of a passing recession. By July 1931, when the President wrote this letter to a friend, Governor Louis Emmerson of Illinois, it had become clear that excessive speculation and a worldwide economic slowdown had plunged America into the midst of a Great Depression. While Hoover wrote to Emmerson that "considerable continuance of destitution over the winter" and perhaps longer was unavoidable, he was trying to "get machinery of the country into . . . action." Since the crash, Hoover had worked ceaselessly trying to fix the economy. He founded government agencies, encouraged labor harmony, supported local aid for public works, fostered cooperation between government and business in order to stabilize prices, and struggled to balance the budget. His work focused on indirect relief from individual states and the private sector, as reflected in this letter's emphasis on "support[ing] each state committee more effectively" and volunteerism—"appeal[ing] for funds" from outside the government.

As the Depression became worse, however, calls grew for increased federal intervention and spending. But Hoover refused to involve the federal government in forcing fixed prices, controlling businesses, or manipulating the value of the currency, all of which he felt were steps towards socialism. He was inclined to give indirect aid to banks or local public works projects, but he refused to use federal money for direct aid to citizens, believing the dole would weaken public morale. Instead, he focused on volunteerism to raise money. Hoover's opponents painted him as uncaring toward the common citizen, even though he was in fact a philanthropist and a progressive before becoming president. During his reelection campaign, Hoover tried to convince Americans that the measures they were calling for might seem to help in the short term, but would be ruinous in the long run. He asserted that he cared for common Americans too much to destroy the country's foundations with deficits and socialist institutions. He was soundly defeated by Franklin D. Roosevelt in 1932.

Roosevelt promised Americans a "New Deal" when he took office, and during his first "Hundred Days" as president, he signed a number of groundbreaking new laws. Roosevelt's aides later admitted that most New Deal agencies were closely modeled on those that Hoover had attempted, but Roosevelt's plans differed in financing and scope. New Deal bills supported direct federal aid, tightened government control over many industries, and eschewed volunteerism in favor of deficit spending, all in the hopes of jump starting both consumer confidence and the economy.

In a letter to a friend written seven months after he left office, Hoover expressed his fears about

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the flurry of New Deal legislation. Hoover saw the country already “going sour on the New Deal.” He believed revolution inevitable “unless there is a halt” to the fundamental changes in government and the deficit spending. Roosevelt’s reforms had led Americans to “cast off all moorings,” and Hoover predicted that the United States would veer dangerously “to the ‘left,’” followed by a reaction leading to “some American interpretation of Hitler or Mussolini.” In 1934, after two years out of the public eye, Hoover made these same thoughts public in an article titled “The Challenge to Liberty.”

Hoover was correct when he predicted that the role of American government would fundamentally change because of the New Deal.

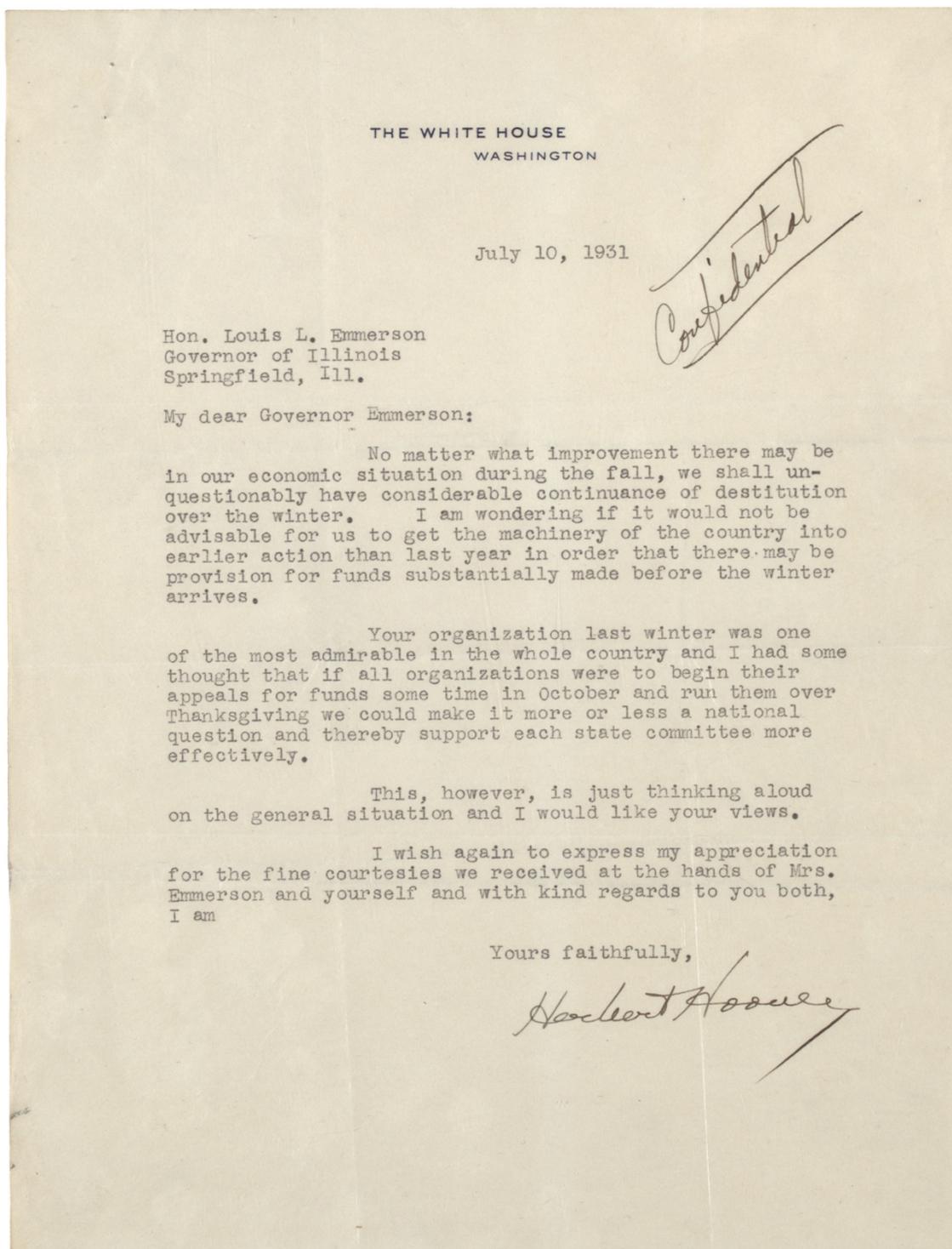
Questions for Discussion

Read the document introduction and transcript and apply your knowledge of American history in order to answer these questions.

1. What arguments were put forth by Herbert Hoover that identified him as a believer in rugged individualism?
2. Hoover expressed fear of radical change to our economic system. How did his concerns relate to the emergence of the radio priest Father Charles Coughlin and Governor Huey Long of Louisiana?
3. For years after he left office, many Americans considered Herbert Hoover as unsympathetic to the victims of the Great Depression. To what extent does Hoover deserve such condemnation?

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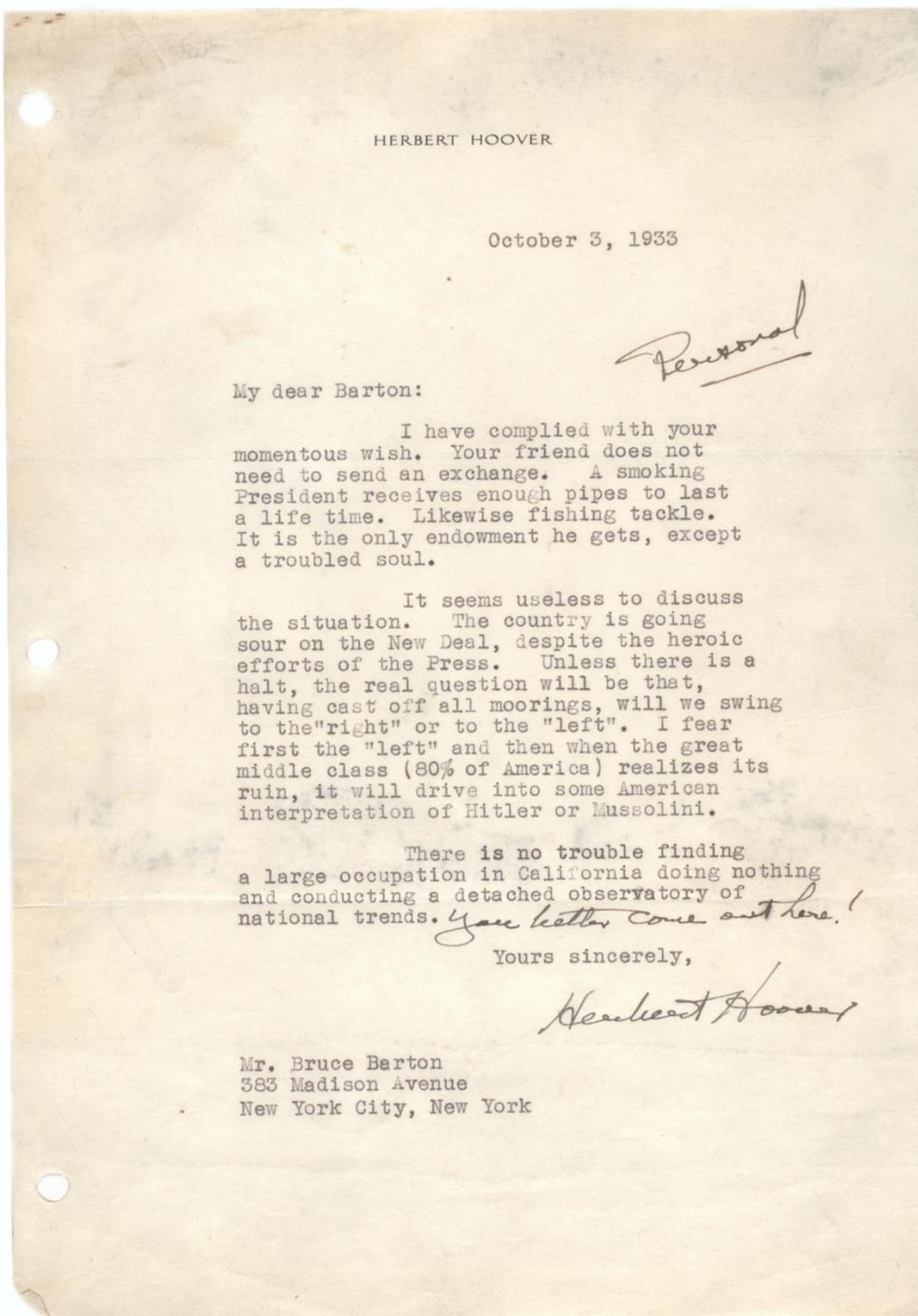
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Herbert Hoover to Louis L. Emmerson, July 10, 1931. (Gilder Lehrman Collection, GLC03146)

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Image



Herbert Hoover to Bruce Barton, October 3, 1933. (Gilder Lehrman Collection, GLC00691)