



New Video Puncture Myths about Great Depression, Exposes Damaging Impact of Statist Policies by Hoover and FDR

By Dan Mitchell

I've [commented many times](#) about the misguided big-government policies of both [Hoover](#) and [FDR](#), so I can say with considerable admiration that this new video from the Center for Freedom and Prosperity packs an amazing amount of solid info into about five minutes.

Perhaps the most surprising revelation in the video is that America suffered a harsh depression after World War I, with GDP falling by a staggering 24 percent.

But we don't read much about that downturn in the history books, in large part because it ended so quickly.

The key question, though, is why did that depression end quickly while the Great Depression dragged on for a decade?

One big reason for the different results is that markets were largely left unmolested in the 1920s. This meant resources could be quickly redeployed, minimizing the downturn.

But this doesn't mean the crowd in Washington was completely passive. They did do something to help the economy recover. As Ms. Fields explains in the video, President Harding, unlike Presidents Hoover and Roosevelt, [slashed government spending](#).