

**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 cycle.**

**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  
current  
levels**

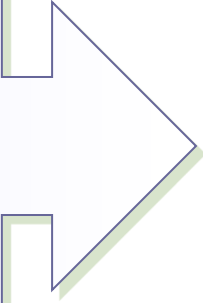
**Called for  
tax cuts,  
lower  
interest  
rates, and  
public  
works**

**Asked  
wealthy 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.**

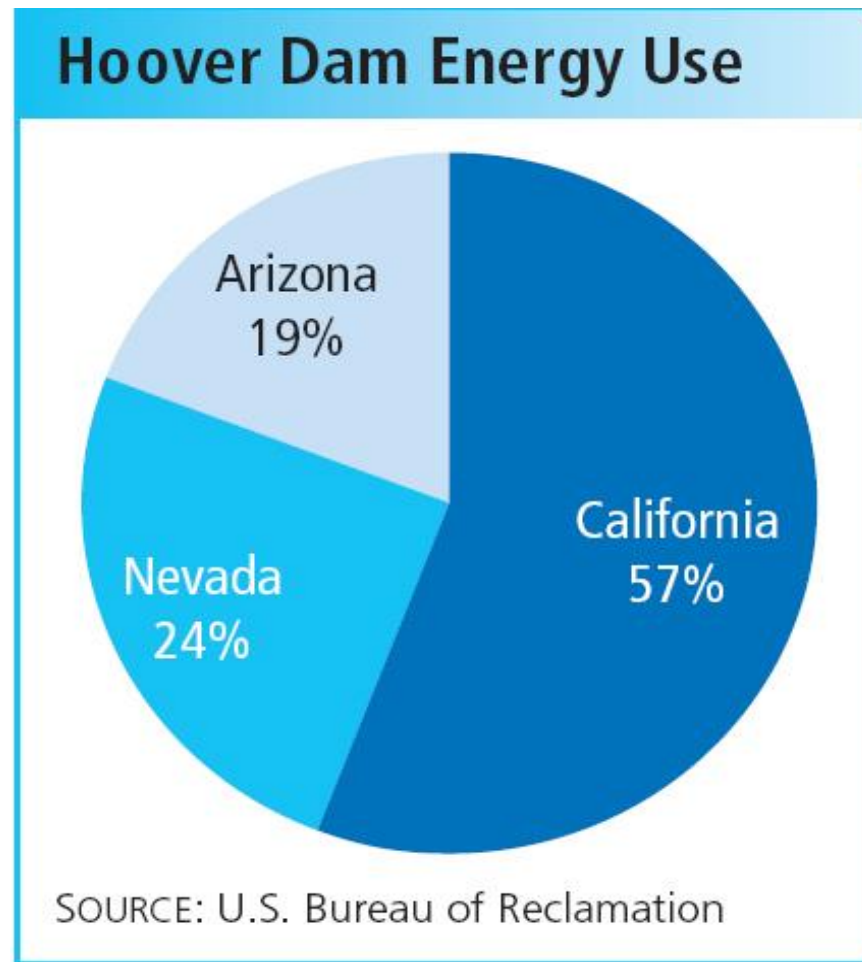
**Hoover did not support direct federal aid to individuals.**

## Boulder Dam

Hoover's Boulder Dam on Colorado River is massive project

— later renamed Hoover Dam

Provides electricity, flood control, water to states on river basin



**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.**

# Gassing the Bonus Army

## The Patman Bill Denied

**Bonus Army—veterans go to D.C. in 1932 to support Patman Bill:  
— want payment of bonus**

**Hoover opposes bill; Senate votes down bill**

**Most veterans leave Washington; about 2,000 stay to speak to Hoover**

## Hoover Disbands the Bonus Army

**Hoover fears violence, calls on U.S. Army to  
disband Bonus Army**

**Infantry tear gas over 1,000 people, including  
children; many injured**

**Public is stunned, outraged by government's  
actions**

