

15 COMPARE AND CONTRAST THE FUNDAMENTAL DIFFERENCES BETWEEN HOOVER AND FDR'S APPROACH TO THE GREAT DEPRESSION. SUMMARIZE THE EFFECTIVENESS OF EACH.

HOOVER

- Rugged Individualism
- Laissez-faire (non-regulation)
- depression a normal cycle
- unwilling to intervene at Fed. level
- encourage business to wait it out
- no deficit spending (obsession)
- feared intervention would cause people to lose self respect
- 1932 with nation in dire straits created the RFC "trickle down" to business in form of loans. (banks, RXR, life ins. Companies.
- opposed request of Bonus Army

Effectiveness

- too little too late
- not enough funds to make a difference
- did not understand the damage to econ.
- people needed work not credit
- obsession w/balance budget hurt the economy.
- Hoover trapped by traditionalist ideas helped economy to collapse.

FDR

- Cheerleader (fireside chats)
- Experimentation and flexibility (Reg. Capitalism)
- Federal Gov't actively involved (protect people)
- made sure people saw him active
- "Pump Prime"
 - bank regulation FDIC SEC
 - farm support AAA
 - social security SS
 - minimum wage NRA
 - house support FHA
 - put men to work WPA,CCC,PWA
 - labor reform Wagner Act.
 - business reform NIRA

Effectiveness

- better ability to communicate w/people
- restored peoples faith in our system concern for the "Forgotten Man"
- open-minded and flexible
- FDR seen as creative and imaginative.
- willing to experiment, trial and error.
- New Deal made life better but not a cure.
- WWII was the real cure for economic probs.

Reforms of permanent value

FDIC, SEC,,FHA,SOCIAL SEC.,WAGNER ACT