

Following his defeat to the more liberal Franklin Roosevelt in the 1932 presidential election, the more conservative Herbert Hoover continued to voice his opposition to the New Deal. Hoover believed that Roosevelt was going too far in addressing the problems of the Great Depression and American society in general. Specifically, he had strong concerns about the growth in executive branch power via government agencies—how a burgeoning number of bureaucrats, or non-elected government officials, were coming to play an ever-larger role in American life.

In 1934 Hoover published *The Challenge to Liberty*, a book where he expounded upon what in his view is “our American System” and especially how our system was threatened by the changes being implemented under Roosevelt. Perhaps the most penetrating part of the book is where he elaborated on his apprehensions and insights about an expanding federal bureaucracy. That portion is presented below.

The Bureaucratic Challenge to Liberty

(*The Challenge to Liberty*, by Herbert Hoover, Charles Scribner’s Sons, 1934, pages 108-118.)

There have run through all the dissertations of the past months the slogans and promise of “National Planning,” “Planned Economy” or “Permanent Planning.” Obviously these phrases have been given a new meaning. They do not mean mere charts and blueprints. They mean execution as well. They do not mean only the planning and executing of the normal functions of government. Obviously there is included also regimentation of industry and agriculture, management of currency and credit, government competition with business, management of foreign trade, and many other activities, all to be definitely dictated by officials acting from Washington. That is the coercive execution of plans for the daily economic and social lives of the people.

We have been engaged in planning, and the execution of plans, within the proper functions of government ever since the first days of George Washington’s administration. We have planned and executed public school systems, safeguards to public health, conservation of national resources, the reclamation of desert lands, vast river and harbor development, a magnificent system of highways and public buildings, the creation of parks, the beautification of cities, and a thousand other activities in every state, town, and village. We have planned and executed laws controlling semi-monopolies and maintenance of competition. We have set up the Federal Reserve System, the Land Banks, the Home Loan Banks. We planned and built the Panama Canal. The government has cooperated with the people in planning and executing a great system of railways, of airways, of merchant marine. It has gone further. The government through its constituted officials has cooperated in furthering great social activities, by determining facts and by assisting organizations to make plans for social advancement, to create standards, to coordinate thought and stimulate effort.

Nor have our non-governmental activities been without plan and execution by the people themselves, as witness the gigantic physical equipment of the nation and its intellectual

progress. If this vast achievement was not the result of conscious planning, then it is eloquent proof that these things come spontaneously out of our American System.

No civilization has hitherto ever seen such a growth of voluntary associative activities in every form of planning, coordination and cooperation of effort, the expression of free men. It comes naturally, since the whole system built on liberty is a stimulant to plan and progress. The unparalleled rise of the American man and woman was not alone the result of riches in lands, forests, or mines; it sprang from ideals and philosophic ideas out of which plans, and the execution of them, are stimulated by the forces of freedom.

The assertion is made that these Regimentations or National Planning are merely extended cooperation. Civilization dawned when the first group of men acted in cooperation, and men have ever since divided over how far they should be forced to group action or whether they should join of their own free will. Our American civilization is based upon the maximum of free will in an ordered Liberty. Aside from the very philosophy of Liberty, the practicalities are that when free men come together in economic life they pool a wealth of practical experience and conscientious responsibility. They are compelled to find workable methods of cooperation. Over every deliberation hangs the sobering threat of personal loss for wrong decision. There is no one to whom the cost of error may be passed. But under coercive cooperation by government, the final determination of method for the joint action is made not by men of large experience in practical affairs, but by government agents—often by men wholly lacking in both vision and ability. The bureaucrat is above accountability so long as his political support holds. Cooperation appraised its methods and consequences step by step and pays its bills as it goes. Bureaucracy rushes headlong into visions of the millennium and sends the bill to the Treasury.

The methods of planning progress cannot be through governmental determination of when and how much a factory may be operated, what the farmer may plant or sell, or any other of the processes of regimentation. The forces of true cooperation may be less immediate in their results than coercion, but they are more permanent, for they do not wither the real impulses of progress and they do not atrophy the responsibility of the citizen.

There are transcendent obstacles to the successful working of these ideas of coercive National Planning or National Regimentation of our economic and social life. The first is the inability to command the omniscient genius required to plan and coordinate and direct the operation of the economic and social machine. This is true even if the government enjoyed the powers of complete dictatorship as in the cases of Fascism and Communism. The second and higher obstacle is created when these ideas are mixed with democracy, for they are based upon wholly different conceptions of human rights which instantly clash.

There arise from this mixture conflicts and interferences which will undermine Liberty by rendering its economic system only partly operative, and they do not give any other system a fair trial. The mixture automatically destroys confidence in the future, which is the essential of our system, and that at once delays initiative and new enterprise. It produces astonishing effects, from the behavior of men part free, which thwart the hoped-for results. It develops surprising conflicts between the regiments created, because of the inability of

any human mind to coordinate such vast plans and activities. Complete dictatorship is of course abolition of representative government, but even partial regimentation raises at once conflicts which are destructive to it. One result is to drive unceasingly for more drastic steps. Our American System cannot be made to work part free and part regimented. It is a new form of an old conflict. No system can be part dictatorship and part democracy.

We may confirm these observations if we examine actual results of the operations now in progress and if we examine their tendencies toward the future.

As I have said, the first necessity of this program of National Planning or National Regimentation, whatever be the name we apply to it, is obviously a vast concentration of political and economic authority in the Executive. All these plans and regiments must be invented. Their execution must be commanded, administered, and enforced by a delegated somebody. Thus overhanging all these organisms of "managed currency," "regimented industry," "government operation," and "regimented agriculture" is the most vital of questions: Who is to invent? Who is to manage? Who is to command these regiments? And above all, who is to coordinate their activities?

It is not enough to answer, "the Government," "the State," or "the Executive." This direction ultimately must be reposed in government bureaus and they are comprised of human beings with dictatorial powers over us all.

These proposals necessitate that a large part of leadership and managerial responsibility and authority in business and agriculture is to be wrenched from the hands of those who have risen to leadership by success and skill in each specialized calling, and placed in the hands of those who appear to merit political power. An enormous extension of bureaucracy is inevitable. Already a host of new government bureaus and nearly two thousand commissions have been established with authority over every trade, and in nearly every town and village. We have witnessed this host of government agents spread out over the land, limiting men's honest activities, conferring largess and benefits, directing, interfering, disseminating propaganda, spying on, threatening the people and prosecuting a new host of crimes. It is pertinent therefore to inquire shortly into the course and characteristics of bureaucracy, for in the end that is the agency that will rule over us.

No one with a day's experience in government fails to realize that in all bureaucracies there are three implacable spirits—self-perpetuation, expansion, and an incessant demand for more power. These are human urges and are supported by a conviction, sometimes justified, that they know what is good for us. Nevertheless, these spirits are potent and possess a dictatorial complex. They lead first to subversive influence in elections. They drive always to extension of powers by interpretation of authority, and by more and more legislation. Power is the father of impatience with human faults, and impatience breeds arrogance. In their mass action, they become the veritable exponents of political tyranny.

Above it all there arises the question of how these masters of our farms, our factories, our stores, our daily lives—with power to deprive citizens of property and income or even to

send them to jail for selling goods cheaper than a competitor—are to be selected. No one is so foolish as to believe they can be elected. No one believes that genuine judgment and experience to direct economic activities can be determined by written examinations. No one believes that selection by political tests will produce these qualities, but they will be selected for politics nevertheless. Leadership to command in economic life cannot be picked by bureaucracy; it must be ground out in the hard mills of competition. Genius cannot be created by bureaucracy; it must push upward among free men.

And all these proposals of regimentation lay upon bureaucracy a job it cannot competently do in a democracy even did it possess all other qualities. Bureaucracy engaged in the ordinary functions of government, under defined rules, by the building up of precedent and routine and repetitive experience, can become competent. But the moment bureaucracy must show that creative sense, that instant judgment and responsibility which business requires, it becomes hopeless. Does anyone believe that the automobile would have been invented, constantly perfected, and the enormous industry built by a bureaucracy? Or the railroads, or the mines?

Moreover, in a democracy, every member of the Congress, every newspaper, is a potential critic, and the accumulative effect upon government agents is to destroy willingness to take that responsibility, risk, and adventure which economic activities require every moment of the day. Private industry measures failure in the net sum of accomplishment. Public criticism measures it by one failure only. The inevitable result is to deaden even any initiative, enterprise, efficiency of bureaucracy that might exist.

It is worth remembering, also, that so long as we continue as a democracy, then leading government employees shift every few years to new and inexperienced men—whereas industry thrives only with continuity of leadership.

...Even if we might assume a competent and continuous administration by bureaucrats, we have yet to face the fact that no centralized, coordinating authority interfering with these billions of daily activities and shifting the direction of the deep currents which affect the welfare of everybody, even if it were composed of supermen, ever could hope to remain abreast of the infinite diversity of life and circumstance in this nation of 125,000,000 people. This is being daily proved in the experience of every citizen.