

President Hoover's Response to the Depression



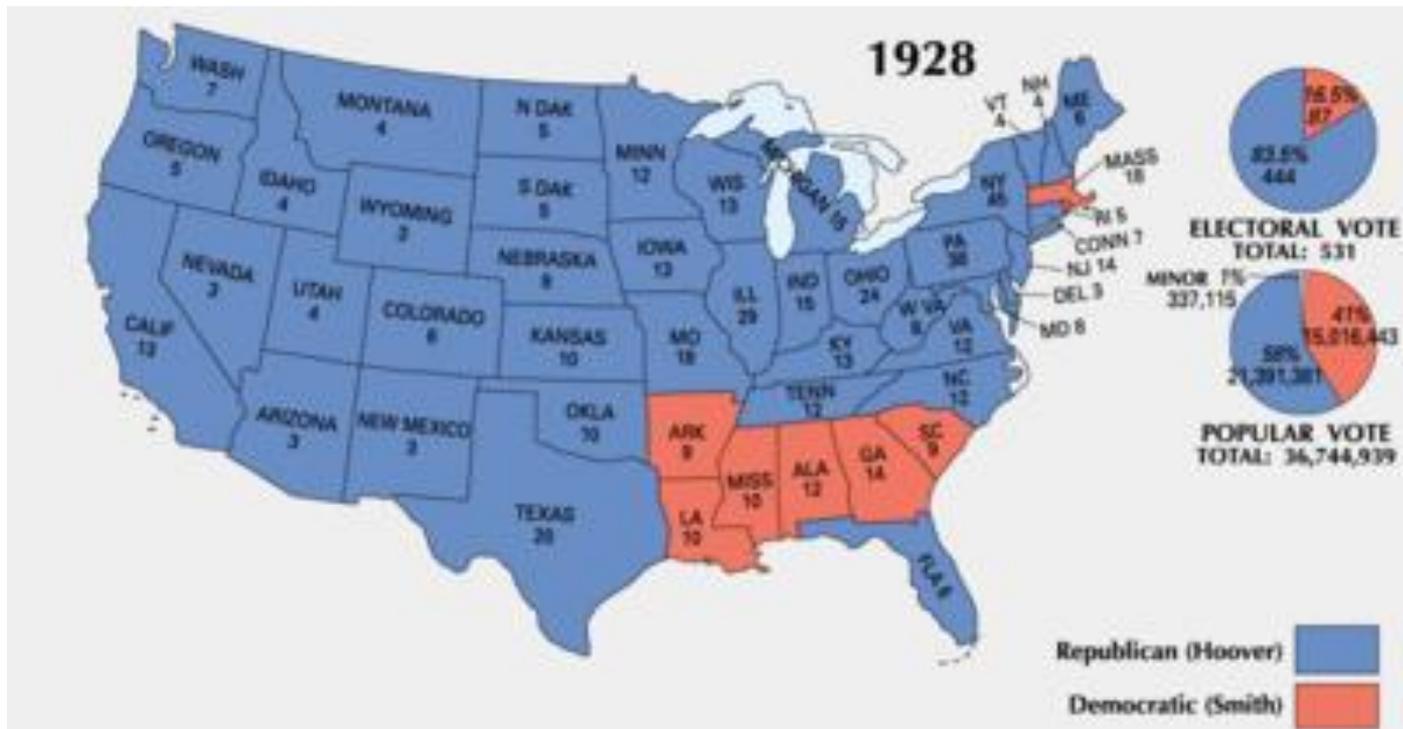


Focus Questions

- How could Hoover's background have possibly influenced his response to the Great Depression?
- How would you describe the Depression by 1933? What evidence makes you believe this?
- What actions does Hoover take that make things worse during the Depression?
- In the end what does Hoover try to do in order to help?
- EQ: In your opinion was Hoover's response the best? Why or why not?

Election of 1928

- Hoover, a Republican, won with a landslide victory.
- Booming economy



Herbert Hoover

- Son of a blacksmith
- Grew up in Iowa.
- Parents died when Hoover was young
- Did not attend high school but attended night school
- Entered Stanford in the University's first class
- Became a millionaire

"My boyhood ambition was to be able to earn my own living, without the help of anybody, anywhere."

- Herbert Hoover



The Depression

- Between 1929 and 1933, 100,000 businesses failed
- Corporate profits fell from \$10 billion to \$1 billion
- Between 1929 and 1933, over 6000 banks failed—2.5 billion lost in savings
- By 1933, 13 million workers were unemployed (25% of the work force) and many were underemployed
- Malnutrition increased, as did tuberculosis, typhoid and dysentery



Herbert Hoover's Beliefs

- Believed in self-reliance, rugged individualism, and hard work
- Government help → encourage people's dependence on handouts
- Private charities should help





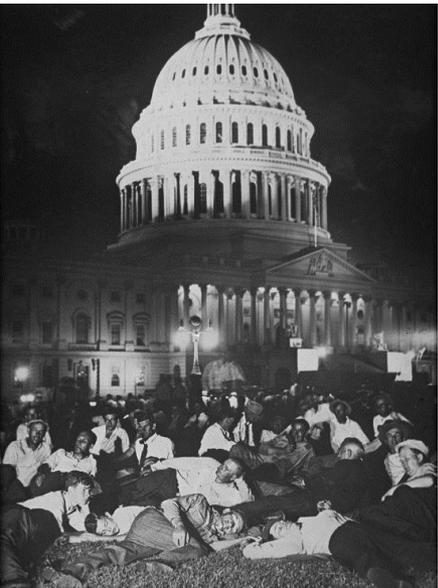
Hoover's Actions

- Rejected direct relief
- Urged Americans to turn to community and church resources
- Gradually used federal agencies to address issues
- Set up RFC (Reconstruction Finance Corporation) in 1932 to make loans to stimulate economy in a "trickle-down" manner

1932

Bonus Army

- Determined to collect their "bonus" pay for service, between 15,000 to 25,000 World War I veterans gather and begin setting up encampments in Washington, D.C.
- A bill was introduced into Congress authorizing immediate payment of "bonus" funds. Passed in the House but not in the Senate.
- In July, Hoover orders the removal of the troops who were determination to stay camped out until they got their pay. Troops used tear gas and tanks to push the veterans out of D.C.



1929

- **October** - The stock market crash

"Any lack of confidence in the economic future or the basic strength of business in the United States is foolish."--President Herbert Hoover

1930

- **March** - More than 3.2 million people are unemployed
- President Hoover remained optimistic stating that:
"all the evidences indicate that the worst effects of the crash upon unemployment will have passed during the next sixty days."

1931

- **February** - "Food riots" begin to break out in parts of the country. People smashed the windows grocery markets and made off with the food.
- Resentment of "foreign" workers increases along with unemployment rolls.



Reconstruction Finance Corporation

- In January, Hoover formed the Reconstruction Finance Corporation in order to lend \$2 billion to banks, insurance companies, building and loan associations, agricultural credit organizations and railroads.
- In July, R.F.C. the was authorized to lend money to needy states for relief and public works projects.

