Focus Question: How did Herbert Hoover ultimately fail to solve the country’s economic woes?

**HOOVER'S RESPONSE FAILS**

Herbert Hoover did not cause the Great Depression, but Americans looked to him to solve the crisis.

- He tried a number of different approaches, but in the end he failed to discover the right formula for stopping the crisis.

- At the start of the economic downturn, Hoover took a hands-off approach.
  - Like most economists of the day, he believed that up and down swings in the economy were a natural part of the business.
  - It was thought that strong businesses would weather storms without the support of the government.

- Hoover saw that he must do something:
  - Asked businesses to keep wages, employment, and prices at normal levels.
  - Called for tax cuts, lower interest rates, and public works.
  - Asked wealthy people to donate more money to charity.

- But volunteerism failed:
  - Hoover put his faith in localism, a policy whereby problems are best solved at the local and state levels.
  - Towns and states didn’t have the necessary resources to deal with the depression.
  - Hoover did not support direct aid to individuals.

- In 1932, Hoover urged Congress to create the Reconstruction Finance Corporation (RFC). The RFC employed a policy known as trickle down economics.
  - The RFC gave billions of dollars to banks and large businesses.
  - The idea was that they would lend to, and invest in, struggling businesses who would hire workers and thus end the depression.
  - The RFC failed when businesses did not hire more workers.
Reflect

Answer the Qs in the margin.

What was one successful policy that Hoover implemented?

What was the Bonus Army?

Why was MacArthur accused of excessive force?

What impact did the Bonus Army’s eviction have on Hoover’s re-election?

SUMMARY- Summarize your notes using at least 6 complete sentences:

- One policy that did succeed was the construction of Boulder Dam (later renamed ……… Dam) across the Colorado River.
  - Started in 1930, the huge dam provided power for millions and irrigation for farm land and put thousands to work.

- Many grew disillusioned during the Great Depression.
  - Some blamed Hoover and some blamed capitalism.
  - Some were World War I veterans who wanted a ……… that was promised to them.
    - In 1932, those veterans formed the Bonus ……… and marched on Washington.

- 20,000 veterans set up camps and occupied vacant buildings. In July, police tried to evict them, and ……… erupted.
  - Hoover ordered General Douglas MacArthur to remove the veterans. He used tear gas, cavalry, tanks, and troops with fixed bayonets.
  - Press photos of troops using excessive ……… angered the American public.

- The eviction of the Bonus Army ……… Hoover’s bid for re-election.
  - Americans were ready for new leadership and a greater role for the government in solving problems.