

Ch 22 Section 3 Hoover Struggles with the Depression

Hoover Tries to Reassure the Nation

Hoover's Philosophy

- President **Herbert Hoover** tells Americans economy is sound
- Many experts believe depressions a normal part of business cycle
- Hoover: government should foster cooperation between competing groups
- People should take care of own families, not depend on government
- Hoover 's approach to the Depression economy was based on a belief in voluntary cooperation

Hoover Takes Cautious Steps

- Calls meeting of business, banking, labor leaders to solve problems , asks businesses not to lay off employees
- Creates organization to help private charities raise money for poor

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

Democrats Win in 1930 Congressional Elections

- As economic problems increase, Hoover, Republicans blamed
- Democrats win House; Republican Senate majority down to 1 vote
- Farmers try to create food shortages to raise prices
- Widespread criticism of Hoover: shantytowns called "Hoovervilles"

Hoover Takes Action

Hoover Backs Cooperatives

- Hoover negotiates agreements among private entities
- Backs Federal Farm Board (organization of farm cooperatives)
- buy crops, keep off market until prices rise
- Gets large banks to establish National Credit Corporation

Direct Intervention

- **Federal Home Loan Bank Act** lowers mortgage rates, try to prevent farmers and homeowners from losing their property
- **Reconstruction Finance Corporation**—emergency funds for businesses
- Hoover's measures don't improve economy before presidential election

Gassing the Bonus Army

The Patman Bill Denied

- **Bonus Army**—WWI 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