



Hoover vs. Roosevelt



	Herbert Hoover (March 4, 1929 – March 4, 1933)	Franklin D. Roosevelt (March 4, 1933 – April 12, 1945)
<i>Personality traits that came to bear on his philosophy of govt.:</i>	<p>Born to Quaker parents in Iowa, father was a blacksmith, both parents died before HH was 9 yrs. Old, raised by uncle, attended night school for high school, graduated from Stanford University. Worked for private engineering firms until WWI, when he became head of the U.S. Food Administration and later head of the American Relief Administration in Europe. Secretary of Commerce under Harding and Coolidge.</p> <p>Believed in “rugged individualism”</p> <p>Believed that people need to pull their own weight</p> <p>Self-reliance, made his own fortune/luck</p>	<p>Born and raised in a wealthy NY family, attended Groton and then Harvard (editor of the Crimson), married Eleanor (political power couple – his cousin!!! She was his 5th cousin once removed but still...) Attended law school, worked in corporate law. NY governor, Asst. Sec. of the Navy in WWI, then Governor of NY. Maintained a long-standing affair with “Mrs. Johnson” (Eleanor’s social secretary.)</p> <p>Suffered from polio crippled in 1921. FDR never accepted his permanent paralysis.</p> <p>“The only thing we have to fear is fear itself”</p> <p>Surrounded himself with able, intellectual crop of men and men and women to tackle the Depression – otherwise known as the “Brain Trust”</p> <p>Likeable, personable, broad smile, enthusiastic, energetic</p>
<i>Philosophy on govt.:</i>	<p>Pro-American work ethic, champion of capitalism, pro-business, pro-American work ethic.</p> <ul style="list-style-type: none"> - Believed humans are responsible for their own condition (if poor, unemployed it is your own fault; if wealthy, employed, provided for it is as a result of hard work) <p>Believed that changes in the business cycle are natural – booms in the stock market are totally natural as are depressions (inevitable and not to be tampered with). As a result, he was not inclined to meddle when the economy experienced a downturn.</p> <p>Laissez-faire approach towards business and the economy</p> <p>Favored a balanced budget (expenses do not exceed revenue/earnings)</p>	<p>Favored deficit spending/priming the pump (spent more money than the govt. made in an effort to stimulate the economy)</p> <ul style="list-style-type: none"> - FDR supported the theory of Keynesian economics whereby the govt. starts the engine of the economy by spending \$ - belief being you have to give some to get some (also known as “priming the pump”) <ul style="list-style-type: none"> o Prove you trust the economy enough to put money in before others will do the same. Then once they have faith, others will invest, the economy will pick back up, allowing the govt. to pay back their debt. - Money came from federal borrowing and bonds (debt) which the govt. planned to slowly pay off with money brought in through taxes <p>Believed it was the govt’s job to be involved in people’s lives and to improve their quality of life.</p>



<p><i>Actions taken to help solve the economic crisis:</i></p>	<p>Supported the idea of trickle-down economics, or government aid to banks and businesses, not to individual citizens. Hoover was unwilling to help individuals directly with relief because he believed it encouraged laziness, not requiring people to work for their money.</p> <ul style="list-style-type: none"> - Asked Congress to create the Reconstruction Finance Corp. (1932): \$2 billion lent to needy banks, big insurance companies and other businesses at the top of the economic system. Only partially successful <p>Believed in voluntary action – felt that individuals should not be forced to care for the poor. Instead, action should come from those who want to help (i.e., he opposed the idea of direct relief)</p> <ul style="list-style-type: none"> - Established the President’s Organization on Unemployment Relief to generate private contributions for poor/ jobless. <p>Hawley-Smoot Tariff: placed a 42% tax on imports. Designed to get Americans to buy domestic-made products, however, any benefit was negated by the negative international response of slapping a tax on American imports.</p> <p>Promoted federal public works projects like the Hoover Dam. (By the end of his term, \$2 billion spent on public roads, buildings, etc.) Wasn’t enough to help.</p>	<p>Ready to experiment with government involvement and controls on business.</p> <p>While in office, he started a practice referred to as the Fireside Chats, weekly radio chats, in which FDR re-assured the American public, spoke to Americans about programs, which were being created, etc. They helped people feel more connected to the president than ever before.</p> <p>Plan to cure the Depression was known as the New Deal (a series of government funded agencies designed to provide the American people with relief in the form of aid and new jobs, as well as reform those problems which led to the Depression.)</p> <ul style="list-style-type: none"> - Complex approach which included both direct federal action and money to provide relief from the depression. - 3 stages of the New Deal: relief, recovery, and reform - Alphabet Soup: nickname for the many New Deal programs created by FDR. The programs all had long complicated names which were then shortened into smaller acronyms like the CCC, TVA, FDIC, etc. <p>Supported the ideas of direct relief: welfare, or immediate relief in the form of cash payments (something Hoover was unwilling to give)</p> <p style="text-align: center;"><i>MORE ON THE NEW DEAL TO COME IN CLASS.</i></p>
<p><i>Public perception:</i></p>	<p>Hoover was blamed by many for not responding to the Great Depression. Many felt that he approached the Depression with an attitude that was impractical for the emotional and physical needs of the American populace at that time.</p> <p>He was generally perceived as an unsympathetic character who didn’t care about the poor and unemployed. Widely believed that he only cared about the haves and as a result, he ignored the have-nots.</p> <p>Shantytowns that popped up near all large cities were called “Hooverilles” and the privies “Hoover villas.”</p> <p>In the end, Hoover’s legacy was one of bitterness and misery—whether that is deserved or not is up for interpretation.</p>	<p>Re-elected a record 4 times consecutively (there was no term limit set until after Roosevelt’s administration.)</p> <p>Promised change in 1932 election (although he was vague about the changes he planned). In comparison to Hoover, FDR appeared to be willing to do whatever was necessary to address the problems of the Depression.</p> <p>People felt more connected to him than they had previously to any president (this was in part due to his radio chats and the many programs he put into place to help the poor.) The popular sentiment was evident in the number of letters received by FDR and his wife, Eleanor, over the course of his administration. They received 300,000 letters alone in his first year in office!</p> <p>Critics – opposed the huge deficit spending & liberal approach to govt under FDR. Also, in 1938, FDR prematurely predicted that the Depr. was over. So he drastically cut funding to programs, SS finally kicked in which meant people started seeing \$ withdrawn from their paychecks, and the Fed. Reserve began raising interest rates. All of these actions led to a downturn in the economy after years of slow and gradual improvement.</p>

