

Herbert Hoover Responds to Great Depression



In 1928, Herbert Hoover believed the nation would continue to succeed. As a candidate for President, he opposed regulating business, but supported business through a “hands off policy” used by previous presidents. He believed that a good education and a government protecting individual liberties make it possible for everyone to succeed.

However, eight months after Hoover’s inauguration, the economy collapsed. The stock market crash of October 1929, business failures, home foreclosures, bank closures, and worsening unemployment rippled across the nation. At first, Hoover

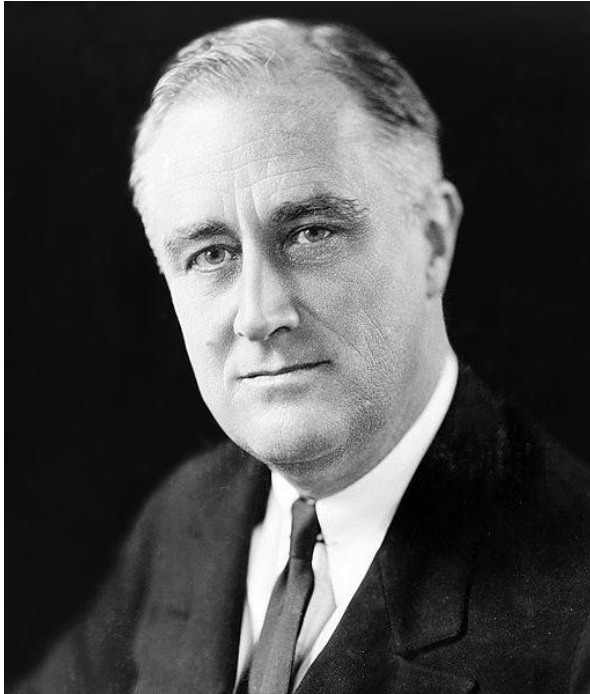
believed that this downturn was similar to previous economic hiccups in America’s past.

About a year later, Hoover acknowledged the Depression. He again spelled out his commitment to voluntary, community-based solutions. However, he also pointed out that the federal government was working to promote people’s well-being through large-scale public works projects. Hoover took the following actions in response to the depression:

- Encouraged businessmen not to cut production or lay off workers
- Asked Congress to increase spending on public works projects and to increase funding for banks to prevent mortgage foreclosures
- Encouraged farmers to voluntarily cooperate to raise prices
- Promoted voluntarism as a way to ease the crisis
- Avoided spending large amounts of federal money so as not to increase the public debt

But these efforts by the federal government did not stop the economic disaster. By 1932, the unemployment rate was 25% and homeless people lived in shanty-towns called “Hoovervilles” in many cities.

Roosevelt Responds to Great Depression



Challenging Hoover in the Presidential campaign of 1932 was Franklin Delano Roosevelt. FDR believed that the economic depression was a bigger emergency than the nation had faced in World War I. He believed that that the nation's economic problems were the result of a small group of wealthy men motivated by selfish goals, and government had to interfere in order to protect the less fortunate.

Roosevelt easily won the election, and in his First Inaugural Address he said he was prepared to ask Congress for more power to deal with the emergency, just as would be the case in

the event of a military attack. His plan was one of government action to bring about immediate relief, short-term recovery, and long-term reform (three R's).

In the first 100 days of his presidency, Congress quickly approved a wide variety of programs called the First New Deal:

- Public works projects to employ thousands of unemployed Americans (Civilian Conservation Corp, Public Works Administration, Tennessee Valley Authority)
- Increased benefits for the old and disabled (Social Security)
- Raised income taxes on the wealthy
- Several programs intended to help farmers, laborers, and the unemployed

Though the economy was far from healthy after four years of the New Deal, (the unemployment rate in 1936 was still seventeen percent), Roosevelt won over sixty percent of the popular vote in the 1936 Presidential Election.

Unit 6: Great Depression
Election of 1932

Name: _____

Period: _____

Hoover and Roosevelt Respond to the Great Depression

Throughout the 1930s, Herbert Hoover continued to speak out about his opposition to the New Deal. He defended his belief in an America whose foundations were individual liberties, limited governments, and independent, responsible citizens. Roosevelt continued to support actions which promoted the general welfare, increased the role of government in the lives of individuals, and sought to achieve social justice through federal action.

The debate over the federal government's commitment to "promote the general welfare and secure this blessings of liberty to ourselves and our posterity" (as well as to whether the actions of either President shortened or prolonged the Depression) continues today.

1. According to each President, who could best bring about social and economic change?

Hoover	Roosevelt

2. What actions did each President take to respond to the Great Depression?

Hoover	Roosevelt

3. Roosevelt argued that the expanded reach of the federal government to solve economic problems was needed. Do you agree? Why or why not?