



*Little Orphan Annie*  
comic book ▶

◀ Two young residents of a Hooverville, 1932

### WITNESS HISTORY

#### Rugged Individualism

Despite their suffering during the 1930s, children remained important symbols of hope and resilience. Harold Gray's *Little Orphan Annie*, one of the most popular comic strips of the time, entertained millions of children with stories of a strong-willed orphan and her sidekick dog Sandy. Gray depicted Annie's many adventures and described her determination in the face of various challenges.

Although much of his young audience did not realize it, the conservative Gray was preaching a philosophy of "rugged individualism" through *Little Orphan Annie*. He summed up his heroine's message of self-reliance when he noted that "Annie is [tough], with a heart of gold and a fast left, [and] can take care of herself because she has to."

## Hoover's Response Fails

### Objectives

- Discuss how Hoover's initial conservative response to the depression failed.
- Explain the changes in the President's policies as the crisis continued.
- Describe how Americans reacted to Hoover's relief programs.

### Terms and People

localism	Hoover Dam
Reconstruction Finance Corporation	Bonus Army
trickle-down economics	Douglas MacArthur

### NoteTaking

#### Reading Skill: Identify Supporting Details

As you read, fill in the outline with details about President Hoover's response to the depression.

- |  |
|--|
| I. Cautious Response to Depression Fails                           |
| A. Hoover Turns to Volunteerism                                    |
| 1. Calls on business leaders to maintain employment, wages, prices |
| 2.   |
| B. Volunteerism Fails to Bring Relief                              |
| 1.   |
| II. Hoover Adopts More Activist Policies                           |

**Why It Matters** From big cities to small towns, the Great Depression spread misery far and wide across America. The unemployed and the homeless crowded into shantytowns. Giant dust storms swallowed the Great Plains. Yet as the crisis deepened, Herbert Hoover struggled to respond to the nation's problems. As a result of Hoover's failed response, in 1932 Americans would turn to a new leader and increased government intervention to stop the depression. **Section Focus Question:** Why did Herbert Hoover's policies fail to solve the country's economic crisis?

### Cautious Response to Depression Fails

Herbert Hoover did not cause the Great Depression. But Americans looked to him as their President to solve the crisis. He tried. Hoover was an intelligent man, familiar with business methods and economic theory. He labored long hours, consulted a wide range of experts, and tried to marshal the resources of the country to solve the problems of the depression. As the economic situation worsened, he tried several different approaches. In the end, he failed to discover the right formula, but it was not because of a lack of effort.

**Hoover Turns to Volunteerism** At the start of the economic downturn, Hoover followed a hands-off policy. Like most economists of the day, Hoover viewed the upswings and downswings of business cycles as natural occurrences. He felt that government should not

interfere with such events. Periodic depressions were like storms. They could not be avoided, but strong businesses could weather them without the support of the government.

A policy of doing nothing, however, was no policy at all. Hoover soon recognized this fact and turned to a policy he had used in the past. As Secretary of Commerce during the 1920s, Hoover had encouraged business and labor to voluntarily work toward common goals. To address the current crisis, he asked business and industrial leaders to keep employment, wages, and prices at current levels. He simultaneously called for the government to reduce taxes, lower interest rates, and create public-works programs. The plan was to put more money into the hands of businesses and individuals to encourage more production and consumption. This, Hoover said, would reverse the cycle that led to the depression.

Lastly, Hoover requested that wealthier individuals give more money to charity. Millions of Americans gave money, clothing, and food to private and religious charities, which in turn distributed the goods to those in need. The idea was for all Americans to voluntarily join forces to combat the depression.

**Volunteerism Fails to Bring Relief** Although the ideas behind the plan were sound, Hoover's program relied too much on voluntary cooperation. The President believed he could persuade Americans to act not in their own best interests but in those of the country as a whole. He was cautious to encourage, not legislate, America's recovery. But volunteerism did not work. Businesses cut wages and laid off workers because it was in their own best interests. Farmers boosted production because it was in the best interests of their families. Most Americans followed individual, not cooperative, courses.

Hoover had also asked state and local governments to provide more jobs and relief measures. He had faith in **localism**, the policy whereby problems could best be solved at local and state levels. However, towns and states simply did not have the financial or human resources to successfully combat the crisis. Making matters worse, the President strongly resisted using federal resources to provide direct relief to individuals. Believing it to be unconstitutional, Hoover opposed public assistance and instead favored "rugged individualism" so that people could better themselves through their own efforts. Yet as the months wore on, unemployment increased, charities ran low on money, and local and state governments could no longer plug the leaks in the economy. The crisis demanded decisive federal action.

✓ **Checkpoint** Why was Hoover reluctant to have the federal government interfere with the economy?

## Hoover Adopts More Activist Policies

With Hoovervilles and homelessness on the rise, the President's failed policies were laid bare. Poor Americans called trucks pulled by horse or mule "Hoover wagons," campfires "Hoover heaters," and cardboard boxes "Hoover houses." The association of the President's name with suffering and want indicated Americans' negative feelings about their leader.

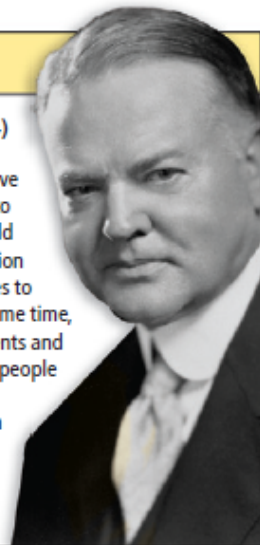
### Vocabulary Builder

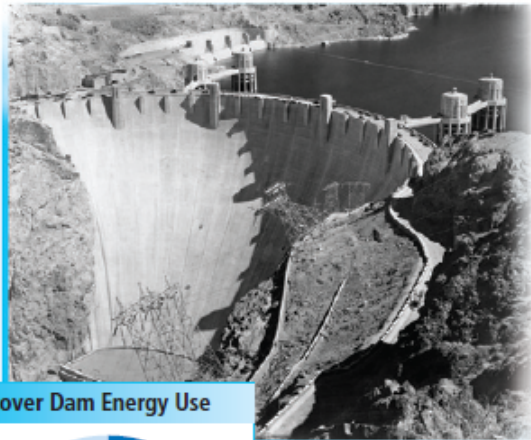
simultaneously—(sĭ muhl TAY nee uhs lee) *adv.* done at the same time

### HISTORY MAKERS

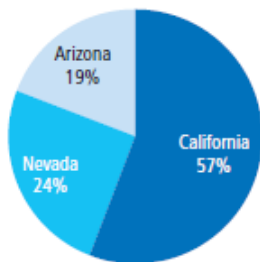
#### Herbert Hoover (1874–1964)

After the depression hit, President Hoover eventually embraced an active economic plan. He urged Congress to fund construction projects that would provide jobs and pushed for legislation that would loan money to businesses to kick-start the economy. Yet at the same time, Hoover insisted that local governments and charities should provide direct aid to people out of work. "Economic depression cannot be cured by legislative action or executive pronouncement," he said. As a result, many Americans blamed him for their troubles.





Hoover Dam Energy Use



SOURCE: U.S. Bureau of Reclamation


### Hoover Dam Powers the West

Hoover Dam contains 325 million cubic yards of concrete—enough to pave a highway 16 feet wide from New York City to San Francisco—and provides power to more than a million people each year. It also irrigates millions of acres of farmland in western states.

Hoover decided to reverse course and use federal resources to battle the depression. Believing the economy suffered from a lack of credit, Hoover urged Congress to create the **Reconstruction Finance Corporation (RFC)**. Passed in 1932, the RFC gave more than a billion dollars of government loans to railroads and large businesses. The act also lent money to banks so that they could extend more loans to struggling businesses. Hoover believed that if the government lent money to bankers, they would lend it in turn to businesses. Companies would then hire workers, production and consumption would increase, and the depression would end. This theory, known as **trickle-down economics**, held that money poured into the top of the economic pyramid will trickle down to the base.

Although the RFC put the federal government at the center of economic life, it did not work well under Hoover's guidance. The RFC lent out billions, but all too often bankers did not increase their loans to businesses. Additionally, businesses often did not use the loans they received to hire more workers. In the end, the money did not trickle down to the people who needed it the most.

Despite the failings of the RFC, Hoover succeeded with one project that made a difference. During the 1920s, Secretary of Commerce Hoover had called for the construction of a dam on the Colorado River. By the time Hoover became President in 1929, Congress had approved the project as part of a massive public-works program. Workers broke ground on Boulder Dam (later renamed **Hoover Dam**) in 1930. Construction brought much-needed employment to the Southwest during the early 1930s.

 **Checkpoint** What actions did Herbert Hoover take to fight the effects of the depression?

## Americans Protest Hoover's Failures

From the Oval Office, Hoover worked hard to end the depression. But to many out-of-work Americans, the President became a symbol of failure. Some people blamed capitalism, while others questioned the responsiveness of democracy. Many believed the American system was due for an overhaul.

**Some Urge Radical Change** Some Americans thought the answer to the country's problems was the rejection of capitalism and the acceptance of socialism or communism. They argued that capitalism created great inequities of wealth and an unhealthy atmosphere of competition in society. In fact, they saw the depression as a sign that capitalism was about to collapse. Looking at the Soviet Union, they maintained that a state-run economy was the only avenue out of the depression. Even during the worst of the crisis, though, communist calls for revolution proved no match for American dreams of progress, opportunity, and individual freedom.

Fascist appeals from the political right also failed to hold any attraction. Economic troubles in Europe contributed to the rise to power of fascist leaders like Benito Mussolini in Italy and Adolf Hitler in Germany. Despite this political shift abroad, no fascist gained power in the United States. Although some questioned the ability of America's capitalistic and democratic institutions to overcome the crisis, most Americans never lost faith in their country.

**The Bonus Army Marches on Washington** Most Americans did not want a revolution, but many did desire substantial changes. In 1932, one such group arrived in Washington, D.C., demanding a solution to their particular problem. From across the country came World War I veterans seeking the bonus Congress had promised them. They became known as the **Bonus Army**. In 1924, Congress had passed the Adjusted Compensation Act, which provided for a lump-sum payment to the veterans in 1945. But in 1931, many veteran groups began to call for an early payment of the bonus, arguing that out-of-work vets needed the money to support themselves. The House of Representatives agreed and passed a bill to provide early payment of the bonuses. However, the bill was defeated in the Senate.

▼ The Bonus Army gathers on Capitol Hill.

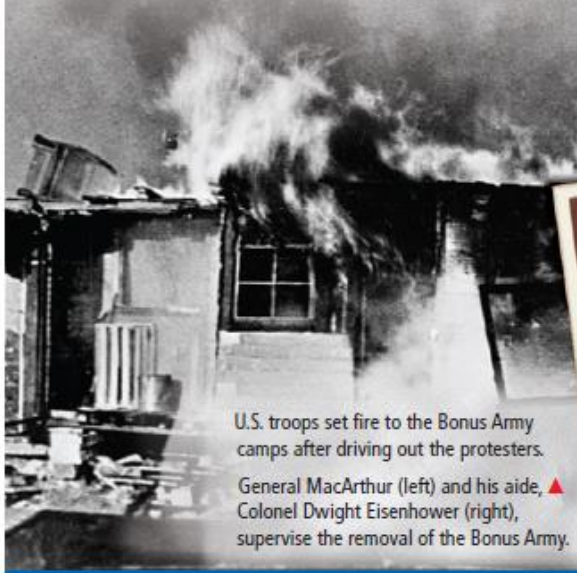


● INFOGRAPHIC

## THE BONUS ARMY

During the economic boom of the 1920s, Congress promised a bonus to World War I veterans to be paid out in 1945. In the summer of 1932, as the nation struggled in the grasp of the Depression, the "Bonus Expeditionary Force" of veterans converged on Washington, D.C., seeking immediate payment. When the Senate rejected their demands, President Hoover called upon the army to keep order. General Douglas MacArthur brought in troops to drive the protesters out of the city. Evalyn McLean, a Washington, D.C., resident, remembered the federal action: "I saw in a news reel the tanks, the cavalry, and the gas-bomb throwers running those wretched Americans out of our capital. I was so raging mad . . ." Memories of the event influenced the next presidential election.

Honorary medal given to veterans of World War I ▼



U.S. troops set fire to the Bonus Army camps after driving out the protesters.

General MacArthur (left) and his aide, ▲ Colonel Dwight Eisenhower (right), supervise the removal of the Bonus Army.



### Thinking Critically

- 1. Identify Points of View**  
How might the veterans and regular soldiers have felt about one another during the standoff?
- 2. Make Generalizations**  
Was the Bonus Army justified in its protest? Why or why not?

In protest, veteran groups marched on Washington. In the summer of 1932, almost twenty thousand veterans arrived in the capital, setting up camps and occupying empty government buildings. A riot broke out in July when police tried to evict the marchers from their makeshift settlements.

**Hoover Orders the Bonus Army Out** Although President Hoover sympathized with the marchers, he called for General **Douglas MacArthur** and federal troops to “[s]urround the affected area and clear it without delay.” MacArthur exceeded his order, deciding to move the marchers out of the city altogether. He ordered his troops to ready tear gas and fix bayonets.


The Army force that pushed the marchers out included not only MacArthur but also the future World War II generals Dwight Eisenhower and George Patton. While Eisenhower regretted the use of the Army to solve a political problem, Patton ordered his troops to brandish their sabers in a show of force. Force, perhaps excessive, was exactly what MacArthur used. More than one thousand marchers were tear-gassed, and many were injured, some very badly.

After the removal, MacArthur said that the marchers were a gang of revolutionaries bent on taking over the government:

**Primary Source** “They had come to the conclusion, beyond a shadow of a doubt, that they were about to take over . . . direct control of the government. . . . It is my opinion that had the president let it go on another week the institutions of our government would have been very severely threatened.”

—Douglas MacArthur, 1932

**The Aftermath Dooms Hoover** Hoover had not ordered the use of such force against the veterans. Nevertheless, photographs of American troops marching with fixed bayonets against ragged veterans shocked the nation. Any chance that Hoover had for winning reelection in November ended after the summer of 1932. With unemployment nearing 25 percent, stomachs grumbling from hunger, and the number of homeless people increasing every day, Hoover’s policies had failed completely. Americans were ready for a change.

 **Checkpoint** Why did Hoover order the removal of the Bonus Army from its camps?

## SECTION 3 Assessment

### Progress Monitoring *Online*

For: Self-test with vocabulary practice  
[www.pearsonschool.com/ushist](http://www.pearsonschool.com/ushist)

#### Comprehension

**1. Terms and People** For each of the following terms, write a sentence explaining its significance.

- localism
- RFC
- Hoover Dam
- Bonus Army

**2. NoteTaking** **Reading Skill: Identify Supporting Details** Use your outline to answer the Section Focus Question: Why did Herbert Hoover’s policies fail to solve the country’s economic crisis?

#### Writing About History

**3. Quick Write: Analyze Solutions**

Based on what you have read, list supporting information—such as details, data, and facts—for the following thesis statement of a problem-solution essay: Although President Hoover responded to the developing economic crisis, he ultimately failed to stop it.

#### Critical Thinking

- 4. Recognize Ideologies** How did Hoover’s views on government influence his response to the depression? Give two examples.
- 5. Analyze Evidence** What facts show that Hoover’s policies to reverse the depression failed?
- 6. Recognize Effects** How did MacArthur’s tactics in removing the Bonus Army affect Hoover’s political future?