How should Hoover have responded to the Great Depression?
The Stock Market Crash

- YouTube - 1929 Wall Street Stock Market Crash
JOBLESS MEN KEEP GOING
WE CAN'T TAKE CARE OF OUR OWN

CHAMBER OF COMMERCE
Impact of The Great Depression

• Farm Failures/Foreclosures
  – Dust Bowl – droughts in Texas, Oklahoma, Kansas, Colorado, & New Mexico (The Grapes of Wrath by John Steinbeck)
• Unemployment hit 25%
• Deflation – overall drop in prices
• Poverty and Hunger
  o Hoovervilles – communities of unheated shacks built of cardboard, tin or crates
    • Hoover Blankets – newspapers for people who slept on benches
• Business Failures
• Thousands of Bank Failures
• Stock Market Collapse
World's Highest Standard of Living

There's no way like the American Way
WORLD'S HIGHEST STANDARD OF LIVING

There's no way like the American Way.
Hoover’s Response

Initially – rely on “rugged individualism”
• “pull oneself up by the bootstraps”
• Economy would work itself out
• Encouraged private charities and local solutions

Later – support to industry and agriculture
• Reconstruction Finance Corporation (Trickle Down)
• Some public works projects
• Protectionism (Hawley Smoot)
Rejected the Following:

- Direct aid or relief to individuals
  - Responsibility of charities, local or state gov’ts

- Federal government owning any industry
  - Vetoed Muscle Shoals Bill (dams and power plants - electricity)
The Bonus Army March

March, 1932

https://vimeo.com/112099394