

Letter from Herbert Hoover about Commission for Relief in Belgium, June 15, 1915 (pg.1)

Copies:-

Brussels, June 15th 1915

My dear Francqui:-

This seems an appropriate time for a short review of the amount of benevolent support and the results accomplished in the benevolent department of the Commission for Relief in Belgium during the past seven months. The work of the shipping, purchasing departments of the Commission with the Comité National in alimentation and finance are not herein referred to.

At the outset, the Commission established relations with the several bodies throughout the world, interested in Belgian Relief - but of mere purpose - appeals were dispatched to Governors, Premiers and other prominent men throughout the world, asking them to interest themselves in the establishment of regional committees to organize up an effort in favour of the destitute in Belgium. Ultimately over 1000 committees were organized by the Commission in various parts of the world.

Not only have these committees collected money, clothing and food on behalf of the destitute, but the Commission has taken advantage of the kindly disposition and influence in securing innumerable local concessions in the purchase of the provisions for the département d'alimentation.

The money or the value of the food collected during the seven months up to June 1st has been as follows & distributed as to regions:

TOTAL BENEVOLENT RECEIPTS TO JUNE 1ST.

United States	27,000,000	france
Australasia	14,000,000	
Great Britain	10,000,000	
Canada	5,000,000	
Spain	150,000	
Italy	150,000	
China	100,000	
Profits earned by the Commission on the sale of food	13,000,000	

Total . . . 71,000,000 francs

Also several thousand tons of clothing valued at about 6,000,000 francs. There contributions have been, in the main, the aggregation of minute subscriptions representing some self-denial by millions of people. There has been only one large contribution the Rockefeller-Foundation, of about 5,000,000 francs.

Aside however from these direct contributions of the generously disposed people and institutions, there has been invoked an extraordinary amount of free service, which in result can be interpreted in two directions: 1°) In the profits earned by the Commission for Relief in Belgium, being the difference between the actual cost of obtaining foodstuffs for the ravitaillement and the price at which they are disposed of in Belgium, and 2°) The fact that, besides making a profit, the joint committees have been able to maintain the price of bread in Belgium until the end of June at an average of 10% under the price in London. This latter is of the most vital importance to all classes of the Belgian people and has not only been done, but the profit of 13,000,000 francs over and above all expenses, has been earned for the support of the destitute besides.

Letter from Herbert Hoover about Commission for Relief in Belgium, June 15, 1915 (pg.2)

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It may be mentioned that the total foodstuffs imported into Belgium by the Commission have up to the first of June amounted to almost exactly 200,000,000 francs. The total expenses for administration of the Commission amounts to less than $\frac{3}{4}$ of one percent

It is interesting to note the importance of the saving made to all classes in Belgium by virtue of the very low prices which have been maintained. If the bread - not to mention the other commodities - had been sold at London prices, the profits would have been greater by 15,000,000 francs. Therefore we can say that the special services rendered by concessions obtained are the sum of the "profits" and the reductions below London prices aggregate considerably over 30,000,000 francs.

These special services are of the following character: The commercial management of the purchase and shipment of the foodstuffs have been in the hands of those of my colleagues of wide commercial experience, who have devoted themselves unselfishly with great success without even so much as their personal expenses. They have, by their own devotion, been able to command concessions of the most extraordinary order. These concessions consist of the voluntary service without commissions, of the great shipping, railway and purchasing firms and societies throughout the world, with the almost total elimination of middle men's profits. Even office rent and furniture have been donated. Either free or reduced railway rates have been given throughout the United States and Canada and the shipping and insurance done without commission. The Dutch Government has given concessions in railway, telegraph and other services of the most noble order.

Aside from these services, I must mention that large body of volunteers, who have worked so devotedly in Belgium in the distribution and accords, with the hope only of that greatest of all recompense - the satisfaction of a human service well given.

I am sending you this as an absolutely private communication to yourself to simply furnish you with data which may be of use in establishing the purely philanthropic character of all of our institutions. We do not want it made a basis for any expressions of gratitude with which we are already overwhelmed.

With best wishes.

Yours very sincerely

sgd. J Herbert C. Hoover

Colonel Haskell Reports to Herbert Hoover about Russian Relief, August 27, 1923 (pg.1)

COLONEL HASKELL REPORTS ON RUSSIAN RELIEF.

Washington, D.C.,
August 27, 1923.

Honorable Herbert Hoover,
Chairman, American Relief Administration,
Washington, D. C.

Dear Mr. Hoover:

At the conclusion of my services as your assistant in charge of the distribution of ARA relief in Russia I take occasion to give a short review of the task and its accomplishment.

It is now two years since you undertook to organize the relief of this great famine which arose fundamentally from the sapping of production in Russia but was made more acute by drought conditions in 1921.

During this period a little under a million tons of food, seed, clothing and medical supplies have been bought in the United States by the American Relief Administration, requiring about 250 voyages of American ships to nine different ports serving Russia. These supplies amounted to 60,000 carloads on the Russian railways. Their distribution was accomplished through the organization of 35,000 different stations at the worst period when we were feeding nearly 11,000,000 men, women and children daily. Not only would these millions have died without this relief, but even large numbers would have perished from the cesspool of contagious disease which was then raging in every direction.

In the battle against these epidemics the American Relief Administration furnished supplies to over 15,000 hospitals and institutions and organized the inoculation and vaccination of over 7,000,000 individuals. Its systematic campaign of sanitation stamped out the most dangerous center

Colonel Haskell Reports to Herbert Hoover about Russian Relief, August 27, 1923 (pg.2)

of contagion in the entire world. From seed imported about 8,000,000 acres of land were sown. The worst of the famine was over a year ago but since that time the American Relief Administration has continued to feed, clothe and give medical service to an average of 2,000,000 derelict children until they were past danger, and to provide food and clothing for over 100,000 teachers and professional people as a supplementary service. The American Relief Administration has furnished over 90% of all the relief that went into Russia during the last two years.

To accomplish this it has been necessary for you to mobilize over \$60,000,000 of which \$24,000,000 were voted by Congress and the balance amassed by you through coordination of various American efforts, through your insistence that the Soviet authorities use their gold resources and through various financial operations inaugurated by you. This does not indeed represent the entire expenditure, for under the Riga agreement with the Soviets which was insisted upon by you as a condition precedent to going into Russia, that Government has paid for all labor, internal transportation, warehouses, kitchens and Russian staff. This has amounted indeed to a very considerable amount of money. Through the margin established by the American Relief Administration in selling food and clothing packages to Russians all over the world for delivery to their relatives in Russia, a sufficient amount has been earned to balance the entire overhead expenses and leave a substantial balance for charity. Therefore, there has been no cost to the American contributor or taxpayer for administration of the Congressional or other funds.

My task has been that of distribution in Russia, and I wish to take this occasion to express my admiration for the extraordinary ability and efficiency displayed by my fellow directors in charge of purchases,

Colonel Haskell Reports to Herbert Hoover about Russian Relief, August 27, 1923 (pg.3)

transportation, finance and accounting and other branches of ARA. The successful result of the work has been as much due to each of these divisions as to the final distribution division of which I had charge.

There stands out in all this work the fact that we have had a group of 300 men stretched in a chain from New York to Astmahan, who for fine spirit, cleanness of character, devotion, resourcefulness and ability have been unequalled. They have done a fine job and America should be proud of it.

I shall not burden you with a recital of the difficulties of accomplishment other than to express my satisfaction that in spite of the lies and misrepresentations concerning the character and object of your undertaking originally circulated by the radical press in this country, that within six months, by religiously adhering to your instructions to carry on without regard to politics, race or creed, we succeeded in obtaining the full confidence of the Soviet Government. After that the cooperation of the Soviets was satisfactory and continued so until the end.

To the mind of the Russian common people the American Relief Administration was a miracle of God which came to them in their darkest hour under the stars and stripes. It turned the corner for civilization in Russia. It lifted the Russian people from despair to hope. Our medical supplies encouraged the medical profession. Our distribution of literature gave life to the scientists. Our free food packages revived hope in the intelligentsia. We purified water systems, disinfected millions of people, opened public baths, repaired roads, required improvement in schools, but above all we demonstrated that at least one organization could exist and succeed in Russia without submission to dictation.

Communism is dead and abandoned, and Russia is on the road to

Colonel Haskell Reports to Herbert Hoover about Russian Relief, August 27, 1923 (pg.4)

recovery. The realization by the Russian people that the strong American system was able and contained the spirit to save these millions of strangers from the death that had engulfed them must have furnished food for thought.

I should be indeed ungrateful and properly censured by my 300 American and 125,000 Russian assistants as well as by millions of Russian beneficiaries if I failed to express to you their deep affection and gratitude. To you alone who dared to conceive and execute one of the greatest administrative operations to relieve famine in the history of the world is due whatever credit the world sees fit to bestow but among us who felt your constant encouragement, moral support and intimate contact guiding our efforts there will always remain a mystery as to how you could spare the time to maintain such detailed touch with every phase of our work. The will to succeed which imbued all of the Americans in Russia and which was a great factor in the successful accomplishment of the task was a direct translation of your humanitarian spirit to Russia.

To America this is a passing incident of national duty, undertaken, finished and to be quickly forgotten. The story of it will be told lovingly in Russian households for generations. Through this service America has not only saved millions of lives, but has given impulse to the spiritual and economic recovery of a great nation, and on our own behalf we have created, in the assurance of good will from the Slav races, a great inheritance for our children.

Faithfully yours,

William N. Haskell.

"Hoover the Humanitarian!," 1928 (pg.1)

HOOVER THE HUMANITARIAN!

NO. 1

When the War broke out thousands of American Tourists were stranded in Europe.....It was Hoover who managed to get them home.

YOUR

Belgium suffering, its food supplies exhausted, Hoover called to head American Commission for Relief. The war has depleted Hoover's finances. Offers before him for gigantic work.

FRIENDS

MAY

At the breakfast table with Will Irwin, Mr. Hoover said - "The Hell with my Fortune" - and started on his great humanitarian work.

NOT

KNOW

Millions were fed and clothed. Millions of tons of foodstuffs acquired on credit pending contributions. With delicate diplomacy overcame opposition from several Nations. Backed by American public opinion he overcame all obstacles. Fed 10,000,000 people for three years. Spent \$25,000,000 a month, \$928,000,000 all told. Hoover never drew one cent from these funds for salary, living expenses, traveling expenses, or for any purpose whatsoever. He paid out of his own pocket.

THIS

.....

IT WAS HOOVER

NO. 2

Who kept 80 Freighters busy bringing 350,000,000 pounds of foodstuffs into Belgium every month to feed 10,000,000: every noon 2,300,000 children fed in the Belgian and Northern France Schools. His agents carried passports signed merely "Herbert Hoover" (what a testimonial to European confidence in his integrity). He made 40 round trips across the North Sea mines, back and forth across the war lines, battles with Lloyd George, Clemenceau and the German War Lords. They backed down and Belgium did not starve. Hoover was the only man in the world privileged to oscillate from Allied Headquarters to the German Headquarters at Charleville.

EFFICIENCY

PLUS

HUMANITARIANISM

"As accomplishment without stain, this enterprise in practical idealism; the bright motive in the first two gloomy acts of cosmic tragedy; the benevolent but practical American spirit in its highest manifestation."

--- WHO BUT HOOVER ---

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HOOVER'S AMERICANISM

NO. 3

Did you hear that Mr. Hoover is not an American?

JUST A

REAL

AMERICAN

Herbert Hoover was offered citizenship in Great Britain, an executive position and a title. Herbert Hoover's reply was - "I will do all I can to help with pleasure but I'll be damned if I will give up my American Citizenship."

"Hoover the Humanitarian!," 1928 (pg.2)

HOOVER IS MORE THAN AN ENGINEER

NO. 4

ENGINEER

"He has lifted engineering to its highest level. When as a boy he worked in the drifts of the Sierra mines, the Engineer --- estimated the cost and selected the methods for sinking a shaft or digging a ditch or building a dam - Gradually engineering expanded to a higher function - began to use calipers and calculus upon companies and industries as a whole; to discover by experiment and calculation where they were wasting effort, where missing opportunity, where blanketing with tradition."

(From Will Irwin's "Herbert Hoover" Page 313)

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HOOVER'S WAR SERVICE

NO. 5

DIPLOMAT

During the war Hoover was a diplomat, a financier, a dietician, admiral of a fleet, administrator of a billion dollar enterprise which absorbed only 3/8 of one per cent for "overhead."

--- WHO BUT HOOVER ---

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WAS HOOVER AWAY FROM UNITED STATES TOO LONG?

NO. 6

SYMBOLIZING

AMERICAN

IDEALS

Rapidly established reputation as mining engineer. Called to Australia in 1907. Then to China for awhile (read in Will Irwin's Biography of Hoover how he and Mrs. Hoover served in fighting the Boxer of Pekin). Turkestan, Malay, Burma, Siberia. Carrying the gospel of American methods, American honesty. During the war he symbolized to the starving millions in Belgium and Germany the generosity and humanity of the American people.

Actually he was in this Country part of every year except 1907. With consulting jobs and branch offices scattered over the globe, is this a detriment or an ASSET?

Any diplomatic experience in dealing with the heartbreaking Czarist system, the "spheres of interest" in China, the imperialistic intrigues in Africa, the revolutionary proclivities of Central America?

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HOOVER AS FOOD ADMINISTRATOR

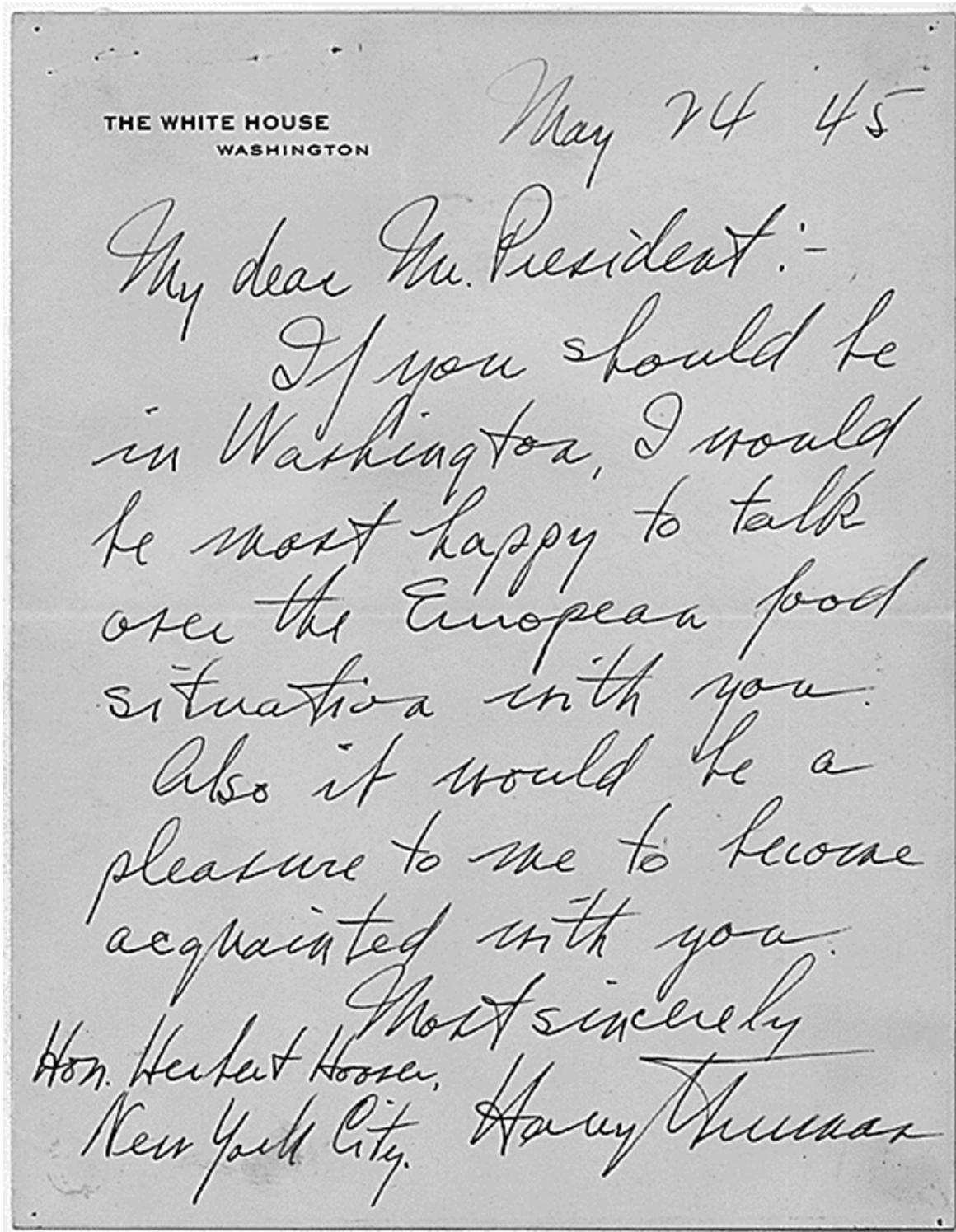
NO. 7

FOOD

ADMINISTRATOR

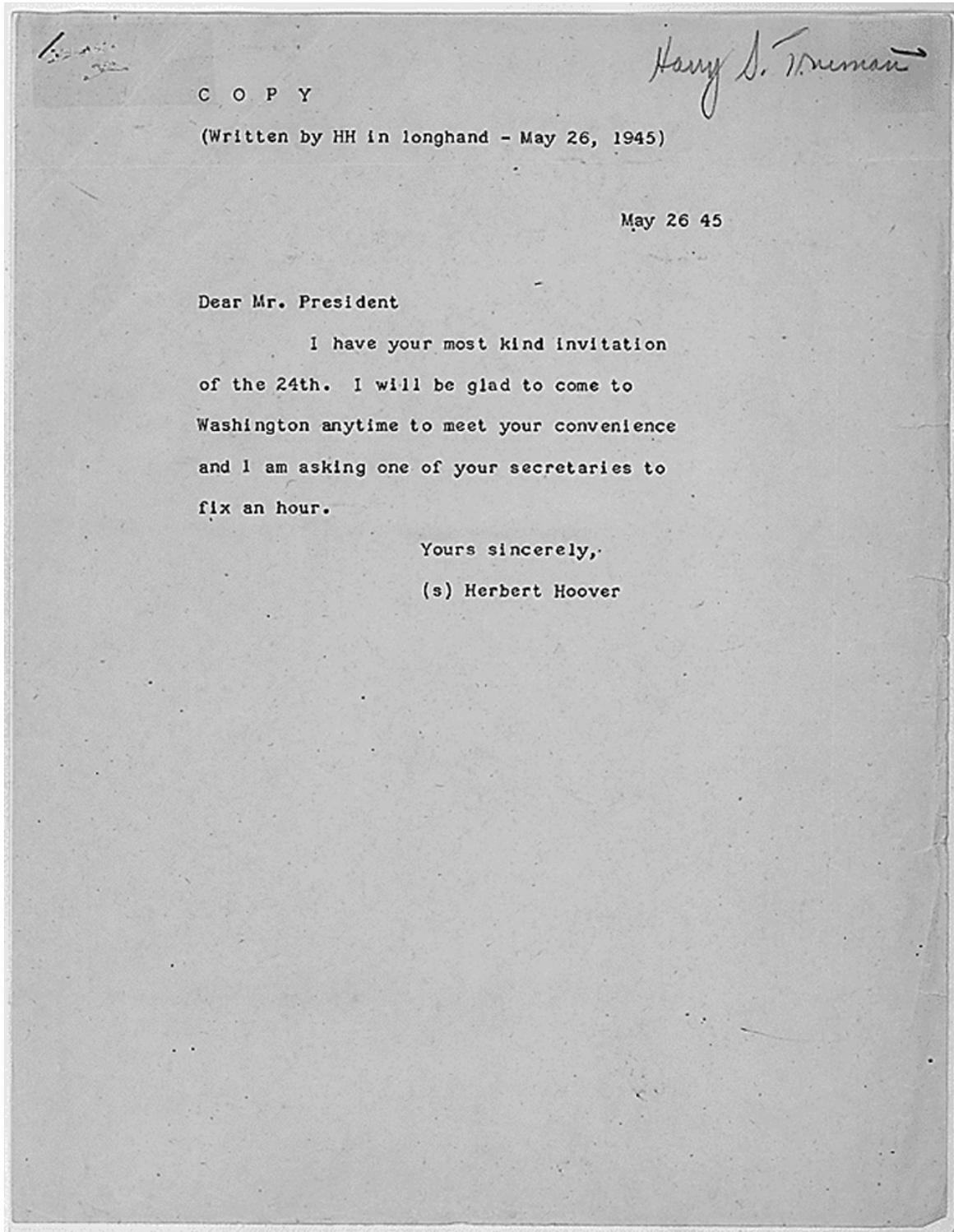
We entered war in 1917. Belgian relief continued under European auspices. Hoover comes home to be Food Administrator. Americans induced to save 1/3 wheat crop for European use. Governmental Grain Corporation formed. Bought and sold NINE BILLION DOLLARS worth of foodstuffs and finally left \$50,000,000 of profit in the hands of the Government.

Correspondence between Harry S. Truman and Herbert Hoover about Postwar Efforts to Prevent Famine, May 24, 1945 (pg.1)



Truman, Harry and Herbert Hoover, "Correspondence relating to Harry Truman inviting Herbert Hoover to the White House to discuss measures to avert famine in postwar Europe," 24 May 1945. Courtesy of National Archives

Correspondence between Harry S. Truman and Herbert Hoover about Postwar Efforts to Prevent Famine, May 24, 1945 (pg.2)



Truman, Harry and Herbert Hoover, "Correspondence relating to Harry Truman inviting Herbert Hoover to the White House to discuss measures to avert famine in postwar Europe," 24 May 1945. Courtesy of National Archives

Memo of Herbert Hoover's Talks with Argentina President Juan Peron, June 11, 1946 (pg.1)

[c. 6-11-46]

ARGENTINA

June 6,7,8,9,10, 1946

Buenos Aires.

As I have said my main objective in going to South America was to stimulate food exports from the Argentine and from Brazil. The former country was greatly the most important.

As the relations of the United States Government with the Government of the Argentine were bitter and filled with hate, it seemed almost impossible to do anything, but the stakes were so important - a possible increase in supplies by 1,000,000 tons - that I felt I must try.

When discussing the idea with President Truman, Secretary Anderson urged that I should try. Truman accepted. Anderson said, "The State Department will protest against Mr. Hoover's going." Truman replied, "We won't give them a chance, I will announce it at once."

As Lucius Boomer had just been in the Argentine, I asked him about any helpful personalities there; he brought a cousin of his, Mr. Robert Boomer, in to see me who did a large business in Buenos Aires and who was an able fellow. They both agreed that their friend Alberto Dodero was the key man for me to see, and Boomer offered to send word to Dodero in the strongest terms. They informed me that Dodero was reserved in the presence of others but that they would arrange that I could talk to him alone with full confidence. They said that Dodero was an important shipping man of large wealth, a large financial backer of Peron, and that his wife was a former American actress. That Peron's wife was a former Argentine actress. That the wives were the most intimate of friends, that Peron's wife had great influence over him.

Memo of Herbert Hoover's Talks with Argentina President Juan Peron, June 11, 1946 (pg.2)

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We had already arranged for the Vatican to pave the way.

When we arrived at Mexico City, Hugh and I suggested to President Camacho that in view of his known friendship with Peron, he could greatly help us if he would transmit word to Peron that he need have no fears of complications with me and that what I had to suggest might offer a great opportunity to Peron, and that I and my Party were opposed to intervention as an established principle. The Mexican President did all of this through the Mexican Ambassador in Buenos Aires.

On our arrival at Lima, Hugh contacted the Argentine Ambassador, an old friend, and suggested he aid us by clearing up any misimpressions in Peron's mind. He agreed to do so.

Although I was not able to confirm it until later, I was immediately suspicious that all was not well when I was met at the plane upon arrival at Buenos Aires by one secretary from the American Embassy, a clerk from the Foreign Office and a Captain from the President's staff. Inasmuch as ours was an official mission from the United States and as I was also a former President, it was the duty of the American Ambassador to meet me and it was also his duty to see that the Argentine authorities were properly represented. (Peron himself had gone to the airport to welcome Albert Higgins, a petty shipbuilder from New Orleans.).

No proper arrangements had been made for our accommodation but after we arrived at the hotel the Argentine Foreign Office representative telephoned that we were to be the guests of the Argentine Government.

I called Ambassador George Messersmith and asked him to arrange an appointment for me with Peron. He seemed to hesitate and said it would take a day or two. I called the Mexican Ambassador who arranged the meeting in twenty minutes.

Memo of Herbert Hoover's Talks with Argentina President Juan Peron, June 11, 1946 (pg.3)

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Subsequently I learned from Dodero that Peron, despite our previous efforts, was disturbed that my mission might do something to further embarrass him. And I learned from Ambassador Dawson at Montevideo that Ambassador Messersmith was not only opposed to me personally but had objected to the whole Mission. He obviously sought to isolate himself from it in the eyes of the Argentines by not coming to receive me at the airport and by sending a boy instead.

Messersmith had made no move and was visibly embarrassed when we informed him of my appointment but we insisted that he and not the Mexican Ambassador should accompany me on my call on Peron.

One of Boomer's friends in the Argentine and a friend of Dannie Heineman, Rene Brosens, the General Manager of The Argentine Electric Company, called upon me at Boomer's request and offered to arrange the meeting with Dodero. This man turned out to be a Belgian and an old CRB fellow. Dodero expressed a desire to see me alone and an hour was set, but when he came to the hotel, William Jassbone, a buyer of fats and oils for the Combined Food Board and connected with the Embassy, button-holed Dodero and brought him to my rooms and demanded to be present at the interview. This I point blankly refused. Dodero at once expressed his disgust with Jassbone in no uncertain terms and warned me to have no association with him as he had made himself obnoxious to many Argentines including himself (Dodero).

Memo of Herbert Hoover's Talks with Argentina President Juan Peron, June 11, 1946 (pg.4)

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I recounted to Dodero the purpose of my mission, asked his advice as to a discussion with Peron. I indicated that if Peron would take some dramatic action, such as declaring a 90-day emergency and appointing a special official to expedite exports, it would enable me to eulogize his actions, but more important it would give hope to the hungry nations ^{of Europe} and would stamp him as a man of good-will ^{over the whole of that hungry continent.}

Dodero agreed with me that that one of the brakes on exports was sheer red tape of some nine departments dealing with the problem. He told me he would see Peron immediately after my interview to see what impression I had made and to re-enforce my suggestions and to clarify ~~to~~ Peron as to myself. He was not happy over Messersmith being present at my interview as he felt it would couple me with the State Department whom Peron hated bitterly.

My interview with Peron lasted 35 minutes. I apologized for coming in upon him forty-eight hours after he had taken office and explained that it was only the desperation of the situation that justified my doing so. I outlined the world situation, our "gap" in supplies, my hopes from the Argentine of an additional ^{1.5}500,000 tons to the ordinary routine exports. Leaving him with a simple presentation of the case and expressions of personal good will by way of sympathetic expressions on the difficulty of the tasks which confronted him.

Memo of Herbert Hoover's Talks with Argentina President Juan Peron, June 11, 1946 (pg.5)

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Dodero reported that I had made a fine impression and that he had presented the additional points of the advantage to Peron of dramatic action and the nature of it.

Saturday and Sunday intervened and little could be done until Monday.

On Saturday, Messersmith gave a luncheon where the Minister of Industry (who had been present during the interview with Peron), the Foreign Minister, and the Minister of Agriculture were present. I outlined my plan of action to be taken by Peron and suggested that he was the man who ought to be given the powers to expedite exports. He was pleased at this idea. I received an invitation to attend a great State dinner by Peron to the delegates to his Inauguration on Sunday evening.

I had great doubts at accepting this invitation for fear of incidents by super-heated Argentines or by unfavorable publicity in the American anti-Argentine press that might interfere with my job. However, I went with Mr. and Mrs. Messersmith who was steadily losing his fears and becoming more friendly. I was placed at the 196th place in a dinner of 216 representatives of various governments and of Argentine officials. I was resolved however to eat even Argentine dirt if I could get the 1,600,000 tons. This seating was no doubt the work of some inor Argentine official, although Messersmith should have seen to it that I was properly placed. Hugh had also been invited but no seat was provided for him and after being insulted by an Argentine Army officer quietly left.

Memo of Herbert Hoover's Talks with Argentina President Juan Peron, June 11, 1946 (pg.6)

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I telephoned Messersmith on Sunday to secure for me another meeting with President Peron on Monday, hoping to button up my proposals. Messersmith said that nothing could be done on Sundays in the Argentine, that the Argentines never did business then. I told him two of the Ministers had been working with me all morning on our plans. On Monday I telephoned Dodero, who called me back at once and said that President Peron wished me to come to luncheon alone for a confidential talk with him. He did not want Messersmith. Hugh took the message and suggested there would be a language difficulty if I came alone and suggested that Dr. Julius Klein come as interpreter, explaining that Klein was of my political party and had been Under Secretary of Commerce in my Administration. Dodero reported that this was agreeable and that he had been invited also. I squared the matter with Messersmith by proposing that in a meeting where he was not present I could better support his purposes.

Dr. Klein's note outlines the conversation fully on other subjects than food. In the food matter I outlined the plan agreed with the Ministers, and for speeding up exports, and stated that one of my purposes was the opportunity it gave him to impress the solicitude of the Argentines upon the starving nations. He told me he was going to issue the necessary decrees (regulations in American terms) at once. I asked if there were any objection to my commenting at a press conference I was having that evening upon the fine cooperation he was giving. Peron was pleased at this idea. And I did so in warm terms. Peron promised to telegraph me ^{at Rio} the text of the decree

Memo of Herbert Hoover's Talks with Argentina President Juan Peron, June 11, 1946 (pg.7)

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Our major conversation was before lunch. At lunch Mrs. Peron was present. She is an intelligent woman and very cordial. After luncheon she insisted upon putting on my coat and both of them insisted upon accompanying me to the car.

Dodero reported Peron was very enthusiastic over my visit.

Memo of Herbert Hoover's Talks with Argentina President Juan Peron, June 11, 1946 (pg.8)

[c, 6-23-46]

The Argentine-United States situation is just bad. I spent much time between translations examining the furniture in Peron's mind - what kind of a person was he?

Peron is a naive person, ignorant of economics and governmental housekeeping, an opportunist, ambitious, with a pleasing personality, a good intellect and a man of courage. I am convinced that he is anxious to pursue two real policies. First, collaboration with the United States; and second, a real program of social reforms, which are badly needed. He is anti-Communist, anti-Socialist, he represents the military as against the social and landed aristocracy, the superficial elements of which are rotten. He is demagogic, but without any ideological philosophy, nor do his followers have much of any such philosophy. He is intensely nationalistic, but probably driven so, partly because of his demagogic personality but also partly from American intervention attitudes. He could with guidance be made into a constructive leader, as he is neither vindictive nor malicious, but very proud, being pure Spanish.

Spruille Braden convinced himself that he was the evangel to plant New Deal democracy and philosophy in the Argentine. He used the American Embassy as the headquarters for the organization of the so-called Union of Democratic Forces against the "Army contro;" but in reality his nightly cabals were mostly with the aristocracy with whom the American Embassy became promptly stamped by the Peron group. The net result of all of Braden's machinations in the Argentine and in Washington was to elect Peron. A

Memo of Herbert Hoover's Talks with Argentina President Juan Peron, June 11, 1946 (pg.9)

large group of patriotic and thoughtful Argentines supported Peron as a stop against American interference in domestic affairs. Peron said to me, "As an Argentine I resent Mr. Braden, but as Peron, I am grateful to him."

Braden's violation of 160 years of American tradition never to interfere in the domestic affairs of other nations has produced disastrous consequences not only to American relations with the Argentine, but in every other Latin American Government. Half of the Latin Governments half of the time are unconstitutional and of the dictator type, and every politician at once becomes fearful that he may become the victim of American interference. Never were our relations with Latin America so bad as they are today.

The opposition to Peron in the Argentine admits that the election was fair and honest. Peron is a truly elected President for the first time in years. There is only one course to pursue - and that is to end at once this interference and these American pressures. The seizure of their earmarked gold was not only illegal but unmoral. The blocking of their bank balances in the United States under the pretense that they may have German money is only a subterfuge. The continuation of this blockade and the combination of the black list one year after the Germans are licked is only for pressure. The whole of these actions, and others, were to force the opposition into power. In this we were rightly licked, and should properly realize it.

Metrie (Nacion), a leader of the opposition, deplored Braden's whole career and actions and said as an Argentine he resented it. That while he opposed Peron, he was now not sure he was serving his country when allied with American interference. If

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the opposition had won it would have justified the United States interference in their elections. He said he resented the Blue Book as an attack on the Argentine people, whether it was true or untrue. He added it was like an interference in your family - it must be resisted.

Ambassador George Messersmith is a number-two caliber man; earnest; wants to restore relations; is a good deal confused as to how to move, and of course follows every whim of the State Department.

Peron has seized American bank deposits and the tire companies. He threatens to seize more in retaliation for our actions. My impression is that it is not socialism that is driving him, but a mixture of nationalism and resentment at our interference in their domestic life. The British have always used their railways and businesses in Argentine politics, and possibly our packers and bankers will have done so likewise. In any event, Peron believes and says that they have ample evidence of - and intends to get rid of-- that interference. If the United States reversed its policies, I am confident that Peron could be led away from his nationalization of foreign enterprises, as he has no ideological impulses.

Peron was very frank with me, no doubt believe me the leader of the opposition, but I assured him I had no influence in the Administration.

We are not here dealing with a plunder trend like that in Mexico. But the Argentines will use the Russian bogie in their blind striking out against wrong on our part.

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On my return to Washington I sent out this whole situation to President Truman and urged him to release the gold and bank deposits at once and to cancel the black list. I stated that if this were done quickly, Peron would, I felt, respond to the gesture. Truman had not known the whole truth of our goings on in maintaining these pressures thirteen months after the war was over. When he confirmed my statement from the State Department (and had me repeat my statements to them), my recommendations were put into action within 48 hours. I sent a telegram to Peron through Doderer, saying that this was a gesture of personal good will from Truman and I hoped that he Peron might respond. Peron sent me a cordial reply.

Memo of Herbert Hoover's Talks with Argentina President Juan Peron, June 11, 1946 (pg.12)

Memorandum of Mr. Hoover's luncheon conference with President Juan D. Peron, at the President's Residence - Buenos Aires
Monday, June 10, 1946

(also present Mr. Alberto Dodero and JH - later at luncheon joined by Mme. Peron and Minister of Commerce and Industry Lagomasinas)

President Peron said he wished to discuss Argentine relations with the United States fully and frankly. That he wished a restoration of good-will and wished to cooperate. Mr. Hoover said at once that he could not promise any influence on the Administration, since he was a leader of the Opposition in the United States. That he would like to indicate his good-will toward the Argentine by recounting that his Latin-American policy for years even preceding his Presidency had long been emphatically opposed to any interventions in Latin-American internal affairs, and that his Administration had reversed such previous policies and marked it by withdrawals of United States troops from various small Northern Republics. He felt that since the war was over, it was highly important that the relations between the two great democracies, Argentina and the United States - the two with the dominant influence in each of the Continents and the two with broadly stable economic bases - should be normalized as rapidly as possible, with the prompt removal of all abnormal, though doubtless once-necessary war-time controls. He stated that these matters should be pushed through the American Ambassador, whom he indicated was most desirous of securing solutions.

Peron then outlined the major complaints of the Argentine. He did not mention Braden or the personal campaign of the State Department.

He said that the freezing of Argentina's gold in the United States Federal Reserve Bank (approximately \$250,000,000), was perhaps the major embarrassment, as it disturbed their currency and credit. Added to this was the blocking of the balances of the Argentine banks in the United States, a further large sum. He said that all of their major sales of foods and other raw materials abroad had to be made on credit and payments were effected locally by the government through the expansion of currency, which had risen in volume from 2,500,000,000 pesos pre-war to 4,500,000,000 pesos at the present time, a dangerous inflationary trend. Prices were rising and the working people greatly hurt. He felt strongly that if any relief could be provided on this point, Argentina's economy would probably be put on a much sounder basis.

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At the conclusion of the luncheon, Peron gave us a brief tabulation indicating that the British had frozen 127,000,000 pounds sterling of Argentine credits, and the freezing in the United States was 21,681,000 ounces of gold. These two sums totaled 4,270,000,000 Argentine pesos. (Current exchange value, one peso equals 24 U.S. cents).

Mr. Dodero had given to us just before the luncheon a four-page memorandum prepared on this subject by the Banco Centrale, which emphasized the great injustice of this situation, pointing out that Argentina had continued to sell to the United States without any restriction practically all products which we required, but that this could not continue much longer. The inference was that delay in the negotiation of sale of linseed and oil, among other products, was largely due to this obstacle. Practically the whole Argentine mercantile marine had been placed at the disposal of this outward-bound trend. In contrast with Argentina's whole-hearted collaboration in this respect, the United States - doubtless in part because of war-time necessities, which however were disappearing rapidly - had only been supplying to Argentina a small portion of the highly necessary mechanical and other requirements of Argentina. This very heavy unbalance of trade between the two countries has particularly distorted exchange and accumulated an increasing quantity of gold deposits in the United States.

President Peron later pointed out that they earnestly desire the earliest possible settlement of the linseed controversy, but that the above situation was a major obstacle in the way.

With reference to the transportation difficulties of the Argentine in expanding its exports, Mr. Hoover suggested that a large number of ships were available in the United States for purchase. This, however, did not seem to meet an immediate pressing requirement of the Argentine.

As regards internal transportation, Peron complained of the grave shortages of railway supplies, replacement of rolling stock, etc. He was reminded, however, that the British railways, even though desperately in need of such repairs, new cars, etc., refused to buy any such necessary supplies from the United States and were delaying the rebuilding of their equipment until supplies could be secured from England. Peron said this was regrettably true, and intimated that there might be an early move toward transference of control of the British lines.

In answer to a question, Peron said that the Argentine National Railways accounted for about 25 percent of the mileage, and for them the requested repairs, new cars, etc. was increasingly serious. He was told that such replacements could probably be secured more and more readily in the United States, and it was then indicated to Mr. Lagomasinas that it would be worth while for his Ministry to press at once for

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the purchase of such equipment. The Minister said that the problem seemed to be more one of getting export clearances in Washington on equipment, rather than purchasing it, and asked what could be done to expedite such clearances by Washington officials, who apparently were still much embittered against the Argentine and were definitely impeding shipments of supplies. It was suggested to him that we might be able to help upon returning to Washington if the Argentine Embassy would keep in contact with us. Mr. Hoover especially urged that Argentina set up a competent buying mission in the United States, to which he would be glad to offer advice if needed.

On all of these problems, however, (earmarked gold, United States export licensing, etc.), Mr. Hoover urged that the Argentines maintain close contact with the United States Ambassador and not be diverted by unauthorized parties. Our official representative was not only very competent, but most eager to advance Argentina's best interests. Peron said he shared this high opinion and would be guided by it.

Peron brought up the very grave need for oil drilling machinery as a means of avoiding the burning of large quantities of linseed, corn, and wheat for fuel. He estimated that at least half of the crop of linseed and corn had been thus consumed in the last two harvest years. He stated that if one shipload of oil drilling machinery had been permitted to Argentina (although he fully appreciated the extreme scarcity of such equipment in war-time), it would have been possible to have Argentina participate very heavily in the current drive against the famine. In fact, he felt that all of the deficit in food supplies mentioned by Mr. Hoover could have been met by his country.

Peron then brought up the question of the black list and emphatically insisted that his Government had been ready to take any steps against German houses if the United States Embassy had indicated from time to time during the war exactly who the offenders were and what their offenses might have been. He said that the Supreme Court of his country was very meticulous in such matters and would proceed promptly if adequate evidence were forthcoming. He said there were several instances which came to his personal knowledge of flagrantly offensive German firms, which the Argentine authorities had reported to the American Embassy for black listing but that nothing had been done, intimating that the handling of the matter by at least one of the officials in the American Embassy was not quite ethical. Now that peace was established, he said he was mystified by the continuance of the black list.

A further embarrassment mentioned by Peron was our restriction upon shipments of rubber from Brazil and Bolivia to the Argentine. Our controls over the rubber supplies of those two neighbors was being handled, he felt, in a rather

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inimical manner, and earnestly recommended that we look into this when we return to Washington. He said there had been an arrangement with Brazil for exchanges of Argentine wheat for flour, but that Brazil had, for one reason or another, not shipped any rubber whatsoever since the first of the year. This shortage had greatly impaired the small Argentine tire industry and had in turn thus paralyzed much of the transportation of grain from the interior. Mr. Hoover mentioned that there were reports of some 30,000 to 40,000 tires now in warehouses in Buenos Aires and that only 500 had been licensed. Lagomasinas commented on this by saying that licensing had been strictly controlled since we required them to show that the tires were going to be used only for the hauling of foodstuffs, and that this was sometimes difficult to establish. He also said that, according to his information, at least 10,000 of these tires had been cleared, and that arrangements were being made to expedite clearance of the remainder.

On the food situation, Peron said that they wished to do everything possible. That they had made outright gifts of some 400,000 tons to Italy, Greece, the Vatican, etc. That they were selling on credit to other nations, and receiving but little goods in return. Their meat shipments, of course, were committed almost entirely to the British, and in answer to Mr. Hoover's question, Peron felt that some measures should be taken to get diversion, especially of mutton shipments to France and other meat-shortage countries. He asked Lagomasinas to look into this. He said they were making considerable shipments to South American neighbors, which Mr. Hoover thoroughly recommended as an indirect relief for our own commitments.

Mr. Hoover then suggested the desirability of some official announcement of Argentina's intention to make every effort to increase its exports during the present critical months. In reply, Peron, after referring again to the often-mentioned obstacles (shortages of trucks, tires, etc.) offered to issue a special decree announcing Argentina's purpose to speed up exports in every possible way during the emergency. This, he hoped, might be helpful "psychologically as well as materially", and he authorized Mr. Hoover to announce this impending edict.

As we were leaving, Peron brought up the question of shortage of agricultural help, and Mr. Hoover urged that he look into the possibilities of bringing in some of the 300,000 displaced Poles, who would be thoroughly acceptable as farm hands and co-religionists of the Argentine. This seemed to interest Peron particularly and he said he would follow it up promptly.

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In conclusion, Peron urged that Mr. Hoover write to him personally after having checked up on some of the above situations on his return to the United States. He said he would greatly value Mr. Hoover's expert views on the possible solution of these difficulties.

“Herbert Hoover and West Branch” Book, 1974 (pg.1)

HOOVER AND THE ECONOMY

Beginning with the Hoover administration, government was moving, willingly or unwillingly, into an entirely new role of responsibility for the economy.

Presidents and political parties found themselves dealing with economic problems so complex and rapidly changing as to defy easy comprehension and solution. Events forced Presidents into courses of economic action that were apparently contrary to their firm convictions and goals as expressed in their campaigns for election.

Herbert Hoover's record furnishes the first example. As a candidate in 1928, he stressed “vigorous co-operation by the government to promote economic welfare” and praised “the spirit of adventure, of individual initiative, and of individual enterprise.”

Hoover's assertion as President of the government's responsibility for the nation's economy represented a complete break with the thinking of all past Presidents, and the new philosophy has been embraced by all succeeding Presidents.

Lecturing at Harvard University in 1934, the late Walter Lippmann pointed out that Presidents Monroe, Van Buren, Buchanan, Grant and Cleveland served during depressions and all of them “thought it no part of their duty, and not within their power, to take charge of the economy and direct it through the storm.” But Mr. Hoover “regarded it as his obvious duty to take charge and to direct.”

Lippmann said that Mr. Hoover spent billions in protecting banks, insurance companies and railroads against bankruptcy, in subsidies for agriculture, and on public works. He used the nation's credit in an effort to relieve debtors and to restore prices. He sought to control production, raise wages, and stimulate international trade.

“Mr. Hoover tried to do virtually everything that Mr. (Franklin D.) Roosevelt did in his first year,” Lippmann said. “He moved more cautiously, he applied smaller doses of the medicine, he timed the doses differently, and he worked against constantly mounting political opposition. He was less lucky and he was less effective. But on the point which concerns us here which is that laissez-faire* is dead and that the modern state has become responsible for the modern economy as a whole, Mr. Hoover is the best of all witnesses. For he acted on a doctrine which he professed to reject. There could be no better evidence of the degree to which the new doctrine is established.”

Lippmann expressed only his own opinion, of course, on what Hoover “professed to reject.” Hoover's 1928 campaign speeches pointed out the contrasts between private initiative and government ownership, with little reference to the areas between.

Yet, at one point in the campaign, Hoover said: “The very essence of equality of opportunity and of American individualism is that there shall be no domination by any group or combination in this republic, whether it be business or political. On the contrary, it demands economic justice as well as political and social justice. It is no system of laissez-faire.”

*laissez-faire: A doctrine opposing governmental interference (as by regulation or subsidy) in economic affairs beyond the minimum necessary for the maintenance of peace and property rights . . . a policy of non-interference with individual freedom of choice and action.”

“Herbert Hoover and West Branch” Book, 1974 (pg.2)

EQUALITY OF OPPORTUNITY

Herbert Hoover had a dream for America — a liberal progressive dream of a revitalized participatory democracy. He recognized that technology and urbanization were changing our society, and he was trying to find new instruments to keep alive grass roots participation.

As early as 1919 or 1920 when he was chairman of President Wilson's second Industrial Conference, he was getting that Conference to come out with proposals for collective bargaining, unemployment insurance, workmen's compensation, equal wages for women for equal work, tough child labor laws, and others.

He says in his memoirs that he delivered a speech before the Boston Chamber of Commerce in behalf of these ideas, and he said the applause he received would not have awakened a nervous baby.

Cyrus Ching, who was President Truman's chief labor negotiator, said that Hoover had a whole series of small conferences, getting five “enlightened” industrial leaders at a time in a small room and trying to sell them collective bargaining. Hoover told them it was inevitable and that they should accept it with good grace and allow the reasonable leaders such as Samuel Gompers to influence the course of labor and industrial relations. They turned him down cold, those enlightened leaders. Ching said that had they followed Hoover's advice in 1920 we might have avoided the bitterness of the 1930's.

When he was Secretary of Commerce, Hoover was so appalled at the low wages of government workers that he wanted to raise a government housing co-operative, to have the government workers collectively build their own housing at reasonable rents, which drove real estate people in Washington right up the wall — this wild, socialist idea.

In 1928, he discovered that much land in the Mississippi Valley was under tax liens and he wanted to have a land reform program to create small farms for black and white sharecroppers throughout the Mississippi Valley, with a National Credit Corporation to make long-term loans at low interest rates to these people. The New Deal picked this up a few years later, but they gave no credit to Hoover who had originated the idea.

Hoover supported a graduated income tax as a means of redistributing wealth, and tough inheritance laws. He said that if we do away with inheritance of political power, we must do away with inheritance of economic power. The big impediment as he saw it was the long-term trust — the two-generation trusts.

What Hoover wanted was not necessarily a great increase in the inheritance tax as he thought it was pretty stiff already. What he wanted was to get away from those trusts as a means of getting a revitalized leadership in the economic arena.

Equality of opportunity was his constant theme — legal, political, educational, social. He thought our society had achieved this to a greater degree than any other society, but he wasn't satisfied. He said every action of government should be held up against the yardstick of equality of opportunity.

All of his approaches reflected his optimistic view that man could rationally deal with new problems without sacrificing his civil liberties, without sacrificing his individuality, without being submerged into a large state.

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MY COUNTRYMEN:

This occasion is not alone the administration of the most sacred oath which can be assumed by an American citizen. It is a dedication and consecration under God to the highest office in service of our people. I assume this trust in the humility of knowledge that only through the guidance of Almighty Providence can I hope to discharge its ever increasing burdens.

It is in keeping with tradition throughout our history that I should express simply and directly the opinions which I hold concerning some of the matters of present importance.

If we survey the situation of our nation both at home and abroad, we find many satisfactions; we find some causes for concern. We have emerged from the losses of the Great War and the reconstruction following it with increased virility and strength. From this strength we have contributed to the recovery and progress of the world. What

Our Progress

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America has done has given renewed hope and courage to all who have faith in government by the people. In the large view, we have reached a higher degree of comfort and security than ever existed before in the history of the world. Through liberation from wide-spread poverty we have reached a higher degree of individual freedom than ever before. The devotion to and concern for our institutions are deep and sincere. We are steadily building a new race—a new civilization great in its own attainments. The influence and high purposes of our nation are respected among the peoples of the world. We aspire to distinction in the world, but to a distinction based upon confidence in our sense of justice as well as our accomplishments within our own borders and in our own lives. For wise guidance in this great period of recovery the nation is deeply indebted to Calvin Coolidge.

But all this majestic advance should not obscure the constant dangers from which self-government must be safeguarded. The strong man must at all times be alert to the attack of insidious disease.

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The most malign of all these dangers today is disregard *The Failure*
and disobedience of law. Crime is increasing. Confidence *of Our System*
in rigid and speedy justice is decreasing. I am not pre- *of Criminal*
pared to believe that this indicates any decay in the moral *Justice*
fibre of the American people. I am not prepared to believe
that it indicates an impotence of the Federal Government to
enforce its laws.

It is only in part due to the additional burdens imposed
upon our judicial system by the 18th Amendment. The prob-
lem is much wider than that. Many influences had increas-
ingly complicated and weakened our law enforcement or-
ganization long before the adoption of the 18th Amendment.

To re-establish the vigor and effectiveness of law enforce-
ment we must critically consider the entire federal
machinery of justice, the redistribution of its functions, the
simplification of its procedure, the provision of additional
special tribunals, the better selection of juries, and the more
effective organization of our agencies of investigation and
prosecution that justice may be sure and that it may be swift.

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While the authority of the Federal government extends to but part of our vast system of national, state and local justice, yet the standards which the Federal Government establishes have the most profound influence upon the whole structure.

We are fortunate in the ability and integrity of our Federal Judges and attorneys. But the system which these officers are called upon to administer is in many respects ill-adapted to present day conditions. Its intricate and involved rules of procedure have become the refuge of both big and little criminals. There is a belief abroad that by invoking technicalities, subterfuge and delay the ends of justice may be thwarted by those who can pay the cost.

Reform, reorganization and strengthening of our whole judicial and enforcement system both in civil and criminal sides have been advocated for years by statesmen, judges, and bar associations. First steps toward that end should not longer be delayed. Rigid and expeditious justice is the first safeguard of freedom, the basis of all ordered liberty, the vital force of progress. It must not come to be in our republic that it can be defeated by the indifference of the citi-

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zen, by exploitation of the delays and entanglements of the law, or by combinations of criminals. Justice must not fail because the agencies of enforcement are either delinquent or inefficiently organized. To consider these evils, to find their remedy, is the most sore necessity of our times.

Of the undoubted abuses which have grown up under the 18th Amendment, part are due to the causes I have just mentioned; but part are due to the failure of some states to accept their share of responsibility for concurrent enforcement and to the failure of many state and local officials to accept the obligation under their oath of office zealously to enforce the laws. With the failures from these many causes has come a dangerous expansion in the criminal elements who have found enlarged opportunities in dealing in illegal liquor.

*Enforcement
of the 18th
Amendment*

But a large responsibility rests directly upon our citizens. There would be little traffic in illegal liquor if only criminals patronized it. We must awake to the fact that this patronage from large numbers of law abiding citizens is supplying the rewards and stimulating crime.

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I have been selected by you to execute and enforce the laws of the country. I propose to do so to the extent of my own abilities, but the measure of success that the Government shall attain will depend upon the moral support which you, as citizens, extend. The duty of citizens to support the laws of the land is co-equal with the duty of their government to enforce the laws which exist. No greater national service can be given by men and women of good will—who, I know, are not unmindful of the responsibilities of citizenship—than that they should, by their example, assist in stamping out crime and outlawry by refusing participation in and condemning all transactions with illegal liquor. Our whole system of self government will crumble either if officials elect what laws they will enforce or citizens elect what laws they will support. The worst evil of disregard for some law is that it destroys respect for all law. For our citizens to patronize the violation of a particular law on the ground that they are opposed to it is destructive of the very

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basis of all that protection of life, of homes and property which they rightly claim under other laws. If citizens do not like a law, their duty as honest men and women is to discourage its violation; their right is openly to work for its repeal.

To those of criminal mind there can be no appeal but vigorous enforcement of the law. Fortunately they are but a small percentage of our people. Their activities must be stopped.

I propose to appoint a national commission for a searching investigation of the whole structure of our federal system of jurisprudence, to include the method of enforcement of the 18th Amendment and the causes of abuse under it. Its purpose will be to make such recommendations for re-organization of the administration of Federal laws and court procedure as may be found desirable. In the meantime it is essential that a large part of the enforcement activities be transferred from the Treasury Department to the Department of Justice as a beginning of more effective organization.

*A National
Investigation*

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The election has again confirmed the determination of *The Relation of Govern-ment to Business* the American people that regulation of private enterprise and not Government ownership or operation is the course rightly to be pursued in our relation to business. In recent years we have established a differentiation in the whole method of business regulation between the industries which produce and distribute commodities on the one hand, and public utilities on the other. In the former, our laws insist upon effective competition; in the latter, because we substantially confer a monopoly by limiting competition, we must regulate their services and rates. The rigid enforcement of the laws applicable to both groups is the very base of equal opportunity and freedom from domination for all our people, and it is just as essential for the stability and prosperity of business itself as for the protection of the public at large. Such regulation should be extended by the Federal Government within the limitations of the constitution and only when the individual States are without power to protect their citizens through their own authority. On the other hand, we

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should be fearless when the authority rests only in the Federal Government.

The larger purpose of our economic thought should be to establish more firmly stability and security of business and employment and thereby remove poverty still further from our borders. Our people have in recent years developed a new found capacity for co-operation among themselves to effect high purposes in public welfare. It is an advance toward the highest conception of self-government. Self-government does not and should not imply the use of political agencies alone. Progress is born of co-operation in the community—not from governmental restraints. The Government should assist and encourage these movements of collective self help by itself co-operating with them. Business has by co-operation made great progress in the advancement of service, in stability, in regularity of employment and in the correction of its own abuses. Such progress, however, can continue only so long as business manifests its respect for law.

*Co-operation
by the
Government*

There is an equally important field of co-operation by the

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Federal Government with the multitude of agencies, state, municipal and private, in the systematic development of those processes which directly affect public health, recreation, education and the home. We have need further to perfect the means by which Government can be adapted to human service.

Although education is primarily a responsibility of the *Education* States and local communities, and rightly so, yet the nation as a whole is vitally concerned in its development everywhere to the highest standards and to complete universality. Self-government can succeed only through an instructed electorate. Our objective^s is not simply to overcome illiteracy. The nation has marched far beyond that. The more complex the problems of the nation become, the greater is the need for more and more advanced instruction. Moreover, as our numbers increase and as our life expands with science and invention, we must discover more and more leaders for every walk of life. We cannot hope to succeed in directing this increasingly complex civilization unless we can draw all the talent of leadership from the whole people.

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One civilization after another has been wrecked upon the attempt to secure sufficient leadership from a single group or class. If we would prevent the growth of class distinctions and would constantly refresh our leadership with the ideals of our people, we must draw constantly from the general mass. The full opportunity for every boy and girl to rise through the selective processes of education can alone secure to us this leadership.

In public health the discoveries of science have opened a new era. Many sections of our country and many groups of our citizens suffer from diseases the eradication of which are mere matters of administration and moderate expenditure. Public health service should be as fully organized and as universally incorporated into our governmental system as is public education. The returns are a thousand fold in economic benefits, and infinitely more in reduction of suffering and promotion of human happiness.

*Public
Health*

The United States fully accepts the profound truth that our own progress, prosperity and peace are interlocked with the progress, prosperity and peace of all humanity.

*World
Peace*

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The whole world is at peace. The dangers to a continuation of this peace today are largely the fear and suspicion which still haunt the world. No suspicion or fear can be rightly directed toward our country.

Those who have a true understanding of America know that we have no desire for territorial expansion, for economic or other domination of other peoples. Such purposes are repugnant to our ideals of human freedom. Our form of government is ill adapted to the responsibilities which inevitably follow permanent limitation of the independence of other peoples. Superficial observers seem to find no destiny for our abounding increase in population, in wealth and power except that of imperialism. They fail to see that the American people are engrossed in the building for themselves of a new economic system, a new social system, a new political system—all of which are characterized by aspirations of freedom of opportunity and thereby are the negation of imperialism. They fail to realize that because of our abounding prosperity our youth are pressing more and more into our institutions of learning; that our people are seeking

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a larger vision through art, literature, science and travel; that they are moving toward stronger moral and spiritual life—that from these things our sympathies are broadening beyond the bounds of our nation and race toward their true expression in a real brotherhood of man. They fail to see that the idealism of America will lead it to no narrow or selfish channel, but inspire it to do its full share as a nation toward the advancement of civilization. It will do that not by mere declaration but by taking a practical part in supporting all useful international undertakings. We not only desire peace with the world, but to see peace maintained throughout the world. We wish to advance the reign of justice and reason toward the extinction of force.

The recent treaty for the renunciation of war as an instrument of national policy sets an advanced standard in our conception of the relations of nations. Its acceptance should pave the way to greater limitation of armament, the offer of which we sincerely extend to the world. But its full realization also implies a greater and greater perfection in the instrumentalities for pacific settlement of controversies

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between nations. In the creation and use of these instrumentalities we should support every sound method of conciliation, arbitration and judicial settlement. American statesmen were among the first to propose and they have constantly urged upon the world, the establishment of a tribunal for the settlement of controversies of a justiciable character. The Permanent Court of International Justice in its major purpose is thus peculiarly identified with American ideals and with American statesmanship. No more potent instrumentality for this purpose has ever been conceived and no other is practicable of establishment. The reservations placed upon our adherence should not be misinterpreted. The United States seeks by these reservations no special privilege or advantage but only to clarify our relation to advisory opinions and other matters which are subsidiary to the major purpose of the Court. The way should, and I believe will, be found by which we may take our proper place in a movement so fundamental to the progress of peace.

Our people have determined that we should make no

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political engagements such as membership in the League of Nations, which may commit us in advance as a nation to become involved in the settlements of controversies between other countries. They adhere to the belief that the independence of America from such obligations increases its ability and availability for service in all fields of human progress.

I have lately returned from a journey among our sister Republics of the Western Hemisphere. I have received unbounded hospitality and courtesy as their expression of friendliness to our country. We are held by particular bonds of sympathy and common interest with them. They are each of them building a racial character and a culture which is an impressive contribution to human progress. We wish only for the maintenance of their independence, the growth of their stability and their prosperity. While we have had wars in the Western Hemisphere yet on the whole the record is in encouraging contrast with that of other parts of the world. Fortunately the new world is largely free from the inheritances of fear and distrust which have so troubled the Old World. We should keep it so.

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It is impossible, my countrymen, to speak of peace without profound emotion. In thousands of homes in America, in millions of homes around the world, there are vacant chairs. It would be a shameful confession of our unworthiness if it should develop that we have abandoned the hope for which all these men died. Surely civilization is old enough, surely mankind is mature enough so that we ought in our own lifetime to find a way to permanent peace. Abroad, to west and east, are nations whose sons mingled their blood with the blood of our sons on the battlefields. Most of these nations have contributed to our race, to our culture, our knowledge and our progress. From one of them we derive our very language and from many of them much of the genius of our institutions. Their desire for peace is as deep and sincere as our own.

Peace can be contributed to by respect for our ability in defense. Peace can be promoted by the limitation of arms and by the creation of the instrumentalities for peaceful settlement of controversies. But it will become a reality only through self-restraint and active effort in friendliness and

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helpfulness. I covet for this administration a record of having further contributed to advance the cause of peace.

In our form of Democracy the expression of the popular will can be effected only through the instrumentality of political parties. We maintain Party Government not to promote intolerant partisanship but because opportunity must be given for expression of the popular will, and organization provided for the execution of its mandates and for accountability of government to the people. It follows that the government both in the executive and the legislative branches must carry out in good faith the platforms upon which the Party was entrusted with power. But the government is that of the whole people; the Party is the instrument through which policies are determined and men chosen to bring them into being. The animosities of elections should have no place in our government for government must concern itself alone with the common weal.

Action upon some of the proposals upon which the Republican Party was returned to power, particularly further agricultural relief and limited changes in the tariff, cannot

*Party
Respon-
sibilities*

*Special
Session of
The Congress*

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in justice to our farmers, our labor and our manufacturers be postponed. I shall therefore request a special session of Congress for the consideration of these two questions. I shall deal with each of them upon the assembly of the Congress.

It appears to me that the more important further man-
dates from the recent election were the maintenance of the
integrity of the Constitution; the vigorous enforcement of
the laws; the continuance of economy in public expen-
diture; the continued regulation of business to prevent
domination in the community; the denial of ownership or
operation of business by the government in competition with
its citizens; the avoidance of policies which would involve
us in the controversies of foreign nations; the more effective
reorganization of the Departments of the Federal Govern-
ment; the expansion of public works; and the promotion of
welfare activities affecting education and the home.

*Other
Mandates
From the
Election*

These were the more tangible determinations of the elec-
tion, but beyond them was the confidence and belief of the
people that we would not neglect the support of the em-

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bedded ideals and aspirations of America. These ideals and aspirations are the touch-stones upon which the day to day administration and legislative acts of government must be tested. More than this, the government must, so far as lies within its proper powers, give leadership to the realization of these ideals and to the fruition of these aspirations. No one can adequately reduce these things of the spirit to phrases or to a catalogue of definitions. We do know what the attainments of these ideals should be: The preservation of self-government and its full foundations in local government; the perfection of justice whether in economic or in social fields; the maintenance of ordered liberty; the denial of domination by any group or class; the building up and preservation of equality of opportunity; the stimulation of initiative and individuality; absolute integrity in public affairs; the choice of officials for fitness to office; the direction of economic progress toward prosperity and the further lessening of poverty; the freedom of public opinion; the sustaining of education and of the advancement of knowledge; the growth of religious spirit and the tolerance of all

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faiths; the strengthening of the home; the advancement of peace.

There is no short road to the realization of these aspirations. Ours is a progressive people, but with a determination that progress must be based upon the foundation of experience. Ill-considered remedies for our faults bring only penalties after them. But if we hold the faith of the men in our mighty past who created these ideals, we shall leave them heightened and strengthened for our children.

This is not the time and place for extended discussion. The questions before our country are problems of progress *Conclusion* to higher standards; they are not the problems of degeneration. They demand thought and they serve to quicken the conscience and enlist our sense of responsibility for their settlement. And that responsibility rests upon you, my countrymen, as much as upon those of us who have been selected for office.

Ours is a land rich in resources; stimulating in its glorious beauty; filled with millions of happy homes; blessed with comfort and opportunity. In no nation are the institutions

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of progress more advanced. In no nation are the fruits of accomplishment more secure. In no nation is the government more worthy of respect. No country is more loved by its people. I have an abiding faith in their capacity, integrity and high purpose. I have no fears for the future of our country. It is bright with hope.

In the presence of my countrymen, mindful of the solemnity of this occasion, knowing what the task means and the responsibility which it involves, I beg your tolerance, your aid and your co-operation. I ask the help of Almighty God in this service to my country to which you have called me.

Herbert Hoover

March 4 1929

Herbert Hoover's Response to a Question from the Press, October 24, 1930

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Official

October 24, 1930.

In reply to a press question the President
said:

"No Special Session is necessary to deal with employment. The sense of voluntary organization and community service in the American people has not vanished. The spirit of voluntary service has been strong enough to cope with the problem for the past year and it will, I am confident, continue in full measure of the need.

"Colonel Woods is receiving most gratifying evidence of this from the Governors, Mayors, Industrial leaders and welfare organizations throughout the country".

Letter from Herbert Hoover to Herbert S. Crocker, May 21, 1932 (pg.1)

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May 21, 1932.

Herbert S. Crocker, President,
American Society of Civil Engineers,
New York, New York.

My dear Mr. Crocker:

I am in receipt of your kind letter of May 19th, and I have also the presentation of the sub-committee of the Society suggesting that the depression can be broken by a large issue of federal government bonds to finance a new program of huge expansion of "public works" construction, in addition to the already large programs now provided for in the current budgets. The same proposals have been made from other quarters and have been given serious consideration during the past few days.

The back of the depression cannot be broken by any single government undertaking. That can only be done with the cooperation of business, banking, industry, and agriculture in conjunction with the government. The aid the government may give includes: (a) The quick, honest balancing of the Federal budget through drastic reduction of less necessary expenses and the minimum increase in taxes; (b) The avoidance of issue of further Treasury securities as the very keystone of national and international confidence upon which all employment rests; (c) The continuation of the work of the Reconstruction Corporation which has overcome the financial strain on thousands of small banks, releasing credit to their communities, the strengthening of building and loan associations, the furnishing of credit to agriculture, the protection of trustee institutions and the support of financial stability of the railways; (d) The expansion of credit by the Federal Reserve Banks; (e) The organized translation of these credits into actualities for business and public bodies; (f) Unceasing effort at sound strengthening of the foundations of agriculture; (g) The continuation of such public works in aid to unemployment as does not place a strain on the taxpayer and do not necessitate government borrowing; (h) Continuation of national, community and individual efforts in relief of distress; (i) The introduction of the five day week in government which would save the discharge of 100,000 employees and would add 30,000 to the present list; (j) The passage of the Home Loan discount bank legislation which would protect home owners from foreclosure and would furnish millions of dollars of employment in home improvement without cost to the Treasury; (k) Financial aid by means of loans from the Reconstruction Corporation to such states as, due to the long strain, are unable to continue to finance distress relief; (l) The extension of the authority of the Reconstruction Corporation not only in a particular I called attention last December, - that is, loans on sound security to industry where they would sustain and expand employment, - but also in view of the further contraction of credit to increase its authority to expand the issue of its own securities up to \$3,000,000,000 for the purpose of organized aid to "income producing" works throughout the nation, both of public and private character.

Letter from Herbert Hoover to Herbert S. Crocker, May 21, 1932 (pg.2)

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1. The vice in that segment of the proposals made by your society and others for further expansion of "public works" is that they include public works of remote usefulness; they impose unbearable burdens upon the taxpayer; they unbalance the budget and demoralize government credit. A larger and far more effective relief to unemployment at this stage can be secured by increased aid to "income-producing works". I wish to emphasize this distinction between what for purposes of this discussion we may term "income producing works" (also referred to as "self-liquidating works") on the one hand and non-productive "public works" on the other. By "income-producing works" I mean such projects of states, counties and other sub-divisions as waterworks, toll-bridges, toll tunnels, docks and any other such activities which charge for their service and whose earning capacity provides a return upon the investment. With the return of normal times, the bonds of such official bodies based upon such projects can be disposed of to the investing public and thus make the intervention of the Reconstruction Corporation purely an emergency activity. I include in this class aid to established industry where it would sustain and increase employment with the safeguard that loans for these purpose should be made on sound security and the proprietors of such industries should provide a portion of the capital. Non-productive "public works" in the sense of the term here used include: public buildings, highways, streets, river and harbor improvement, military and navy construction, etc., which bring no direct income and comparatively little relief to unemployment.

2. I can perhaps make this distinction clear by citing the example of the recent action of the Reconstruction Finance Corporation in the matter of the Pennsylvania Railroad Company on one hand, and the recent bill passed by the House of Representatives for increased road building on the other. The railroad company applied to the Reconstruction Corporation for a loan of \$55,000,000 to help finance a fund of over \$68,000,000 needed to electrify certain of its lines. By so doing it would employ directly and indirectly for one year more than 28,000 men distributed over twenty different states. An arrangement was concluded by which the Reconstruction Corporation undertook to stand behind the plan to the extent of \$27,000,000, the railway company finding the balance. This \$27,000,000 is to be loaned on sound securities and will be returned, capital and interest, to the corporation. The Reconstruction Corporation is acting as agent to make available otherwise timid capital for the Pennsylvania Railroad in providing employment. There is no charge upon the taxpayer. On the other hand the proposal of the House of Representatives is to spend \$132,000,000 for subsidies to the states for construction of highways. This would be a direct charge on the taxpayer. The total number of men to be directly employed is estimated at 35,000 and indirectly 20,000 more. In other words, by this action we would give employment to only 55,000 men at the expense by the government of \$132,000,000, which will never be recovered. In the one instance we recover the money advanced through the Reconstruction Corporation, we issued no government bonds, we have no charge on the taxpayer. In the other instance, we have not only a direct cost to the taxpayer but also a continuing maintenance charge, and furthermore, the highways in many sections have now been expanded beyond immediate public need.

3. These proposals of huge expansion of "public works" have a vital relation to balancing the federal budget and to the stabilizing of national credit. The financing of "income-producing works" by the Reconstruction Corporation is an investment operation, requires no congressional appropriation, does not unbalance the budget, is not a drain upon the Treasury, does not involve the direct issue of government bonds, does not involve added burdens upon the taxpayer either now or in the future. It is an emergency operation which will liquidate itself with the return of the investor to the money markets.

The proposal to build non-productive "public works" of the category I have described necessitates making increased appropriations by the Congress. These appropriations must be financed by immediate increased taxation or by the issuance of government bonds. Whatever the method employed, they are inescapably a burden upon the taxpayer. If such a course is adopted beyond the amounts already provided in the budget now before Congress for the next fiscal year, it will upset all possibility of balancing the budget; it will destroy confidence in government securities and make for the instability of the government which in result will deprive more people of employment than will be gained.

Letter from Herbert Hoover to Herbert S. Crocker, May 21, 1932 (pg.3)

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4. I have for many years advocated the speeding up of public works in times of depression as an aid to business and unemployment. That has been done upon a huge scale and is proceeding at as great a pace as fiscal stability will warrant. All branches of government, - Federal, state and municipal, - have greatly expanded their "public works" and have now reached a stage where they have anticipated the need for many such works for a long time to come. Therefore, the new projects which might be undertaken are of even more remote usefulness. From January, 1930, to July 1st, 1932, the Federal Government will have expended \$1,500,000,000 on "public works". The budget for the next fiscal year carries a further \$575,000,000 of such expenditures (compared with about \$250,000,000 normal) and includes all the items I have felt are justified by sound engineering and sound finance. Thus by the end of next year the Federal Government will have expended over \$2,000,000,000 on public works, which represents an increase over normal of perhaps \$1,200,000,000. Thus we have largely anticipated the future and have rendered further expansion beyond our present program of very remote usefulness and certainly not justified for some time to come, even were there no fiscal difficulties. They represent building of a community beyond its necessities. We cannot thus squander ourselves into prosperity.

5. A still further and overriding reason for not undertaking such programs of further expansions of Federal "public works" is evident if we examine the individual projects which might be undertaken from an engineering and economic point of view. The Federal "public works" now authorized by law cover works which it was intended to construct over a long term of years and embrace several projects which were not of immediate public usefulness. In any event, the total of such authorized projects still incomplete on the 1st of July will amount to perhaps \$1,300,000,000. If we deduct from this at once the budgeted program for the next fiscal year - \$575,000,000 - we leave roughly \$725,000,000 of such authorized works which would be open for action. If we examine these projects in detail, we find great deductions must be made from this sum. Construction of many projects physically require years for completion such as naval vessels, buildings, canalization of rivers, etc., and therefore as an engineering necessity this sum could only be expended over four or five years; a portion of the projects not already started will require legal and technical preparation and therefore could not be brought to the point of employment of labor during the next year; a portion of these authorized projects are outside continental United States and do not contribute to the solution of our problem; a portion are in localities where there is little unemployment; a portion are in the District of Columbia where we already have a large increase in program for the next fiscal year and where no additional work could be justified. A portion are of remote utility and are not justified, such as extension of agricultural acreage at the present time. Deducting all these cases from the actual list of authorized Federal public works, it will be found that there is less than \$100,000,000 (and this is doubtful) which could be expended during the next fiscal year beyond the program in the budget. That means the employment of say less than 40,000 men. Thus the whole of these grandiose contentions of possible expansion of Federal "public works" fall absolutely to the ground for these reasons if there were no other.

If it is contemplated that we legislate more authorizations of new and unconsidered projects by Congress we shall find ourselves confronted by a log-rolling process which will include dredging of mud creeks, building of unwarranted post-offices, unprofitable irrigation projects, duplicate highways and a score of other unjustifiable activities.

6. There is still another phase of this matter to which I would like to call attention. Employment in "public works" is largely transitory. It does not have a follow-up of continued employment as is the case with "income-producing works". But of even more importance than this, the program I have proposed gives people employment in all parts of the country in their normal jobs under normal conditions at the normal place of abode, tends to reestablish normal processes in business and industry and will do so on a much larger scale than the projects proposed in the so-called "public works" program.

Letter from Herbert Hoover to Herbert S. Crocker, May 21, 1932 (pg.4)

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7. To sum up. It is generally agreed that the balancing of the Federal budget and unimpaired national credit is indispensable to the restoration of confidence and to the very start of economic recovery. The Administration and Congress have pledged themselves to this end. A "public works" program such as is suggested by your committee and by others, through the issuance of Federal bonds creates at once an enormous further deficit.

What is needed is the return of confidence and a capital market through which credit will flow in the thousand rills with its result of employment and increased prices. That confidence will be only destroyed by action in these directions. These channels will continue clogged by fears if we continue attempts to issue large amounts of government bonds for purposes of non-productive works.

Such a program as these huge Federal loans for "public works" is a fearful price to pay in putting a few thousand men temporarily at work and dismissing many more thousands of others from their present employment. There is vivid proof of this since these proposals of public works financed by Government bonds were seriously advanced a few days ago. Since then United States Government bonds have shown marked weakness on the mere threat. And it is followed at once by a curtailment of the ability of states, municipalities and industry to issue bonds and thus a curtailment of activities which translate themselves into decreased employment.

It will serve no good purpose and will fool no one to try to cover appearances by resorting to a so-called "extraordinary Budget". That device is well known. It brought the governments of certain foreign countries to the brink of financial disaster. It means a breach of faith to holders of all Government securities, an unsound financial program and a severe blow to returning confidence and further contraction of economic activities in the country.

What you want and what I want is to restore normal employment. I am confident that if the program I have proposed to the Congress is expeditiously completed and we have the cooperation of the whole community, we will attain the objective for which we have been searching so long.

Yours faithfully,

HERBERT HOOVER.

Statement from Herbert Hoover about Emergency Relief and Construction Legislation, July 6, 1932 (pg. 1)

July 6, 1932.

The President said:

"I regret that the conferences in endeavor to arrive at a basis of a workable relief bill did not succeed. It is all the more regrettable since the deliberations this morning made it clear that it was possible to harmonize conflicting views and so reach an agreement were it not for the insistence of the Speaker on one point. The Bill as reported by the Conferees provides:

"First, provision for expanding the borrowing authority of the Reconstruction Corporation by \$1,500,000,000 to be used for temporary financing of self-liquidating construction projects of public and semi-public character to increase employment.

"Second, Speaker Garner insists that the Corporation shall also make loans to any individual, any private corporation, any partnership, any state, or any municipality on any conceivable kind of security and for any conceivable purpose.

"Third, provision of a fund by the Reconstruction Corporation of \$100,000,000 for the President, to be disposed of either as charity or as loans, and one of \$200,000,000 to be loaned to state governments who are unable to finance themselves to care for distress, but such loans to be apportioned amongst the states on a per capita basis of population.

"Fourth, \$322,000,000 of additional public works beyond the \$500,000,000 of construction work now provided for in the budget.

"As to the first provision, the Reconstruction Corporation authority to make loans today is practically limited to institutions under state and federal regulation, that is - banks, savings banks, building and loan associations, agricultural credit corporations and railways. It is serving to protect the credit structure of the nation whose collapse would mean the complete disaster to all and the savings of all the people that directly or indirectly are in the safekeeping of the great fiduciary institutions, savings banks, insurance companies, building and loan associations. That is, the whole people.

"The provision to finance \$1,500,000,000 self-liquidating construction projects for relief of unemployment comprised part of the proposals I had already made to the Congress.

"The fatal difficulty is the Speaker's insistence upon provision that loans should also be made to individuals, private corporations, partnerships, states and municipalities on any conceivable security and for every purpose. Such an undertaking by the United States Government makes the Reconstruction Corporation the most gigantic banking and pawn-broking business in all history.

"There are 48 states and 16,000 municipalities who could under its terms dump their responsibilities upon the Federal government. The purpose to take care of unemployment distress in such centers is provided for in the proposals of employment and loans to the states. The Speaker's proposal in no sense contributes to relieve such distress. It would compel the Reconstruction Corporation to attempt to deal with millions of people in terms of hundreds of thousands of small and large loans. It would result in dumping a vast amount of doubtful private and corporation debts on the federal treasury to no national purpose of relieving unemployment. It would require the extension of branch offices in every town and county in the United States and set up a huge bureaucracy able to dictate the welfare of millions of people and at the will of its agents deal favor and disaster amongst them. No group of seven men can so organize as not to discriminate unfairly between competitive enterprises. There is no body of men who could physically administer such a gigantic project. The Board of the Reconstruction Corporation, except one absent member, informs me unanimously that the making of loans to individuals is totally unworkable. It would undermine federal credit and bring a vast increase in unemployment.

Statement from Herbert Hoover about Emergency Relief and Construction Legislation, July 6, 1932 (pg.2)

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"I wish to emphasize what it means. Such a proposal means that the Reconstruction Finance Corporation is to take over an impossible task and most difficult part of the banking business that is to deal with the doubtful credits in the whole United States. To carry out such a purpose it would be necessary as I have said for the Board of seven men to set up branch banks in practically every community and to direct their operations from Washington. It would be dependent upon men in these thousand branches. The task of organization and of finding competent personnel would not be a matter of months but of years. From an organization and administrative standpoint it is self-evident that the proposal is impossible of execution, and huge losses and great scandals must inevitably result from any attempt to do so.

"Any attempt to carry out such a law under these circumstances must mean the squandering of hundreds of millions of dollars of public funds. The Board would be flooded with hundreds of thousands of applications. There would be serious interference, if not a complete breakdown, of the vital activities it is now carrying on under high pressure. And there will be disappointment on the parts of hundreds and thousands of individuals and thousands of businesses who will have been led to believe that the credit of the United States Government was made available for their individual purposes. There will be inevitable discriminations. The organization would be subject to predatory corporations and interests everywhere.

"Aside from the utter impracticability of the proposal, no funds, or totally inadequate funds, are provided for the making of these loans. The bill as it came from the Senate provided for increasing the authority of the Reconstruction Finance Corporation to borrow by \$1,500,000,000 for certain self-liquidating construction projects enumerated in the bill. Presumably the Senate did not provide more than it thought was necessary for these purposes. Not one penny is to be added for the making of these individual, private, corporation and public loans. In other words, the Reconstruction Corporation is to be charged with a duty which is impossible to carry out in practice, and it is to be furnished with no additional funds with which to make the loans unless the Senate unemployment projects are to be abandoned.

"Some conception of the credit needs of the people of the United States may be had from the following figures. Total bank loans on December 31st last aggregated over \$51,600,000,000. This does not take into consideration loans made by insurance companies running into the billions, loans made by savings banks, mortgage companies, building and loan associations amounting to \$9,000,000,000, or the funded debt of corporations running into further billions.

"To hold out the hope to the people of the United States that the United States Government is prepared to take care of their credit needs with the ridiculously small sum provided, or the impossible organization urged, must be condemned, in addition to every other reason, as a deception. Furthermore, the statement of the Speaker that the Board can determine if it should enter upon such loans is a shifting of responsibility from the Congress to the Board which is itself misleading the hopes of the people.

Statement from Herbert Hoover about Emergency Relief and Construction Legislation, July 6, 1932

(pg.3)

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"Under the provisions of the bill as it came from the Senate, the funds available to the Reconstruction Finance Corporation were increased from \$2,000,000,000 to \$3,800,000,000. Of this the Corporation must borrow \$3,300,000,000. The Corporation can only borrow such sum because its debentures are guaranteed by the United States, or, in other words, because the credit of the United States is pledged to secure its obligations. To sell any such vast amount of securities at a time like this is a difficult enough task, strong as is the credit of the United States Government. But it can only be done and done without danger to breakdown of the credit of the Government if the purposes for which the funds are to be used are economically sound and if the loans be made under such safeguards that they will be repaid, in order that the transactions will not constitute a charge on the general fund of the Treasury and the taxpayers. But if these funds are to be squandered by the making of loans for every conceivable purpose, with inadequate safeguards, it will at once become evident that the credit of the Government is being misused.

"We have sought during these difficult times to maintain as a pillar of unassailable strength the credit of the United States Government. It is not too much to say that the measure proposed and insisted upon even to the extent of defeat of relief legislation by the Speaker of the House threatens the credit of the United States Government and disaster to our people. The proposal violates every sound principle of public finance and of government.

"My objection to the second proposal of placing \$100,000,000 at the disposal of the President was that the Federal Government should not make direct charitable gifts to individuals and that such responsibility should not be placed on the President: A further objection is that the \$200,000,000 of loans to states were allocated on a population basis, or \$1.66 per capita. A large part of the states are able to take care of their own and to finance their relief needs, and probably three-fourths of the total amount would be unused by such states or alternatively there would be every pressure upon state officials to demand the money even though there was no need.

"The funds assignable to states where there is acute need would, when reduced to the per capita of the people suffering from unemployment in those acute areas amount to less than \$10 per person for a whole year. The apparent large sums discussed would raise false hopes, would tend to destroy charity and undermine local and governmental contributions to the needy in several times the amount which would be made available. Furthermore, loans are to be made to states solely on the certificate of the governor and administered solely by him. There is no precaution that the funds are to be administered under the ordinary checks and supervisions of the state governments or federal government. To allocate such large sums to a public official without restriction or the necessity of proper accounting and auditing is unheard of.

"As to the third point, that is the provisions to spend additional \$322,000,000 on public works, my objections were that the cost of these works ultimately comes from the taxpayer and will produce a deficit in the budget by just the amount expended; that it discards to the winds every effort made to balance the budget. Many of the works designed are remote from centers of unemployment. The technicians of the government state that it would give during the year an average direct employment to less than 100,000 out of a total of 8,000,000 unemployed.

Statement from Herbert Hoover about Emergency Relief and Construction Legislation, July 6, 1932 (pg.4)

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"It was, however, possible to reach a fair adjustment of the proposal as to \$300,000,000 loans to the states which may be unable to relieve distress, and to protect the Treasury in large measure in the matter of the \$322,000,000 of non productive public works. We are in agreement in the provision of temporary loans by the Reconstruction Corporation to finance \$1,500,000,000 of productive construction work for the unemployed.

"There is unquestioned need for the passage of legislation to take care of unemployment and such cases of destitution as the resources of the states are unable to meet. I have recommended such legislation. While I am determined that there shall be relief legislation at this session of Congress, I cannot accept the proposal up to now insisted upon by Speaker Garner as a condition to securing his support, for I do not propose to further increase unemployment by such disastrous action as is now proposed through jeopardizing the whole credit of the government and laying our people open to every kind of injustice and loss."

Herbert Hoover's Statement to the Press on Federal Activities for Employment, October 17, 1930

October 17, 1930.

The President said:

"I have today requested Secretaries Lamont, Davis, Wilbur, Hurley, Hyde, Mellon and Governor Meyer of the Federal Reserve Board to formulate and submit to me plans continuing and strengthening the organization of Federal activities for employment during the winter.

"There are three directions of organization in which the Federal government activities can cooperate. First; cooperation with the governors and employment organizations of the states and local communities; second; development of methods with the national industries; and third; in direct Federal employment in public works, etc.

"It will be remembered that ten months ago we set up such arrangements which have continued since that time, and which have contributed greatly to reduce unemployment. At that time the Governors of many of the states established strong committees for action in relief and most of these organizations have shown a high record of real accomplishment. The present conditions of organization vary greatly in different states. In the great majority of industrial states the governors have on their own initiative taken steps to reorganize or develop or further strengthen their organizations for the forthcoming winter. During the past few weeks I have been in communication with some of the governors in development of methods by which the Federal Government can further supplement assistance to their organizations. The Cabinet committee will further discuss these conditions with governors and state agencies and we will again seek the cooperation of our business leaders and our national industries which we have had on so generous a scale during the past year. We shall also review the federal situation of public works and the situation in construction among the national industries together with other methods by which we can continue to be of assistance. There are no two states or municipalities where the problem is the same or where the methods of assistance are identical. With the survey of the methods in progress for the past 10 months we should have valuable suggestive material and information for the winter.

"The initiative of the various governors and local authorities in preparation for the winter is well indicated by the action of the Governor of Illinois who recently organized a state committee; reorganized efforts with the Mayor of Detroit; the committees created in New York; the extraordinarily effective organization in the State of Ohio, and at many other points throughout the country - all of them indicating a strong feeling of local responsibility and determination to meet the situation.

"As a nation we must prevent hunger and cold to those of our people who are in honest difficulties."