



1932 ELECTION

This election saw the REPUBLICAN President HOOVER AGAINST The DEMOCRAT CHALLENGER FRANKLIN DELANO ROOSEVELT

Roosevelt was a multi millionaire from New York. However, he still seemed to resonate with the people of the USA who wanted change. He had overcome Polio- he disease which had left him crippled. He used radio to reach out to people. As Governor of New York, he had tried many schemes to help out this affected. HE promised Americans a NEW DEAL to get them out of the depression. This included more public works programmes as well as support for industry, agriculture and banking. He placed the blame on greedy bankers and the rich. This impressed the poor.

HOOVER had a very challenging election
 - cinemas refused to show his campaigns
 - His train was pelted with eggs
 - There were also attempted assassinations!

Not surprisingly, Roosevelt won the election with 23 million votes against Hoovers 16 million.



FAILURE OF REPUBLICAN POLICIES

The 1920's had been dominated by 3 Republican Presidents HARDING. - COOLIDGE. - HOOVER

Each were following the same consistent Republican policies;
 LAISSEZ FAIRE - non intervention in the economy
 RUGGED INDIVIDUALISM- That people should not be reliant on the state and should be self reliant and hard working
 VOLUNTARISM- the belief that the government should not get involved in welfare - this was the job of charities and volunteers.

While these seemed to have worked in the boom- the depression clearly showed that they had not only helped cause the depression but were continuing to make it worse.

Criticism of Republican policies

BACKGROUND



DEALING WITH THE DEPRESSION

HOOVERS POLICIES

Election

1932 ELECTION

Why was he unpopular?

Hoovers unpopularity

Hoover was brought in to the presidency ironically because of his skills as an organiser. However, his policies were deeply unpopular. and as you have seen, they were mostly ineffective. He believed in a **BALANCED BUDGET** as a Republican. Therefore he was prepared to increase taxes to pay for all the new public work schemes.

THE REVENUE ACT
 This made him hugely unpopular with the **RICH** (who tended to vote Republican) It suggested a progressive income tax. Those earning over \$1 million would have their tax raised from 25 - 63% of their income.

SALES TAX
 This suggested tax hit the **POOR!** It suggested a tax on purchases (a bit like VAT) This would impact the poor more as they have relatively little money to start. He withdrew this idea but the damage to him was already done. His attack on the bonus army was deeply unpopular. Hoover was increasingly attacked and lambasted for his lack of effectiveness

The **DEMOCRAT PARTY** successfully attacked his reputation
 - Slogans such as 'IN HOOVER WE TRUSTED, NOW WE ARE BUSTED'
 - **HOOVERVILLE**- shanty towns
 - **HOOVER BLANKET** - newspaper to keep warm
 - **HOOVER LEATHER**- cardboard to mend holes in shoes
 - **HOOVER STEW**- stew from soup kitchens



INTEREST RATE INCREASE
 This was increased to protect the nations finances.

EFFECT
 Made depression worse
 increased rate of borrowing
 farmers saw interest payments spiralling from 6-36%



GOLD STANDARD
 Hoover refused to abandon the Gold standard

EFFECT
 This decision severely restricted the money supply by pegging the value of the dollar to the US GOLD RESERVES
 It made the money supply worse and therefore heightened the depression.



TARIFFS
 Hoover never stopped believing in **PROTECTIONISM** - even at a time when world trade could have helped ease problems in the USA.
 His 1930 **HAWLEY SMOOT ACT** set a 60% tariff on over 3,000 imported items, reducing imports by 2/3rds

EFFECT
 This short sighted reduced American exports by 60% as over 60 countries applied the same tariffs on American goods.
 Agricultural products were particularly badly affected.



POOR President's Organisation on Unemployment Relief
 This was set up in 1931 to encourage charities and fundraising to help unemployed

EFFECT
 Initially this did have a big response with charity donations doubling in 1931
 HOWEVER, the sheer scale of the problem quickly showed that this was not enough. The government provided little support and the scheme ended in 1932 having been overwhelmed by the demand.



UNEMPLOYMENT LOAN TO STATES
 Hoover offered State governments \$300 million in loans to alleviate unemployment by providing unemployment pay

EFFECT
 The problem here is clear to see. This was a LOAN. States were not keen on increasing their debt by borrowing so did not take up this 'offer'



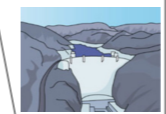
NORRIS LA GUARDIA ACT
 This 1932 law allowed **STRIKES** and banned **YELLOW DOG CONTRACTS** (whereby companies would hire workers only if they were not in a trade Union)

EFFECT
 Had little effect at this stage as workers were desperate to get jobs at any price. The threat of strikes would have been counter productive.



RFC RECONSTRUCTION FINANCE CORPORATION
 This offered \$2 Billion in loans to banks and businesses that were struggling.
 Spent \$1.3 Billion on public works and infrastructure such as road building, public buildings and the hugely impressive Hoover dam, which employed thousands of men.
There were more public works under Hoover than in previous 40 years.

EFFECT
 These policies laid out the way to ROOSEVELTS NEW DEAL which would deal much more effectively with the Depression.
 However, at this stage they were not enough to end the depression.



FEDERAL FARM BOARD
 This offered \$500 million to support farm prices by buying up surplus wheat and cotton

EFFECT
 Failed as farmers had no incentive to stop over producing these crops. The money simply ran out therefore with no long term solution found



Federal Farm Board

Interest rates

Gold standard

Tariffs

POUR

Unemployment Loan

Norris LaGuardia

RFC

Federal Farm Board