

Continuing My White House Years

THE 1932 CAMPAIGN

By HERBERT HOOVER

It saw the debut of techniques new to our political history, says our ex-President, including the "abandonment" of facts, "irresponsible" ghost writers, and also "blows below the belt"

VI

I HAD little hope of re-election in 1932. All our polls and tests were very gloomy. But it was incumbent on me to make as good a fight as possible; the opposition's major strategy was to attach to me personally the responsibility for the depression and its evils.

I made only nine major campaign addresses, mainly because at the same time I was carrying the great burdens not only of normal administration but of the depression. Moreover, I wrote my own speeches—and a proper presentation requires many days to prepare. I have never delivered a ghostwritten public statement of importance. The proof lies in the preserved manuscripts of every draft.

Some of the Republican candidates for state offices concluded that my Presidential "goose was cooked," and sought to dissociate themselves from me. In every one of these cases, I received more votes than any of them—a rebuke from their own constituents.

Roosevelt's campaign has historical importance because of the new techniques he introduced, which have affected all campaigns since. They mostly revolved around an abandonment of many facts in a huge number of speeches ghostwritten by irresponsible men. He made literally scores of such speeches.

There was one common element in the Roosevelt "brain trust": they were experts in the art of semantics, and in raising mendacity to an art. Our response required painstaking exposition based on dreary facts and figures.

In a memorandum to me on the personalities of the "brain trust," Secretary of the Treasury Mills reported that "we can expect anything in this campaign." This gave us advance notice of what was to come.

In the nature of things, we were on the defensive on many campaign issues, especially because of opposition misrepresentation. We were, however, able to take the offensive on such matters as the currency, the tariff and New Deal collectivism.

Roosevelt raised no criticism of our national defense measures, nor did he refer to our foreign policies except so far as related to the tariff and private loans to foreigners. (Raymond Moley, in *Newsweek* of June 14, 1948, recalled: "... F.D.R. deliberately declined, during the 1932 campaign, to take issue on foreign policy . . . He said, 'Let's not say anything on foreign policy. Hoover's all right on that.'")

Our only hope of winning the election was a sharp economic upturn which would convince the people of the rightness of our course. With the protracted sabotage of the 1931-'32 session of the Democratic-controlled Congress now out of the way, our measures and policies were bringing recovery, but we needed another six months to prove them.

However, the upturn was halted by the Maine elections at the end of September, 1932, which in effect went against us. Business fears of Roosevelt's announced policies started an economic downturn.

Before I discuss the debate on the issues, I must point out a considerable handicap under which I entered the campaign—in addition to the disabilities of the depression and my own failings.

It has always—and properly—been the function of the opposition to criticize the administration. That is a necessary part of representative government. Nobody has a right to complain about it.

But in the four years from their 1928 defeat on, the over-all strategy of our opponents was in some ways new in American life. If tradition held, I would be renominated for a second term. Therefore, their strategy from the time of my election was to keep up a campaign of personal destruction of myself. This was substituted for attacks on administration policies, or on even the Republican party.

At once, in 1928, the leaders of this strategy launched a campaign of misrepresentation, financed by large funds and administered by a paid staff. The emergence of the radio especially favored such a tactic not only because of its national audience but because the public is usually more interested in personal criticism and gossip than in the merits of complicated public issues.

During the 1928 campaign, John J. Raskob, a member of the Du Pont firm, had been Democratic national chairman. Some of his most important political allies were certain successful stock promoters, such as M. J. Meehan, James J. Riordan and W. H.

THE 1932 CAMPAIGN

Todd. He was also supported by such Tammany Hall leaders and contractors as P. F. and W. F. Kenny. They were all men of great wealth. They wanted prohibition repeal. Some of them came out of the 1928 campaign with a bitter feeling of religious resentment. Moreover, Raskob, as a big business leader, felt his defeat more personally than practicing politicians would.

These particular Democratic leaders were all devoted to Governor Alfred Smith, and determined to renominate and elect him in 1932. They were not themselves left-wingers. In fact they were of the most conservative types. But they did not hesitate to associate their political operations with left-wing elements which are always most useful as hatchet men.

When these men came to renominate Smith in 1932 they found themselves overwhelmed by a Frankenstein's monster in their own ranks. The enlarged left wing succeeded in nominating a leader of its own, Franklin Roosevelt. Governor Smith by that time had become a "reactionary."

Soon after my inauguration in 1929, Raskob and his associates had selected two past masters of propaganda to run the Democratic National Committee from Washington: Jouett Shouse as executive chairman, and Charles Michelson as publicity director. To each they paid \$20,000 a year and expenses.

Michelson came out of lifelong service in the smear departments of the Hearst press and the New York World. He was that professional type of publicity man with no principles of his own.

Shouse and Michelson set up a large organization. As shown by sworn reports to Congress, Raskob raised \$2,500,000 to \$3,000,000 between the 1928 election and the 1932 Democratic convention. A minor part of this was spent on debts from the 1928 campaign, and the Democratic National Committee was in debt again by the 1932 convention. Thus it spent \$2,500,000 to \$3,000,000 on political action between campaigns.

The magnitude of these intercampaign expenditures had never been equaled before in American politics.

Liberal Contributors to Democratic Campaign

Democratic National Committee financial reports to Congress during this period show such sources as J. J. Raskob, \$462,000 (subscriptions and loans); Pierre du Pont, \$50,000; Herbert Lehman, \$175,000; the two Kennys, \$175,000; M. J. Meehan, \$102,000; J. J. Riordan, \$50,000; W. H. Todd, \$50,000. (One of the humors of later years was that the published subscription list of the Liberty League—organized by most of the same men in 1934 to smear and attack Roosevelt—showed J. J. Raskob contributing over \$250,000, Pierre du Pont, \$50,000. And Jouett Shouse was its president.)

In the guerrilla warfare against me, a ceaseless torrent of ghost-written speeches was supplied senators, congressmen and others, which, together with press releases, had as their major theme personal attack on me. The Congressional Record alone shows hundreds of such attacks.

A President cannot with decency and with proper regard for the dignity of his office reply to such stuff. And in my case, some of the Old Guard Republican leaders in Congress who had been defeated in their own Presidential ambitions in 1928 certainly never exerted themselves energetically in their traditional duty to counterattack and expose such misrepresentations.

As early as the end of my first two years in office, the tactics of the Raskob regime had become so flagrant that even Democratic journalists protested. In Scribner's Magazine of September, 1930, Frank Kent of the Baltimore Sun wrote a denunciatory article detailing the operations of Michelson and his minions. Kent said in part:

"... The political agency in Washington that more than any other has helped to mold the public mind in regard to Mr. Hoover... (is) the new Democratic publicity bureau... the most elaborate, expensive, efficient and effective political propaganda machine ever operated in the country... The goal set for (Michelson) was to 'smear' Mr. Hoover and his administration. That is what he is there for and all he is there for..."

"It has been his pleasant task to minimize every Hoover asset and magnify all his liabilities... to obscure every Hoover virtue and achievement... Every move Hoover has made is followed by the firing of a Michelson publicity barrage... Editorials have streamed through the mails to small papers hitting Hoover... in a hundred different ways."

Ample confirmation of these operations appears in Michelson's own book of confessions, published in 1944.

A few samples of the operations of Raskob, Shouse and Michelson will suffice.

A typical one was the publication, just prior to the 1930 Congressional election, of a series of articles by the New York World (of which Walter Lippmann was then editor) with nation-wide, full-page advance advertising and syndication. The articles charged us with great oil scandals—a (*Continued on page 32*) "second Teapot Dome." It developed that the World had, through Michelson, paid \$12,000 to a discharged Interior Department employee named Kelley to prepare these articles.

I at once directed the Attorney General to investigate the matter. He reported:

OldMagazineArticles.com



THE 1932 CAMPAIGN

"Kelley has made an effort to give the public the impression that oil shale lands presently worth untold billions have been or are about to be lost to the government . . . The facts are that oil shale has no substantial present commercial value . . . during the present administration only 42,840 acres have been patented, and of that amount the patent of 23,057 acres was approved by Kelley himself . . . (Out of more than 1,000,000 acres) the United States still owns ninety-seven per cent of all its original oil shale lands . . . Kelley, when placed in charge of this oil shale matter . . . immediately got in touch with a newspaper, sold his story to the press, and refused then to give to authorized public officials any statement of the matter. It is a just inference that his refusal to assist the Assistant Attorney General in his inquiry was merely to protect the news value of his proposed newspaper articles . . ."

The World made no effort to obtain a statement from Interior Secretary Wilbur until after the series began. The most casual inquiry would have satisfied it that there was nothing to back up Kelley's charges.

Apology Was in Fine Print

Later, Secretary Wilbur compelled the World to make an abject apology. But this was in fine print, whereas the lie had been spread over the country by every ingenious method money could pay for.

I received a modicum of satisfaction because the exposure so discredited the World that, according to a later statement by one of its own editors, publication of the articles contributed to its demise a little later.

There were other examples of the personal-attack strategy. Senator McKellar of Tennessee charged that I had stolen great sums from appropriations for European relief during the Armistice. It happened that Senator Glass had been Secretary of the Treasury at that time, and responsible for looking after these funds from which I had supposedly stolen \$100,000,000. After the story had been blazoned across the country for days, Glass, in reply to a Republican senator's demand, denied that it could be true. But the lie continued to spread.

Another device employed against me was a flood of smear books although these cannot be attributed to Raskob. Subsequent court proceedings showed that a down-and-out English literary beachcomber named Hamill was engaged by a man named Kenny and a John J. O'Brien of Tammany to write the first of these books, supposedly a history of my life as an engineer. They apparently had difficulty finding a publisher, for the book was issued by a Samuel Roth, alias William Faro, who had served several prison sentences for illegal publications.

A quarrel sprang up between O'Brien, Hamill and Roth over the matter. Hamill claimed that Kenny, in giving him \$1,700, had only made part payment for his services. O'Brien and Roth quarreled over the expected profits that were to come from selling half a million copies through the official Democratic organization. Some of my New York friends demanded Hamill's prosecution for criminal libel, and to clear himself he made a written confession under oath stating that he had fabricated every word of the book. After this exposure the Democratic National Committee did not circulate the book. But the Communists later brought out a cheap edition with wide circulation.

The Hamill book was the father of others, one out under the assumed name of "John Knox," another founded on Hamill's and written by Walter Leggett, later murdered by fellow gangsters in Minneapolis.

There were blows below the belt during the campaign as well. One was the charge that I had prostituted the RFC to save the

THE 1932 CAMPAIGN

Dawes Bank in Chicago. General Dawes had been Vice-President in the Coolidge administration and during my term was president of the RFC prior to the loan to the Dawes Bank. The loan had been made at the recommendation of the Democratic directors of the RFC, and stopped a panic in Chicago which would have closed all the banks there.

Probably the greatest tactic of all used against me was the distortion of the story of the Bonus March on Washington in July, 1932, when about 11,000 supposed veterans congregated to urge Congress to pay a deferred war bonus in cash instead of over a period of years.

The Democratic leaders did not organize the Bonus March nor conduct the ensuing riots. But the Democratic organization seized on this incident with great avidity. Almost every Democratic speaker in the 1932 campaign implied that I had murdered veterans on the streets of Washington.

The story was kept alive for 20 years. I therefore deal with it at greater length than otherwise warranted. As abundantly proved later on, the march was largely organized and promoted by the Communists, and included a large number of hoodlums and ex-convicts bent on raising a public disturbance. They were frequently addressed by Democratic congressmen seeking to inflame them against me for my opposition to the bonus legislation, and were given financial support by some publishers of the sensational press.

When it was evident that no legislation would be passed by Congress, I asked the chairmen of the Congressional committees to appropriate funds for tickets home for the legitimate veterans. This was done, and some 6,000 availed themselves of it, leaving about 5,000. Through government agencies we obtained the names of upwards of 2,000 of those remaining, and found that less than one third of these had ever served in the Army and that over 900 of this sampling were ex-convicts and Communists.

Some old buildings on Pennsylvania Avenue had been occupied by some marchers. These buildings stood in the way of construction work going on (as an aid to District employment). On July 28th Treasury officials, through the police, requested some 50 marchers to move to other quarters, whereupon more than 1,000 other bonus marchers converged from their camps outside the city armed with clubs. They made an organized attack on the police. In the melee, Police Commissioner Glassford failed to organize his men. Several were surrounded by the mob and beaten up. Two of them, beaten to the ground, fired to protect their lives and killed two marchers. Many policemen were injured.

The District commissioners, at Glassford's urging, appealed to me. They declared that they could not preserve order in the capital, that the police were greatly outnumbered, and were being overwhelmed. With the same right of call on me as municipalities have on the governor of any state, they asked military assistance to restore order. At my direction to Secretary of War Hurley, he directed General Douglas MacArthur to take charge. He in turn placed Major (now General) Dwight Eisenhower in immediate command. The situation was cleaned up without the firing of a shot or injury to a single person.

Certain of my orders to the Secretary of War, however, were not carried out. Those orders limited action to seeing to it that the disturbing factions returned to their camps outside the business district. I did not wish them driven from their camps, as I proposed that next day we would surround the camps and determine more accurately the Communists and ex-convicts among the campers. Our military officers, however, having them on the move, pushed them outside the District.

THE 1932 CAMPAIGN

General MacArthur issued his own statement, saying in part:

"That mob . . . was a bad-looking mob. It was animated by the essence of revolution. The gentleness, the consideration with which they had been treated had been mistaken for weakness and they had come to the conclusion, beyond the shadow of a doubt, that they were about to take over in some arbitrary way either the direct control of the government or else to control it by indirect methods . . . I think it can be safely said that (the President) had not only reached the end of an extraordinary patience but that he had gone to the very limit in his desire to avoid friction and trouble before he used force.

". . . I have released in my day more than one community which had been held in the grip of a foreign enemy . . . I have never seen, even in those days, such expression of gratitude as I heard from the crowds today. At least a dozen people told me, especially in the Negro section, that a regular system of tribute was being levied on them by this insurrectionist group; a reign of terror was being started which may have led to a system of Caponeism, and I believe later to insurgency and insurrection."

General Glassford later published a series of articles stating flatly that he had opposed calling out the troops and that he could have handled the situation. The Attorney General took sworn statements from the District commissioners proving that Glassford had implored them that troops be called for.

A large part of the veterans believe to this day that men who served their country in war were shot down in the streets of Washington by the Regular Army at my orders—yet not a shot was fired or a person injured after the federal government took charge.

And it was I who, as President, provided more for veterans in need than any other President in previous history. And the Roosevelt administration took a large part of it away from them. The following are figures on World War veterans' or dead veterans' dependents regularly receiving either pensions or disability allowances from the federal government. They speak for themselves: Hoover administration: 1930, 376,500; 1931, 628,600; 1932, 840,300; and 1933, 853,800. Roosevelt administration: 1934, 462,900; 1935, 473,500; and 1936, 479,000. The 370,000 veterans forced off the rolls had been there because they were both sick and needy.

Communist Complicity Proved

That the Bonus March was to a considerable degree Communist-organized and managed has become clear beyond a doubt over the years both through investigation some years later by Congressional committees and by the disclosures of repentant Communist leaders who participated in it. Sixteen years later, one of them, Benjamin Gitlow, published a full account in which he gave the details of organization of these "marchers" and of their direction in Washington by a Russian Communist agent operating from a safe hotel room.

Still later an even more ample account of Communist leadership in the march was given by a reformed Communist, John T. Pace. Pace also stated that during the 1932 campaign he was assigned by the Communists to stump the country, attacking us.

Despite repeated refutations, Mrs. Eleanor Roosevelt as late as July, 1949, repeated the Bonus March lie in McCall's Magazine of that date. When former Secretary of War Hurley demonstrated in the November issue that it was a lie, she made no apology.

Another below-the-belt misrepresentation during the 1932 campaign which was hard to take with urbanity was Roosevelt's referring to my administration's neglect of

OldMagazineArticles.com

THE 1932 CAMPAIGN

humane services.

It was, of course, good politics to pound incessantly into the ears of millions of radio listeners, by direct statement and innuendo, the total heartlessness of one's opponent.

In the main, Roosevelt's method was one of implication—by advocating such measures as child-care services, extension of public health measures, slum clearance, abolition of child labor, etc., as new discoveries, then pouring on his "Hoover did nothing" refrain, to make us out as hideous monsters.

It was difficult to answer by factual recitation of my years of efforts in children's welfare, housing, slum clearance and other activities.

It would be possible to recite many such misrepresentations by the opposition. The net result of this contributed to my defeat. Many honest men must have believed the charges unreservedly. Defeat would no doubt have taken place anyway. But it might have taken place without such defilement of American life.

The whole Democratic performance was far below the level of any previous campaign in modern times, certainly below the character of the 1928 campaign with Governor Smith.

Secretary Mills, who was a New Yorker, in a memorandum to me just before the 1932 campaign, declared that in contrast to 1928, where Smith and I both practiced morals, this campaign would have no such decency. He warned: "We are faced with a phalanx of lies and misrepresentation."

One Protest Against Abuse

Only once during the campaign did I protest against Democratic tactics of personal abuse. At Fort Wayne on October 9th, I said: "I shall say now the only harsh word that I have uttered in public office. I hope it will be the last . . .

"When you are told that the President of the United States—who by the most sacred trust of our nation is the President of all the people, a man of your own blood and upbringing—has sat in the White House for the last three years of your misfortune without troubling to know your burdens, without heartaches over your miseries and casualties, without summoning every avenue of skillful assistance irrespective of party or view, without using every ounce of his strength and straining his every nerve to protect and help, without using every possible agency of democracy that would bring aid, without putting aside personal ambition and humbling his pride of opinion, if that would serve—then I say to you that such statements are deliberate, intolerable falsehoods."

Ever since I left office my personal correspondence has been studded with touching apologies from complete strangers who said they had been misled, had taken part in these campaigns of lies, and wanted me to know they were sorry.

Often they asked for a letter of forgiveness to ease their consciences.

Roosevelt's most effective campaign issue was, of course, the depression. His strategy was to allege that I had made the depression and then done nothing about it.

He stated six varieties of "proofs": first, that the depression was entirely of domestic origin; second, that I was personally responsible for the stock-market boom and the orgy of speculation; third, that as Secretary of Commerce I had caused overbuilding of industry; fourth, that as Secretary of Commerce I had been responsible for private loans to foreigners, which by their default were a cause of the depression; fifth, that as President I had signed the Smoot-Hawley tariff bill, which had destroyed our foreign markets, made it impossible for foreigners to pay their debts and had started trade reprisals over the

THE 1932 CAMPAIGN

world; and sixth, that by extravagance and reckless spending we had developed a great deficit which was strangling the country.

The miseries of the people and the wrongdoing of business (mostly exposed by my administration) furnished magnificent oratorical material for emotionalizing these issues by innuendo and sly inference.

Nowhere in the speeches of Roosevelt or his supporters was there the slightest reference to the part played in the depression by the greatest war in history, the war's dreadful legacies, or the collapse of Europe's economy.

In commenting on charges that it was a "Hoover depression," I did not minimize the calamity that had befallen us, but gave facts to make clear the truth as to the forces in motion. In replying to Roosevelt's statements that I was responsible for the orgy of speculation, I considered for some time whether I should expose the responsibility of the Federal Reserve Board by its deliberate inflation policies from 1925 to 1928 under European influence, and my opposition to these policies. But I concluded that it would only result in further destruction of public confidence in our banking structure, and decided to deny myself this defense.

As to his allegations that I was responsible for \$14,000,000,000 worth of bad private loans to foreigners, thereby provoking another cause of the depression, the facts were at variance with this. At the crash in 1929, \$7,000,000,000 of such loans were outstanding, of which less than \$2,000,000,000 defaulted. I had repeatedly warned against the recklessness of such loans and, as I have reported in an earlier chapter, tried to secure regulation of them.

In Indianapolis on October 28th I declared:

"The governor has not stated to the American people my oft-repeated warnings that American loans made in foreign countries should be on sound security and confined to reproductive purposes . . . One interesting part of all this tirade is that I have never been engaged in the selling of foreign bonds or foreign loans . . ."

I then commented on the fact that Roosevelt had himself been in the business of promoting such loans as chairman, in 1928, of the organization committee of the Federal International Banking Company, a corporation organized to sell foreign securities and bonds to the American people.

Roosevelt not only advanced the thesis that I was responsible for the depression but also repeatedly asserted that I had done nothing about it. He declared or implied this in seven different speeches. For instance, on September 29th he said:

". . . Today I read in the papers that for the first time, so far as I know, the administration of President Hoover has discovered the fact that there is such a thing as a farm mortgage or a home mortgage . . . My friends, all that I can tell you is that with you I deplore, I regret, the inexcusable, the reprehensible delay of Washington, not for months alone, but for years."

On October 5th, he said: ". . . for at least two years after the crash, the only efforts made . . . were to deny its existence." On October 25th: ". . . this administration did nothing and their leaders, I am told, are still doing nothing." On October 31st: "He did nothing for a long time after the depression began . . . He intensified the forces that made for depressions by encouraging . . . speculation."

It served no purpose simply to yell "liar" at each of these misstatements and innuendoes. I therefore tried to explain the truth and let it go at that, and I stressed the deliberate sabotage of many of my measures by Roosevelt's own party in Congress.

Roosevelt scarcely mentioned the RFC; our help to farmers via the granting of large credits through the farm co-opera-

OldMagazineArticles.com

THE 1932 CAMPAIGN

tives; the enlarged resources of the Federal Land Banks; our Intermediate Credit Banks; our new system of Agricultural Production Banks. He deprecated the home loan banks and the greatly expanded powers of the Federal Reserve System to assist business and agriculture.

At Detroit on October 22d I declared:

"Practically the only evidence of the attitude of the Democratic candidate upon this program is the sneer that it has been designed to help banks and corporations, that it has not helped the common man. He knows full well that the only purpose of helping an insurance company is to protect the policyholder . . . that the only purpose of helping a bank is to protect the depositor and the borrower . . . that the only purpose of helping a farm-mortgage company is to enable the farmer to hold his farm . . . that the only purpose of helping the building and loan association is to protect savings and homes . . . He knows full well that in sustaining the businessman it maintains the worker in his job."

Deficits Were Overstated

Roosevelt also severely criticized us for our expenditures and deficits.

Our apparent deficit for our four years was \$3,447,000,000. But of this sum, \$2,459,000,000 represented recoverable loans of RFC and the various agricultural and home loan agencies. (These loans were later repaid.) Thus our net deficit was about \$1,100,000,000—not \$5,000,000,000 as Roosevelt subsequently alleged. The deficit was entirely the result of the loss of revenue—not of an increase in ordinary expenditures, as he claimed. If revenues had remained at predepression levels, we would have had a surplus of more than \$1,500,000,000.

Roosevelt ignored the fact that revenues had dropped by \$2,000,000,000 a year and that our increased spending was for loans, relief, public works and recoverable loans to support the distressed and bolster the economic structure during the depression.

It is difficult adequately to condemn the falsity and the misrepresentation of his speeches on this subject. The proof lay in later years. Despite the increased taxes passed in my administration, he had a deficit in his first four years of \$13,078,000,000. Had he carried out his campaign promise to reduce expenses by 25 per cent, his total expenditures for these four years would have been \$12,800,000,000, instead of the actual \$27,000,000,000.

Never has a promise been so profitable politically—and so costly to the public.

Early in the campaign I was informed by a withdrawing member of the Roosevelt "brain trust" that his advisers had proposed an abandonment of the gold standard, devaluation and the substitution of a "managed currency" as an over-all method of raising prices and wages. He added that Roosevelt had agreed that this was what they should do if he were elected, but had decided that it would be a very bad campaign issue.

As we could not prove this statement, Treasury Secretary Mills and I determined to smoke out the whole devaluation-managed currency-fiat money issue.

The Democratic platform, often repeated by Roosevelt, had used these weasel words: "A *sound* currency to be preserved at all hazards and an international monetary conference called on the invitation of our government to consider the rehabilitation of silver."

The omission of the word "gold" and substitution of the weasel word "sound" was a compromise with the whole "soft money" history of the Democratic party.

That history embraced proposals for "greenbacks" and "free silver," and, as late as 1932, in legislation passed by the Democratic Congress mostly under the leadership

THE 1932 CAMPAIGN

of Roosevelt's running mate, Garner, proposals for "rubber dollar," fiat and inflated currency. This in itself was confirmation that tinkering with the currency was on the way again.

How Gold Reserve Was Drained

I first opened fire on this issue at Des Moines on October 4th. Disclosing much hitherto unknown to the public, I described the critical battle fought by the administration in the early part of 1932, when withdrawals from our banks by foreign depositors and hoarding by our own citizens had so drained our gold reserves that we were within weeks of going off the gold standard. I told how, by changes in the Federal Reserve System concerning the type of securities required by law to back up our currency, we had staved this off.

I declared: "Going off the gold standard in the United States would have been a most crushing blow to most of those with savings and those who owed money, and it was these we were fighting to protect . . . We determined that we should not enter the morass of using the printing press for currency or bonds. All human experience has demonstrated that . . . the moral integrity of the government would be sacrificed . . ."

Ultimately, our speeches on the monetary issue were making such an impression that Roosevelt requested Senator Glass to reply. The senator's speech was one of the most vituperative of his career—and that was something. The senator with his political clothes on had few restraints.

Glass maintained that there never had been a crisis such as I described at Des Moines. He asserted that the Democratic platform meant the gold standard.

As Glass himself had consented at a White House conference during the crisis—in the presence of many others—to father the Glass-Steagall bill, the very purpose of which was to prevent us from being forced off the gold standard, I considered that this part of his speech needed correction. Senator James Watson, who was also at that meeting, issued a statement calling the senator's attention to his lapse of memory as to his own participation on that occasion.

Finally we drove Roosevelt to reply on the monetary issue, which he did on election eve, saying: "It is worthy of note that no adequate answer has been made to the magnificent philippic of Senator Glass the other night . . . (He) made a devastating challenge that no responsible government would have sold to the country securities payable in gold if it knew that the promise—*yes, the covenant* (italics mine)—embodied in these securities was as dubious as the President of the United States claims it was . . ."

This was later known as the "covenant" speech. (The written "covenant" on the currency reads: "redeemable in gold at the United States Treasury.") The speech is omitted from the volume of Roosevelt's speeches authorized and edited by him and compiled by Samuel Rosenman.

This reference to the "covenant" was taken by the public to be a pledge to the gold standard. Yet, after his inauguration, Roosevelt took the country off the gold standard. Thereupon Senator Glass turned on him with one of the bitterest denunciations ever made on the Senate floor. The senator also declared that his campaign speech had been made only on Roosevelt's pledge to him that he would not tamper with the currency. In later years Glass sent apologies to me for his campaign speech and indeed gave me warning of impending attacks on me.

The tariff issue was yet another issue during the campaign on which we were able to wage effective battle.

In the earlier part of the campaign.

THE 1932 CAMPAIGN

Roosevelt made violent attacks on the Smoot-Hawley tariff of 1930, calling it the "highest" in world history. "monstrous." and a "ghastly jest." He also persisted in calling it the Grundy Tariff, using that expression more than 30 times, although some senatorial members of the "brain trust" well knew that Senator Joseph Grundy of Pennsylvania had spoken and voted against the bill because of its "flexible" provisions and because of what he considered insufficient rates.

But as the campaign went along, the governor discovered that farmers and labor did not agree with the college professors who wrote his speeches. He then totally reversed himself, much to the consternation of the professors.

As the debate proceeded, he began to hedge until finally he came out for the Smoot-Hawley agricultural tariffs and conceded the need for "protective tariffs on industrial goods."

He began his retreat at Sioux City on September 29th, saying: "Of course, the *outrageously* excessive rates in that bill as it became law must come down. But we should not lower them beyond a reasonable point, a point indicated by common sense and facts."

At Baltimore, on October 25th, he further modified his position: "Of course, it is absurd to talk of lowering tariff duties on farm products . . . I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered."

At Boston, on October 31st, he declared: "I favor—and do not let the false statements of my opponents deceive you—continued protection for American agriculture *as well as American industry.*"

At once, with his retreat at Sioux City, I began to inquire as to the real meaning of this hedging. I said at Indianapolis, on October 28th:

"The Democratic candidate from the day of his nomination iterates and reiterates that he proposes to reduce the tariff . . . He now announces within two weeks of the election that he does not propose to reduce tariffs on farm products.

"This is the most startling shift in position by a Presidential candidate in the midst of a political campaign in all recent political history. Does the governor realize that he has overnight thrown overboard the great historical position of his party?

"Perhaps the governor and the whole Democratic party will now withdraw and apologize for the defamation to which I have been subjected for the last two years because I called a special session of the Congress and secured an increase in agricultural tariffs.

"I myself am taking heart over this debate. If it could be continued long enough, I can drive him from every solitary position he has taken in this campaign. They are all equally untenable. Perhaps I could get him to declare himself upon other evasions and generalities. But even on the tariff, he perhaps remembers the dreadful predicament of the chameleon on the Scotch plaid."

As President, Roosevelt increased the real tariff and trade barriers around the United States—all of which offers interesting reflection on such subjects as abstract truth, intellectual honesty and the art of demagoguery.

The questions of relief and public works were inextricably mixed in the whole campaign debate.

My organization of direct relief of unemployment through the voluntary committee system was not injected as an issue into the campaign by Roosevelt. One can be sure that if there had been the smallest area of starvation in the country, it would have been raised from a molehill to a mountain.

However, he laid great emphasis upon public works as the solution of unemploy-

THE 1932 CAMPAIGN

ment. Some one of his "brain trust" had planted in him the idea that nothing of this sort was in progress already. He said at Boston on October 31st:

"The country would be horrified if it knew how little construction work authorized by the last Congress and approved by the President has actually been undertaken on this date, the 31st of October."

To show up this misrepresentation, I gave the figures on expenditures for public construction during my administration. These were based on fiscal years; I counted only one third the fiscal year ending 1929, when I took office, and only two thirds of the fiscal year ending 1933, when I left office. (This latter figure had already been set at the time I replied to Roosevelt.) The figures were: 1929, \$356,500,000; 1930, \$410,400,000; 1931, \$574,870,000; 1932, \$655,880,000; 1933, \$717,260,000.

This total of more than \$2,700,000,000 was greater than the entire national expenditure on public works during the previous 30 years, including the cost of the Panama Canal. In fact, it accounted for a considerable part of our deficit.

At Indianapolis, on October 28th, and in New York, on October 31st, I reviewed Roosevelt's sins of omission and commission on the issue of public works, and I pointed out that a promise he had given as to employment by the government would cost \$9,000,000,000 a year.

F.D.R.'s Public Works Policy

A puzzling inconsistency in Roosevelt's position is given by Raymond Moley in his book *After Seven Years*:

"Again and again, when we were formulating the plans for the campaign in 1932, Roosevelt had been urged by Tugwell and others to come out for a \$5,000,000,000 annual public works program. He repeatedly shied away from the proposal. This seems to have been partly because, as Roosevelt explained, Hoover, despite all his preparations had not been able to find over \$900,000,000 worth of 'good' and useful projects . . . The \$900,000,000 Hoover figure Roosevelt personally regarded as the probable outside limit of useful plans and projects."

Another vital issue in the 1932 campaign was prohibition. Prior to the Republican convention, I invited Senator William E. Borah, the leader of the dries, to lunch. I told him flatly that the Eighteenth Amendment and the Volstead law could not be enforced, gave him detailed information on the subject, and declared that the whole liquor question should be returned to the states, and that the amendment should be repealed.

To my great surprise Borah said that he agreed with me and would go along. We agreed that the federal government should retain authority to protect any state from imports of alcoholic beverages if that state wished to be dry. Borah strongly urged that the federal government reserve some power of review of state action to prevent the return of the old saloon with all its corruption. Several plans to this end were currently being discussed around the country.

I told Borah that I would go along on this if he would support me in presenting it in the campaign and if he could work out a constitutional formula.

After this agreement with Borah, I suggested that former Interior Secretary James Garfield of Ohio be chairman of the Resolutions Committee at the Republican convention. I gave Mr. Garfield my ideas for the platform plank on prohibition, which he heartily approved, as follows:

"An amendment should be promptly submitted that shall allow the states to deal with prohibition as their citizens may determine but subject to the retained power of the federal government to protect those

THE 1932 CAMPAIGN

states where prohibition may exist. There should be a safeguard against the return of the saloon and its attendant abuses."

Mr. Garfield submitted this formula to Borah, who agreed to it in the presence of other senators.

When the convention met, the Resolutions Committee, as expected, was divided—wet and dry. To get our idea accepted, Mr. Garfield finally allowed the dries to write a long preamble to it and the wets to write a final paragraph to attach on the end. I was greatly distressed, as I was sure that this would be interpreted as a straddle, but nothing could be done about it as it had already been sent to the floor of the convention.

There followed a long debate on the floor. I was listening over the radio when my private telephone rang and Mark Sullivan told me that Senator Borah wished to speak with me; would I call him up? I did so at once. Borah said that he was listening to the debate, that he thought the plank was very good and expressed great anxiety lest it might be defeated. I told him not to worry, that in the end it would be put through.

Twenty-four hours later, Borah made a public statement, denounced the platform plank and declared that he would support no candidate on that basis. Certainly I had no support from him in the campaign.

Democrats "Urge" No Saloons

The Democratic convention was also tangled over this issue. Its plank advocated repeal, subject to federal government control of interstate traffic to protect the states from importation of intoxicating liquors in violation of their laws. At the same time the Democrats *urged* that the states prevent the return of the saloon. This idea of *urging* the states to prevent the saloon, instead of *requiring* it, was the only essential difference from the Republican formula.

Subsequent events proved that there was not even an "urge" by the Roosevelt administration to prevent the return of the saloon; it returned in three times the number before prohibition.

All through the 1932 campaign something was in the air far more sinister than the miasmic climate of depression or political defamation. I was convinced that Roosevelt and his "brain trust" were proposing to introduce parts of the collectivism of Europe into the United States under the title of "planned economy." That was an expression common in all collectivist systems.

The domestic version of this idea, paraded as liberalism, had all the tactics of its European counterparts. Behind it was the concept of forcibly channeling the activities of the people and determining their economic life. It meant coercion of the citizens, and government entry into business competition with them.

The "planners," by new and adroit semantics, stated these purposes in various guises of old and well-understood words and in terms of glorious objectives. Their ideas involved a mixture of Socialism and Fascism.

The first evidence of these collectivist ideas in the Democratic camp was the character and beliefs of Roosevelt's advisers and speech writers—Tugwell, Frankfurter, Wallace, Senators Norris of Nebraska and Thomas of Oklahoma, and others—men whose own declarations for some years had been of the full-blown collectivist type.

Confirmation of their influence appeared in many of Roosevelt's campaign speeches. At Oglethorpe University on May 22d he used the expressions "social planning" and "controlling by adequate planning the creation and distribution of those products which our vast economic machine is capable of yielding."

THE 1932 CAMPAIGN

In a speech on October 6th, he said: "... We know that some measures of regularization and planning for balance among industries and for envisaging production as a national activity must be devised."

In an address in San Francisco, on September 23d, he boldly advanced the notion of complete government control of production and distribution, saying: "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 now is not discovery or exploitation of natural resources, or necessarily producing more goods. It is the soberer, less dramatic business . . . 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."

No such control of industry as this implied was possible without regimentation of the nation.

A further indication of the collectivist character of the New Deal was in an address at Topeka, Kansas, where Roosevelt proposed his "domestic allotment" plan for agriculture, which was wholly impossible without control of what the farmer was to plant and the fixing of prices on all he sold. Still more evidence of the collectivist idea was "managed currency," which, through currency manipulation, put the possible control of values, wages and prices in the hands of bureaucracy.

Beyond all this was Roosevelt's incessant stirring of class hate in the most classless people civilization had produced.

Another incident carried, to me, great conviction as to the collectivist nature of the New Deal. On September 17, 1931, President Gerard Swope of the General Electric Company had in a public address taken the lead in a project for the reorganization of American industry. He called this project "economic planning." At the time, I had submitted this plan to the Attorney General, with a note pointing out:

"This plan provides for the mobilization of each variety of industry and business into trade associations, to be legalized by the government and authorized to 'stabilize prices' . . . It means the repeal of the entire Sherman and Clayton Acts, and all other restrictions on combinations and monopoly. In fact, if such a thing were ever done, it means the decay of American industry from the day this scheme is born, because one cannot stabilize prices without restricting production and protecting obsolete plants and inferior managements. It is the most gigantic proposal of monopoly ever made in history."

The Attorney General replied that the plan was wholly unconstitutional.

Late in December, 1931, the United States Chamber of Commerce had taken a step which struck me at the time as having some humor, coming as it did from that citadel of economic freedom. As a result of urging by Swope and others, the chamber undertook a referendum of their members upon this scheme of "economic planning." The chamber won a favorable referendum on the project from the members, many of whom fretted greatly under the antitrust laws. Henry Harriman, president of the chamber, called on me and urged that I recommend the plan to Congress.

I informed him that if this plan were put into practice, it would, through the creation of monopolies, drive the country into the Fascism of which it was a precise pattern, or toward Socialism as the result of public exasperation.

On September 23, 1932, during the campaign, Harriman again called upon me and urged that I pledge to support the chamber's recommendation. Again I refused. To me it violated the primary canons of human liberty. Harriman told me that Roosevelt had agreed to support the plan

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THE 1932 CAMPAIGN

and that if I would not make such a pledge a large number of highly placed businessmen would support my opponent, both financially and by their influence—which they did. Mr. Roosevelt kept his pledge and the NRA was the resulting Frankenstein.

I devoted an entire address to this issue of proposed collectivism in New York on October 31st, giving chapter and verse. Some paragraphs were prophetic:

"We are told by the opposition that we must have a change . . . 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 . . .

"We must go deeper than platitudes . . . 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 must look into measures for which they voted (in Congress) and which were defeated. We must inquire whether or not the Presidential and Vice-Presidential candidates have disavowed these acts . . .

"The spirit of liberalism is to create free men; it is not the regimentation of men. It is not the extension of bureaucracy . . . Expansion of government in business means that the government, in order to protect itself from the political consequences of its errors, is driven irresistibly . . . to greater and greater control of the nation's press and platform . . .

"If these measures, these promises which I have discussed, or these failures to disavow these projects . . . mean anything, they mean the enormous expansion of the federal government . . . No man who has not occupied my position in Washington can fully realize the constant battle which must be carried on against incompetence, corruption, tyranny of government expanded into business . . .

"Every step in that direction poisons the very roots of liberalism. It poisons political equality, free speech, free press and equality of opportunity. It is the road not to liberty but to less liberty. True liberalism is found not in striving to spread bureaucracy, but in striving to set bounds to it. True liberalism seeks all legitimate freedom first in the confident belief that without such freedom the pursuit of other blessings is in vain. Liberalism is a force truly of the spirit, proceeding from the deep realization that economic freedom cannot be sacrificed if political freedom is to be preserved."

It seems fitting to end this chapter on the campaign with an off-the-record speech I made in December, 1932, after my defeat, to the Gridiron Club: "You will expect me to discuss the late election. Well, as nearly as I can learn, we did not have enough votes on our side . . .

"Only a few rare souls in a century, to whose class I make no pretension, count much in the great flow of this Republic. The life stream of this nation is the generations of millions of human particles acting under impulses of advancing ideas and national ideals gathered from a thousand springs . . . Its dikes against dangerous floods are cemented with the blood of our fathers. Our children will strengthen these dikes, will create new channels, and the land will grow greater and richer with their lives."

THE 1932 CAMPAIGN

"We are but transitory officials in government . . . What counts toward the honor of public officials is that they sustain the national ideals upon which are patterned the design of these channels of progress and the construction of these dikes of safety. What is said in this or in that political campaign counts no more than the sound of the cheerful ripples or the angry whirls of the stream.

"What matters is—that God help the man or the group who breaks down these dikes, who diverts these channels to selfish ends. These waters will drown him or them in a tragedy that will spread over a thousand years." . . .

Next week, Hoover reveals the inside story of his futile efforts to enlist the co-operation of F.D.R. after the 1932 election and before the inauguration. It is a story of deep human interest and real historical significance. Be sure to order your newsstand copy now

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